NH INVESTMENT & SECURITIES

2022 INTEGRATED REPORT





NH INVESTMENT & SECURITIES

ABOUT THIS REPORT

OVERVIEW

NH Investment & Securities (NHIS) had published its Sustainability Report since 2018 on a regular basis, and in 2020 we began to publish an Integrated Report, combining the Annual Report and Sustainability Report. This report gives a detailed description of the major activities and progress we made including the process of creating economic, social, and environmental values.

REPORTING GUIDELINES

This report was created in accordance with the Core Option of the Global Reporting Initiative (GRI) Standards and applied the Ten Principles of the UNGC. In addition, to reflect key issues from industry characteristics, the report complies with the industry standards of the Sustainability Accounting Standard Board (SASB) and disclosure recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). It was created by referencing the IR Framework of the International Integrated Reporting Council (IIRC) in accordance with the Korean International Financial Reporting Standards (KIFRS).

REPORTING PERIOD

This report provides information on NHIS activities and performance from January 1 through December 31, 2021. In case of some major quantitative performance, the report includes three-year data from 2019 to 2021 and performs a time series analysis on the data. In case of key information that could affect stakeholders, the report contains information before 2021 and the first half of 2022.

REPORTING SCOPE

The reporting scope is business sites in Korea including the NHIS head office and branches, and does not include subsidiaries. The scope of the environmental performance specified in this report is limited to the head office, and includes the activities and performance of branches or overseas sites if necessary. The reporting boundary for each important issue was indicated using footnotes.

INDEPENDENT ASSURANCE

This report was assured by the Korea Management Registrar (KMR), a professional independent third-party assurance agency. The assurance was carried out in accordance with AA1000AS (v3 2020) and AA1000AP 2018, which are international assurance standards, to result in increased objectivity and credibility of report content. Detailed results can be found in the "Third-Party Assurance Statement" in the Appendix.

CONTACT INFORMATION

To ensure access to information by stakeholders, this report is posted on the NHIS website and available to be downloaded in PDF format. We collect feedback and comments on this report through various channels including e-mail, regular mail, and phone.

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NH Investment & Securities

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CEO Message

In 2021, NHIS achieved a record-high performance as a result of our continued focus on client value and ability to respond preemptively to market changes, and also thanks to the unwavering trust and support we have received from all our stakeholders.

We will continue to think from the client's perspective and make ESG an inherent part of how we do finance, which will enable us to grow in partnership with all our stakeholders and to open the door to a sustainable future.



To our stakeholders,

I thank you for your continued and unwavering support and encouragement for NH Investment & Securities (NHIS). 2021 was a year of rapid changes and severe challenges in the financial investment industry, including the ongoing COVID pandemic and increased global liquidity. In spite of the turmoil, our business continued to strive for expansion reflecting clients' views and efficient use of our capital. With such efforts, I am pleased to report that NHIS accomplished an excellent performance in all areas of its business by earning pre-tax income exceeding KRW 1 trillion.

This record performance and stable revenues of 2021 were achieved because we were able to respond preemptively to changes in our markets, while remaining focused on client value. Looking ahead, 2022 is expected to be another challenging year for growth, with uncertainties in domestic and overseas financial markets generating increased volatility. However, if we remain unchanging in our focus on clients and strive to become a No.1 Platform Player, leading capital markets in Korea, we will be able to turn those uncertainties into opportunities and a chance to make further advances.

NHIS will always think from the client's perspective and set our ultimate goal to grow in partnership with our clients.

We will always look to the future when servicing the needs of our clients, and will not judge business success or failure based on revenues alone. When we look back, we understand that clients have always been a step ahead. I firmly believe that we can become a true partner and build trust as an expert when we walk alongside our clients and look at the road ahead from their perspective. NHIS is therefore making all of its operations client-centered and allocating limited resources more strategically. We will also refine our products, solutions, and infrastructure, thereby expanding their spectrum. We are placing more emphasis on data-driven analysis rather than previous experience and instinct, while also continuing our efforts to develop the drivers of future growth.

NHIS will diversify our business model to ensure stable revenues.

NHIS is making substantial investments in infrastructure and technological innovation in order to strengthen our digital competitiveness and meet rapidly-changing client needs. We will focus our capabilities on providing comprehensive solutions in our role as a full-service financial partner for our clients. Moreover, we will seek to generate both profitability and stable revenues through diversified trading strategies, advanced risk management, and the supply of distinctive structured products.

NHIS will ensure sustainable growth through ESG management.

As sustainable growth is now vital for any company in enhancing corporate value, such non-financial factors as eco-friendly investments, corporate social responsibility, and corporate governance are coming to the fore. NHIS will therefore continue to advance our ESG management system and promises to fulfill our social responsibilities through the successful execution of the "ESG Transformation 2025" set out by NH Financial Group.

I once again share my infinite gratitude with all of our stakeholders for your support and encouragement throughout last year. Going forward, NHIS will continue to place clients at the center of everything we do, and will strive to prove ourselves worthy of your support. I ask for your ongoing trust and unstinting encouragement throughout the year ahead.

Thank you.

June 2022

Jeong Young-Chae
CEO, NH Investment & Securities

Company Profile

Company Overview

NHIS has been implementing client-centered management, based on which we have has grown into Korea's leading comprehensive financial investment company with overwhelming competitiveness in all business areas.
In the rapidly-changing financial environment, we will continue to grow by offering distinctive services and establishing a comprehensive business portfolio.

AT A GLANCE

Founded

Jan. 1969

No. of employees

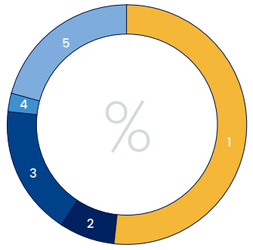
3,064

Shareholders' equity

KRW 6,823.3 billion

(Controlling Shareholders' Equity: KRW 6,818.2 billion)

Shareholders' Ownership Structure



1	NH Financial Group	51.8%
2	National Pension Service	7.4%
3	Foreigners	17.5%
4	Employee Stock Ownership Association Plan	2.5%
5	Others	20.8%

* As of the end of December 2021

Net Income

KRW 931.5 billion

(Controlling Shareholders' Net Income: KRW 931.5 billion)

Pre-tax Income

KRW 1,302.1 billion

ROE[1)]

14.8%

Operating Income

KRW 1,293.9 billion

Domestic Branches (Excluding 3 sub-branches)

72

Overseas-Local Subsidiaries[2)]

7

Overseas Representative Office

1

Credit Ratings

Moody's
Overseas Credit Ratings (Long-term) A3

S&P
Overseas Credit Ratings (Long-term) A-

Domestic Credit Ratings
Korea Investors Service, Korea Ratings, NICE Investors Service AA+

* As of the end of December 2021
[1)] ROE: Controlling shareholders' equity net income / Controlling shareholders' equity in average
[2)] London Subsidiary was incorporated from a Representative Office as of April, 2022 (NH Investment & Securities Europe Ltd.)

MILESTONES

1969–2000

Jan. 1969
- Established Hanbo Securities

Jul. 1975
- Merged with Sengbo Securities, changed the name to Daebo Securities

Nov. 1983
- Merged with Lucky Securities, changed the name to Lucky Securities

Mar. 1995
- Changed the name to LG Securities

Oct. 1999
- Merged with LG Merchant Bank, changed the name to LG Investment & Securities

2001–2015

Dec. 2004
- Change in largest shareholder (LG Group → Woori Financial Group)

Apr. 2005
- Merged with Woori Securities, changed the name to Woori Investment & Securities

Jun. 2014
- Change in largest shareholder (Woori Financial Group → NH Financial Group)

Dec. 2014
- Merged with NH Securities, launched NH Investment & Securities

Jan. 2015
- Issued new shares of NH Investment & Securities

Apr. 2015
- Declared NH Investment & Securities Vision

May 2015
- Completed IT integration between Woori I&S

2016

Jan. 2016
- Launched "QV," a multifaceted wealth management service

Apr. 2016
- Completed integration of HR systems and labor unions

Jul. 2016
- Acquired 10% stake of K-bank, an online bank
- Launched an industry-first hedge fund in Korea (NH Absolute Return 1)

Aug. 2016
- Certified for Consumer Centered Management (CCM) for the first time in the industry

2017

Aug. 2017
- Named Good Securities Firm by Consumers (Korea Finance Consumer Federation)
- Launched lifetime free trading offer for NAMUH – mobile-based wealth management brand for the first time in the industry
- Acquired an accreditation for real estate investment consulting

Nov. 2017
- Named Mega-sized IB

2018

Jan. 2018
- Acquired 100% stake of Vietnamese subsidiary

May 2018
- FSC granted NHIS a license to run a short-term financing business including the issuance of promissory notes

Jul. 2018
- Commenced issuing promissory notes
- Selected as an exclusive manager for the National Housing Fund by the Ministry of Land, Infrastructure and Transport

2019

May 2019
- Declared NHIS' brand vision "Investment Culture Creator"

Oct. 2019
- Published an ESG Report for the first time in the industry

Nov. 2019
- Ranked first in KCSI Survey – Securities Category

Dec. 2019
- Established NH Hedge Asset Management – a hedge fund management subsidiary

2020–2021

Feb. 2020
- Signed an MOU for digital innovation and AI application with Kakao Enterprise

Apr. 2020
- Established UX Design Lab Center with KAIST

May 2020
- Opened "Culture Salon," a multi-cultural space with brand vision

Jul. 2020
- Signed an MOU the joint R&D on the use of MyData with Graduate School of Data Science, Seoul National University

Aug. 2020
- Introduced Kakao Pay Certification
- Opened "Smart Store" to promote sustainable growth of agricultural community income

Oct. 2020
- Launched PB Service for high net-worth clients (over KRW 3 billion)

Dec. 2020
- Launched Open Banking Service

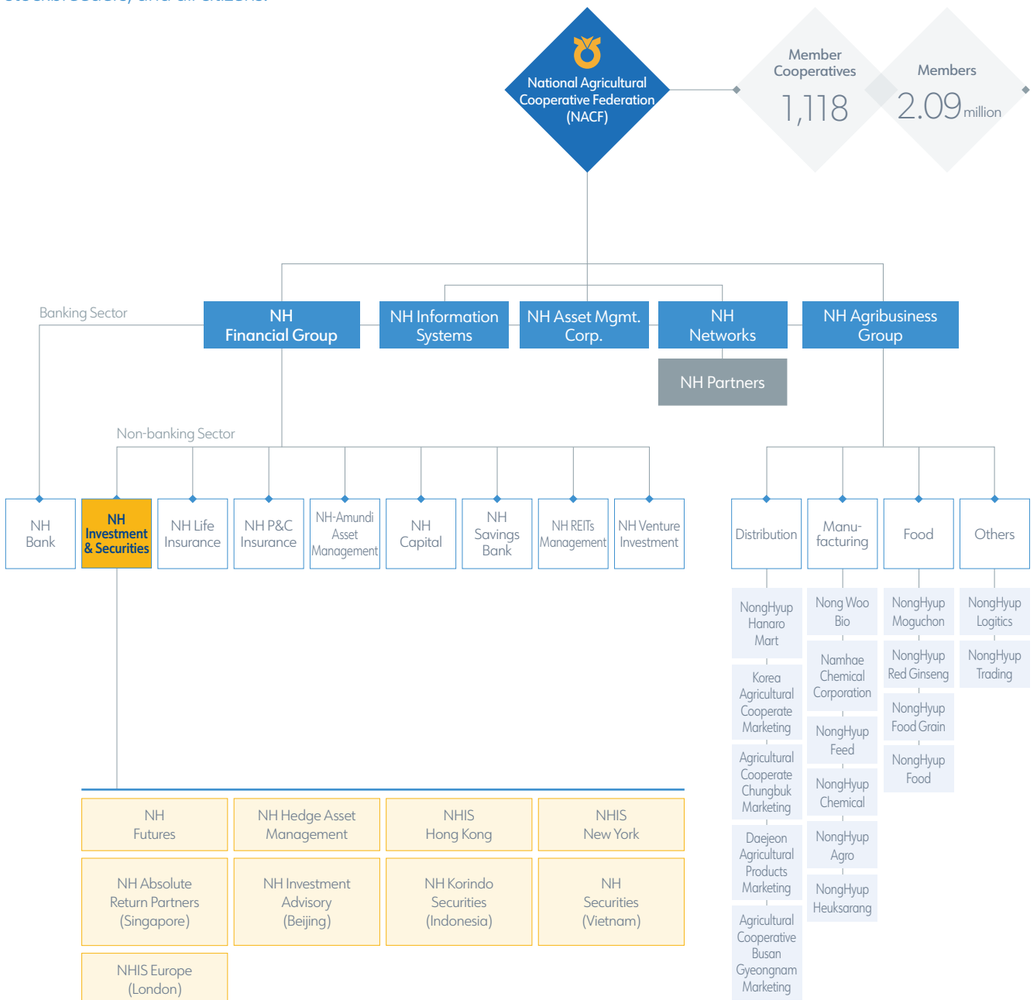
Mar. 2021
- Opened the "NH Super Stock market", a pop-up store for clients in their 20s and 30s

Nov. 2021
- Signed an MOU with Timo, the largest Internet bank platform in Vietnam

Dec. 2021
- Received the Presidential Award at the Korea Digital Management Innovation Awards
- Annual operating income surpassed KRW 1 trillion

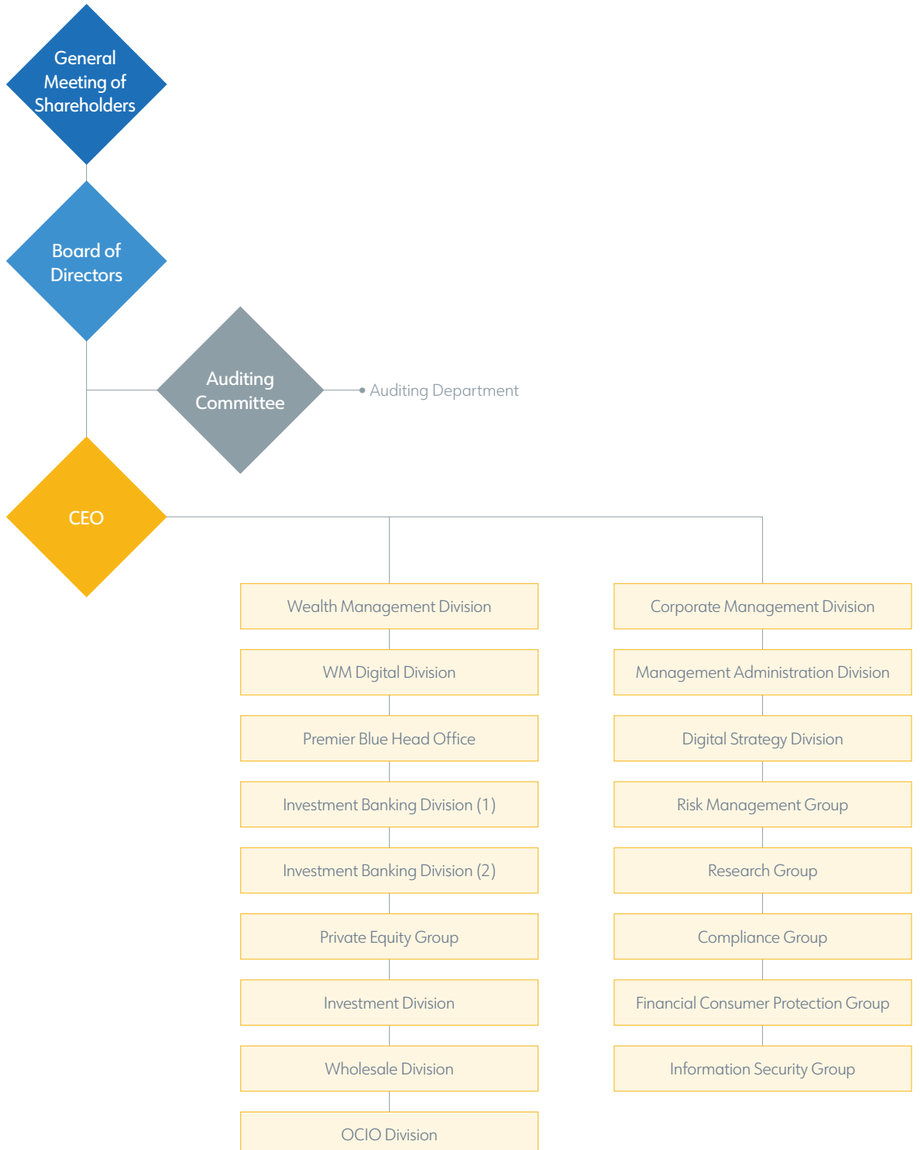
NH Financial Group and NH Agribusiness Group

In March 2012, the National Agricultural Cooperative Federation (NACF) reorganized its business structure by separating the credit and economic sectors and creating the subsidiaries NH Financial Group and NH Agribusiness Group. NH Financial Group is performing central roles in the Group's development into "Asia's leading global cooperative financial group", while NH Agribusiness Group, with the largest network in Korea and expertise, is creating new value by establishing a production-distribution-sales environment that brings happiness to farmers, stockbreeders, and all citizens.



* As of the end of April 2022

NHIS Organization

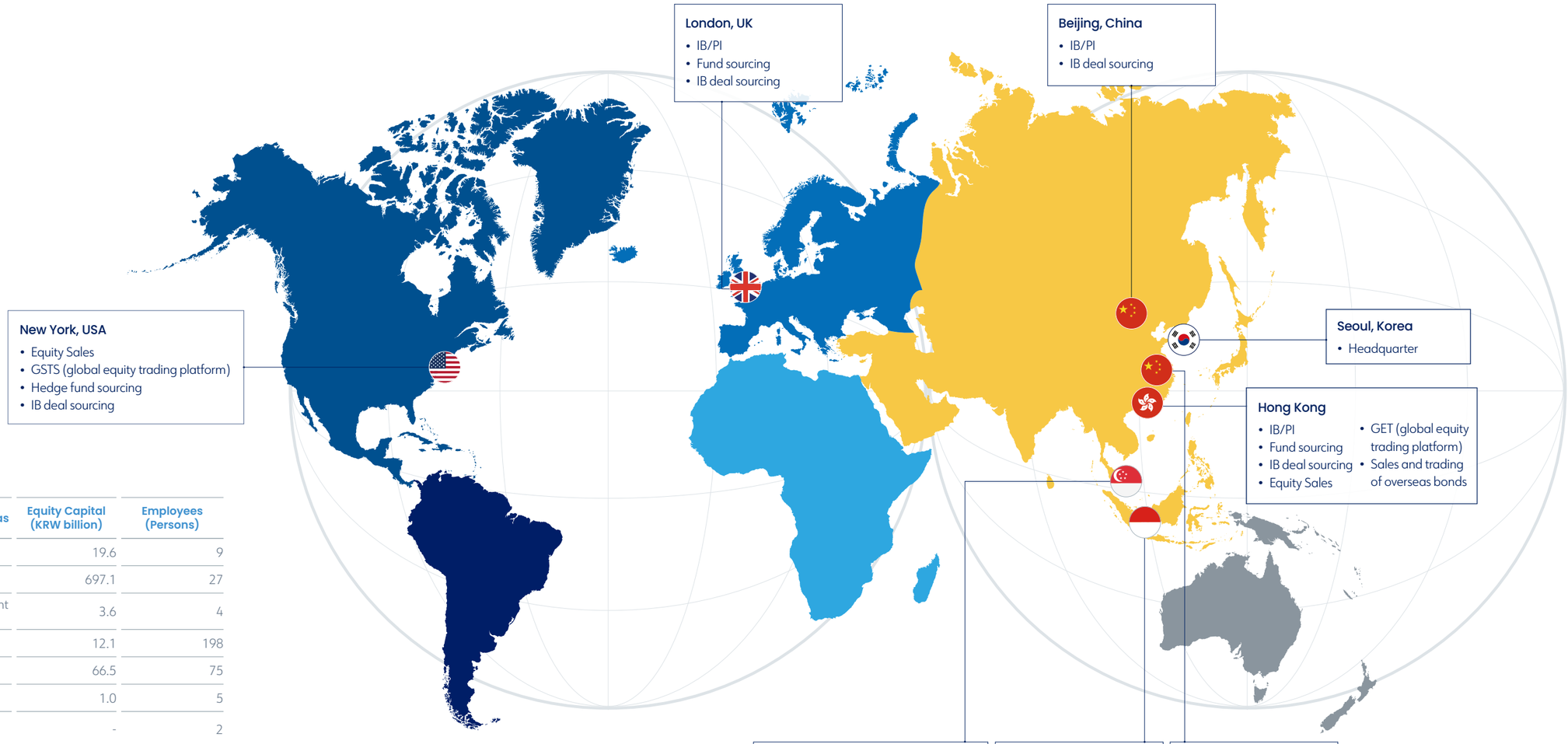


* As of the end of December 2021

Global Network

NHIS has a total eight overseas hubs. We are expanding our global network to satisfy clients' overseas investment needs, while also strengthening our product discovery and investment capabilities. In addition, we are leading business expansion in emerging countries to develop new growth drivers. Our Hong Kong subsidiary is a key hub and engages in the IB, brokerage, sales & trading business. Our New York subsidiary performs roles as the company-wide overseas stock-trading platform, and discovers major IB deals.

NHIS hubs in emerging countries in Southeast Asia, such as Vietnam and Indonesia, are strengthening their influence in local markets through local business activities. We will strive to become a global business platform that clients look to first by continually expanding our overseas network and strengthening capabilities in providing financial solutions.



Global Network Profile

Region/Country	Established	Key Business Areas	Equity Capital (KRW billion)	Employees (Persons)
New York (USA)	1992	Local Subsidiary	19.6	9
Hong Kong	1994	Local Subsidiary	697.1	27
Singapore	2008	Asset Management Company	3.6	4
Jakarta (Indonesia)	2009	Local Subsidiary	12.1	198
Hanoi (Vietnam)	2009	Local Subsidiary	66.5	75
Beijing (China)	2011	Local Subsidiary	1.0	5
Shanghai (China)	1996	Representative Office	-	2
London (UK)[1)]	2016	Representative Office	-	3

* As of the end of December 2021

[1)] London Subsidiary was incorporated from a Representative Office as of April. 2022 (NH Investment & Securities Europe Ltd.)

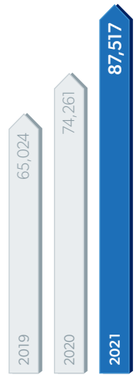
Business Overview

Wealth Management (WM)

Wealth Management Division

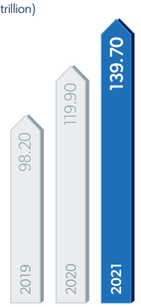


No. of HNW* Clients
(Unit: Persons)



* Client with KRW 100 million or more, Wealth Management Division count

Total Client Assets of Wealth Management Division*
(Unit: KRW trillion)



* Excluding the WM Digital Division and Premier Blue Head Office

In the rapidly-changing market environment, the Wealth Management Division is transforming from a simple "broker" to offer financial products to an "advisor" that provides optimal client-tailored financial solutions as a consultant that helps increase client satisfaction as a way to meet diversified client needs.

The Division is striving to enhance client value throughout the process ranging from making preparations to meet clients to identifying client needs, providing optimal solutions, and offering follow-up management services. In addition, it presents a direction for asset management of our clients as a partner based on long-term relationship.

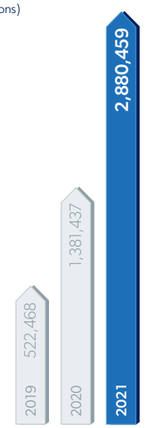
Implementation Direction

The Wealth Management Division has established a system that can frequently reflect client opinions through client satisfaction surveys, in addition to providing bespoke financial solutions, and seeks to establish a client-centered environment by using its distinctive WM platform service and tool. It will diversify its portfolio for each of retail, corporate, and pension businesses in line with client needs by improving the quality of advisors' services, and use the Smart Teller Machine (STM) to realize new service models that combine offline channels and digital technologies. By enhancing client-centered platform service value, the Division will complete a retail platform that gives client satisfaction over the long term and make utmost efforts to enhance market competitiveness.

WM Digital Division



No. of Digital Clients (Cumulative)
(Unit: Persons)



New Non-face-to-face Clients
(Unit: Million persons)

1.73

Ranked first in the industry at a mobile usability evaluation conducted by the Korea Consumer Agency in 2021

Industry's No. 1

Received the Financial Supervisory Service Governor Award of the MTS Innovation Awards at the 2021 Asia Business Daily Asia Smart Finance Awards

The WM Digital Division consists of the "NAMUH Group" that establishes and executes brand strategies for NAMUH client, and builds and operates services exclusively for digital clients; and the "Platform Transformation Group" that provides tailored services for each client based on mobile and other platforms.

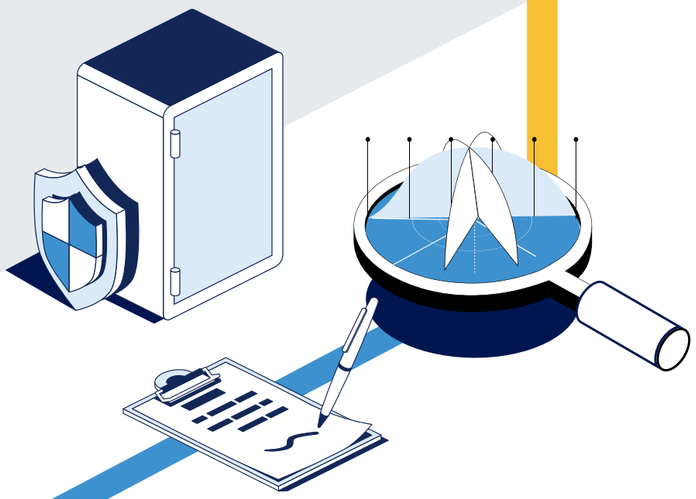
In 2021, the WM Digital Division expanded its digital client base by strengthening connected marketing through Kakao Bank and other platform alliances, and developed unrivaled digital application competitiveness by realizing user-friendly UI/UX and strengthening big data analysis-based client content. In addition, it expanded new services to provide distinctive client experiences, including NAMUH Members, Metaverse service, and MyData service.

Implementation Direction

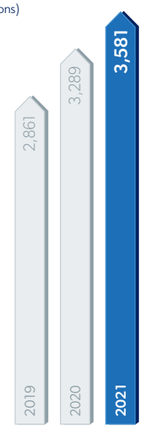
The WM Digital Division recognizes the importance of re-establishment of brand identity and rebranding to take preemptive responses to the increasing influence of Millennials and Generation Z. To this end, it will make focused efforts to enhance the value of the NAMUH brand and to expand the client experience by diversifying platform usability.

The Division will extend its market dominance in the investment category for Millennials and Generation Z by diversifying stock-trading client base and increasing platform usability. It will also expand services to attract new clients, all in efforts to enhance its platform value. In addition, the Division plans to expand overseas stock availability, and launch social media/community-based killer services. It will also engage in internal and external collaboration to expand our pension and corporate client base. The WM Digital Division will provide hyper-personalized solutions by using AI technologies and big data and reform our mobile platform to be more client-oriented, thereby maximizing market competitiveness.

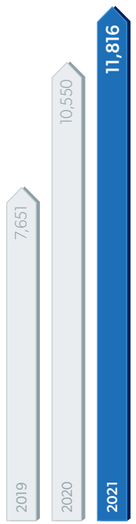
Premier Blue Head Office



No. of Clients with
KRW 3 Billion or More
(Unit: Persons)



No. of Clients with
KRW 1 Billion or More
(Unit: Persons)



The Premier Blue Head Office is specialized in UHNW clients' wealth management. We provide a Family Office service, our top-tier wealth management service, to clients with deposited assets of KRW 10 billion or more. Clients who subscribe to the service are provided with UHNW investment trend materials, bespoke wealth management services, and specialized consultant services for multifaceted challenges by high-stake financial decisions, and are invited to private events that are held by the Head Office.

In 2021, the Premier Blue Head Office launched the Premier Blue Family Office service for clients with deposited assets of KRW 10 billion or more that provides a hyper-personalized financial solution towards diverse challenges that clients come across, ranging from wealth management to corporate growth, asset succession, value realization, and to full establishment of a family name. To establish a PB business base and service platform, the Office built a service system that supports brand image strengthening, sales support, facilitation of IB business liaison, and advancement of consulting.

Implementation Direction

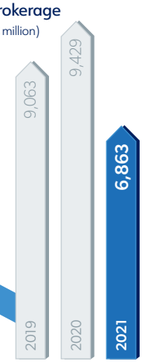
The Premier Blue Head Office will focus on advancing its sales support infrastructure that serves high net-worth clients and the HNW-centered business foundation, while also seeking to realize a virtuous HNW business cycle model in the long term. It plans to increase the supply of IB specialized products exclusively offered by the Premier Blue Head Office, aimed at meeting the needs of HNW clients with KRW 3 billion or more. Based on the its accumulated overseas bond know-how, the Office will expand HNW clients' bond investment experience to strengthen our position as a strong player of overseas bond products and services. In addition, it will build a complete sales support platform by partnering with experts in special fields, such as asset allocation, IB advisory, establishment of a foundation, overseas real estate dealing, and international inheritance.

The Premier Blue Head Office will establish a systematic support for its Family Office Service, and continue to put effort to expand alliances and collaboration with external professional organizations to meet the diverse needs of HNW clients. In addition, it will carry out brand marketing activities to enhance the market competitiveness of Premier Blue – HNW brand of NHIS.

Investment Investment Division



The Size of Overseas
Bond Brokerage
(Unit: USD million)



Amount of
ELS issued in 2021

KRW
5,555.4 billion

Amount of
DLS issued in 2021

KRW 763 billion

Chosen as
"Best PD*1)
in the first half and
second half of 2021

1) PD: Primary Dealer

The Investment Division features NHIS' outstanding sales and trading capabilities. We strive to generate profits efficiently by promptly responding to market volatility by sales, investing, and trading of equity, bonds, FICC derivative products, and more.

In 2021, the Investment Division achieved an outstanding performance despite an unfriendly market environment, including interest rate increases global-wide and weak exchange rates in emerging countries due to the strong dollar. We especially generated a record-high revenue in mezzanine and unlisted stock investments. After the launch of the Division, we boldly readjusted resources by reducing Risk Weighted Assets (RWA) and increasing personnel efficiency. It reshaped sectors dealing derivative products and fixed income (FI) trading into a professional trading structure that considers the trading objective and asset to build a marketable asset-centered organization. It also preemptively reduced the ELS self-hedged portion and diversified underlying assets. As for the PI (Principal Investment) Department, the Division has established a virtuous cycle in which ROI is utilized to expand new investments in sectors with growth potential, thereby strengthening PI investment competitiveness, such as accumulating investment experiences and expanding its network.

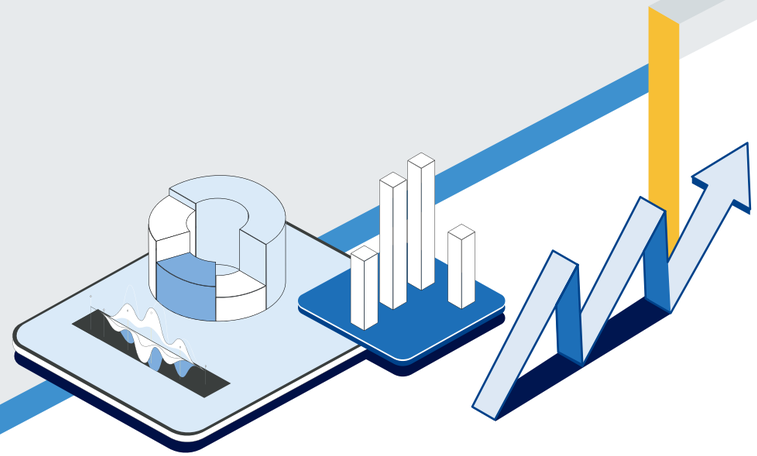
Implementation Direction

The Investment Division expects further expansion of volatility in domestic and overseas markets, and plans to establish a systematic bond trading process that is based on research and trading expertise, while enhancing trading returns and stability by expanding the client product supply and sales function and increasing PI sector investments.

The Division plans to establish an integrated trading system for KRW- and foreign currency-denominated bonds in response to greater synchronization of global financial markets to secure our sales and trading competitiveness, while fully launching the derivative products based business by strengthening the supply-function of diverse products and concentrating sales capabilities. In addition, the Division strives to expand Principle Investment by enhancing investment limit. The Division will also strengthen its overseas bond trading capabilities by increasing professionals to expand geographical coverage of overseas investments and product diversification. Recently, traditional asset market such as stock and bond has been more volatile than ever and regulations and monitoring have become stricter toward real estate and alternative investment products. Against this backdrop, the Investment Division will build a foundation for stable revenue generation by reinforcing our research on the global market and tightly monitor liquidity changes.

Investment Banking

Investment Banking Division (1)



IB League Table Share

Rights issues underwriting
19.30%

IPO underwriting
12.40%

Domestic bond (excluding ABS, FB) underwriting
14.60%

ESG-eligible corporate bond underwriting in 2021

KRW
2,825.5 billion

No. 1 lead manager of specialized credit bonds in 2021

NO.1

Collaborated with Hong Kong subsidiary to arrange 4 deals worth KRW 628.5 billion

4 deals

Investment Banking Division (1) provides total investment banking (IB) solutions, ranging from traditional IB revenue sources, such as debt capital market (DCM) and equity capital market (ECM), to corporate advisory services and acquisition financing businesses. It upholds its position as a leader in the Korean capital market with its IB expertise and robust client network.

In 2021, the Division upheld its lead manager and acquisition financing market share to top-tier, and contributed to the spread of ESG finance by actively underwriting ESG bonds. It also led initial public offering of such blue-chip companies as KRAFTON, SK bioscience, and SD BIOSENSOR as a lead manager. In particular, the Division strives to facilitate special purpose acquisition company (SPAC) as a way to discover promising unlisted companies and enable their financing through stock market-listing. In addition, it became the first in the securities and KOSDAQ markets to list a large SPAC and made other such achievements.

Implementation Direction

Investment Banking Division (1) maintains an unrivaled position in the traditional IB sector, and it seeks to establish an IB business platform that leads corporate growth. It will perform roles as a financial partner that provides comprehensive IB solutions ranging from financing in the early stage of corporate growth to M&A advisory. As the pace of industrial structure reorganization has been accelerated, equity-driven financing, principal investment (PI), and the M&A market are forecast to become vitalized. Based on the distinctive advisory skills of Relationship Managers (RMs), the Division will offer complex pre-sales services and create advisory related new business opportunities. It will also strengthen its market leadership in the acquisition financing by expanding private coverage and enhancing overseas deal sourcing capabilities. Furthermore, quality deals that the Division underwrites will be supplied internally and to pan-NongHyup financial affiliates to provide many quality investment opportunities and contribute to revenue.

Going forward, the Division will strive to expand its private equity fund (PEF) business foundation and develop competitiveness in the new technology financial investment market. It will raise NHIS' awareness in the venture capital (VC) market by strengthening capabilities in discovering PEF deal opportunities, establishing new blind-pool funds, and managing deals as a General Partner. In addition, it will enhance profitability by expanding PEF investment and pre-IPO deal, utilizing the Business Development Company (BDC) to expand management and investment.

Investment Banking Division (2)



REITs Participation in 2021

KRW 339.4 billion
Multi-sector asset investment (D&D Platform REITs)

KRW 145.3 billion
Investment in a logistics center in the US (Mirae Asset Global REIT)

KRW 140.5 billion
CorePlus & Multi-sector asset investment (NH All-One REIT)

The Investment Banking Division (2) has established itself as the No. 1 player in the global-wide alternative investment asset market based on its outstanding alternative asset sourcing capabilities. It is continually diversifying products by discovering overseas alternative investment areas that are preferred by institutional investors, including data and logistics centers and public private partnership (PPP) infrastructure deals.

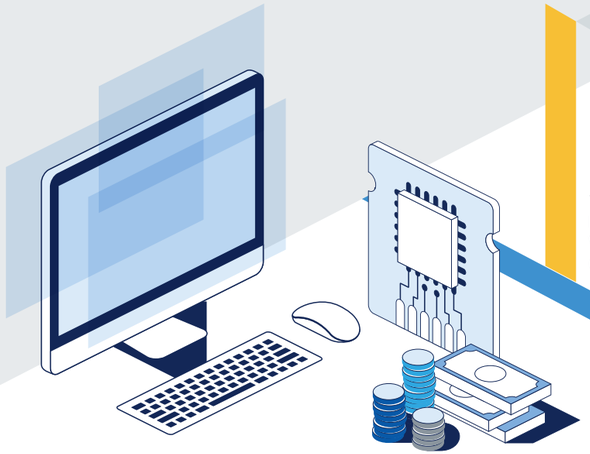
In 2021, Investment Banking Division (2) handled real estate deals in several areas, including development of the Knowledge Industry Center in Cheongna, Incheon, and launched a new REITs product through the listing of D&D Platform REIT. Despite a sharp drop in number of new deals in the overseas infrastructure market amid the continued COVID-19 pandemic, it established strategic cooperative relations with major overseas asset managers and moved forward with diversification of overseas deal sourcing channels. As a result, the Division was able to expand the alternative investment business scope to include diverse assets, such as real estate, power plants, and social overhead capital (SOC), mainly in the US and Europe. It also successfully managed global infrastructure deals and thereby enhanced the reputation of NHIS and NH Financial Group, including the ZALANDO logistics center project in the Netherlands, senior loan for a waste treatment company in Australia, senior investment in the North East Link road PPP in Australia, and PPP portfolio underwriting for a UK hospital.

Implementation Direction

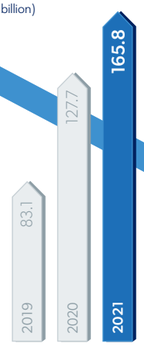
The Investment Banking Division (2) is building foundations to establish a platform that will provide comprehensive solutions in all areas of the real estate development business. It will offer total financial services in every step of the alternative investment deal, ranging from the early phase of deal sourcing to sell down, and will make utmost efforts to develop distinctive competitiveness that earns client trust. It plans to strengthen its deal execution capabilities by increasing deal participation opportunities at home and abroad and quality asset-securing opportunities through the establishment of a network by segmenting client groups and advancing management. It will also respond to varied investor demand changes by using various investment vehicles, such as blind-pool funds and REITs, and diversify product groups by implementing such strategies as seizing new business execution opportunities. In addition, it will implement asset allocation strategies by setting a target ROI and investment proportion per asset group, and enhance its investment capabilities by diversifying investment strategies.

The Division is determined to establish a quality portfolio and company-wide product supply connection measures. It will also build a unified deal information management system, based on IB deal master, and thus develop financial competitiveness in all areas of the real estate business, including project financing and hard asset acquisition.

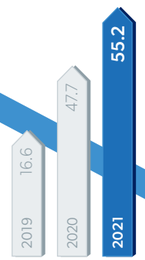
Wholesale Wholesale Division



Net Income of the Wholesale Division
(Unit: KRW billion)



Net Income of the Passive Solution Group
(Unit: KRW billion)



Market share of brokerage for domestic institutions: No. 1 in the industry

ETF LP (trade amount/income): No. 1 in the industry

AUM of hedge funds: No. 1 in the industry

No.1

Chosen as the first-class securities firm in domestic stock trading by the National Pension Service

1 First-class

The Wholesale Division provides various services in all areas of equity, including ETF LP, stock exchange market maker, prime brokerage service (PBS), and securities lending and borrowing business, in addition to traditional stock brokerage for institutional investors in Korea and overseas. As a financial partner of institutional clients, it is making utmost efforts to provide new solutions and strengthen sales capabilities to meet the needs of various institutional clients.

In 2021, the Wholesale Division built an optimal trade environment in terms of order speed and stability by continually advancing the infrastructure, and substantially contributed to financial performance by expanding new revenue sources, such as bank trust and stock exchange market maker. In addition, it strengthened synergies among diverse clients and services within the Division, including private placement·public offerings management companies, domestic stocks·overseas stocks, and overseas institutions. It formed a synergy meeting group, mainly consisting of a working-level manager by business, and enhanced efficiency through collaborative sales and resource-sharing. As a result, the Wholesale Division ranked No. 1 in domestic institution market share, No. 1 in ETF LP, and No. 1 in hedge fund AUM.

Implementation Direction

The Wholesale Division is focusing on securing a new business line, strengthening global capabilities, and creating synergies with the goal of developing the industry's top-level brokerage platform competitiveness, and is planning to enter the direct custody business as a new business. It strives to strengthen itself as a professional organization and focuses on stable infrastructure and sales activities, as a way to make the business for the Division's major revenue source. It also expects that an entry into the direct-access brokerage business will bring positive effects toward PBS business, in addition to direct-access brokerage related revenue. In addition, the Division is making preparations to establish a bank retirement pension ETF system and launch new services, such as Eurex-KOSPI Night-time Futures Trading and online brokerage of overseas derivative products.

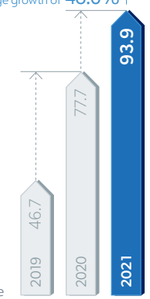
To strengthen global capabilities, it will expand its coverage in Asia and Europe through local partners and also increase the LP capabilities in ETF with overseas underlying assets. It plans to directly enter overseas stock exchanges as a liquidity provider (LP) as a mid-to long-term goal. Through close cooperation within the Division, NHIS will enhance its competitiveness in the growing business of overseas stock trading and also increase channels in securities lending and borrowing business to raise competitiveness. NHIS is determined to bolster its competitiveness not only as an industry leader in the existing wholesale business but also in the newly growing part of business.

OCIO OCIO Division



Financial Product Balance of Institutional Clients
(Unit: KRW trillion)

Annual average growth of 46.0%



* Based on the year-end balance

Trust balance

KRW 44.1 trillion
(14% ↑ year-on-year)

Annual sales commission from trust product

KRW 37.6 billion
(34% ↑ year-on-year)

Wrap balance

KRW 15.3 trillion
(21% ↑ year-on-year)

Annual fee income from wrap product

KRW 18.2 billion
(32% ↑ year-on-year)

The OCIO Division provides outsourced chief investment officer (OCIO) solutions, financial product solutions, and trust and wrap product-driven solutions that meet the needs of diverse clients, ranging from large financial institutions to small & mid cap institutions and individuals. There is autonomous demand to outsource investment management to an outside party, owing to financial market instability and limitations in understanding and managing diverse financial products. Against this backdrop, NHIS pioneered to create the OCIO Division and is reinforcing company-wide capabilities on developing distinctive competitiveness from management firms that are occupying the OCIO market.

In 2021, the OCIO Division successfully won four bids, receiving recognition for company-wide research capabilities, and recorded the largest market share among asset management companies and securities firms. It carried out continuous and systematic marketing activities towards new institutions, in addition to participating in bidding. It became the industry's first to provide in-company training courses aimed at fostering OCIO business-specialized experts and created a pool of around 150 internal experts. In any cases of unsuccessful bidding, it thoroughly analyzed internal and external weaknesses and strived to establish strategies to enhance competitiveness.

Implementation Direction

The OCIO Division seeks to provide dynamic value based on NHIS' key competitiveness, and build synergies through all divisions. It also seeks to create new growth opportunities of NHIS by developing the industry's top-level OCIO business competitiveness. To this end, it will build an OCIO service system that can provide clients with strategic and bespoke solutions through tailored management that reflects investment fund's goals and needs.

In particular, NHIS was successfully re-chosen as OCIO MOLIT housing fund priority negotiator for the third time by advancing its management capabilities and infrastructure, such as establishing a direct ETF investment process. Going forward, the OCIO Division will provide more optimal solutions that satisfy the needs of small & mid cap institutions which have differentiated OCIO needs from public institution funds, and thus develop into a strong OCIO platform player. Moreover, it will seize opportunities through which it provides presentations and seminars aimed at expanding sales of trust products to meet retail clients' wealth management needs, and improving branch PBs' utilization of trust products as their investment tool. The Division will also improve functions of its financial solutions, thereby advancing its retail business and enhancing product capabilities in trust and wrap.

NHIS Value Chain

CAPITAL INPUT

FINANCIAL CAPITAL

Financial capital of stakeholders as a foundation of business activities

- Total assets: KRW 58,542.0 billion
- Shareholders' equity: KRW 6,823.3 billion
  * Controlling shareholders' equity: KRW 6,818.2 billion

HUMAN CAPITAL

Agents working together to drive sustainable growth

- No. of employees: 3,064
- No. of new hires: 78

INTELLECTUAL CAPITAL

Technologies and ideas for the advancement of financial products and services

- Investment in digital innovation: KRW 11.46 billion
- External collaboration to enhance digital capabilities (industry-academia partnership, MOU): 3

SOCIAL CAPITAL

Mutual growth with local communities and partner companies

- Participants in social contribution activities: 4,992
- No. of farms subject to crowdfunding: 24
- Crowdfunding: 6,495 cases
- Partner companies for mutual growth: 35*
  * Based on registered companies

NATURAL CAPITAL

Finance to ensure environmental sustainability

- Became the first financial investment company to issue KRW-denominated ESG bond
- Established the ESG Committee
- Expanded ESG investment

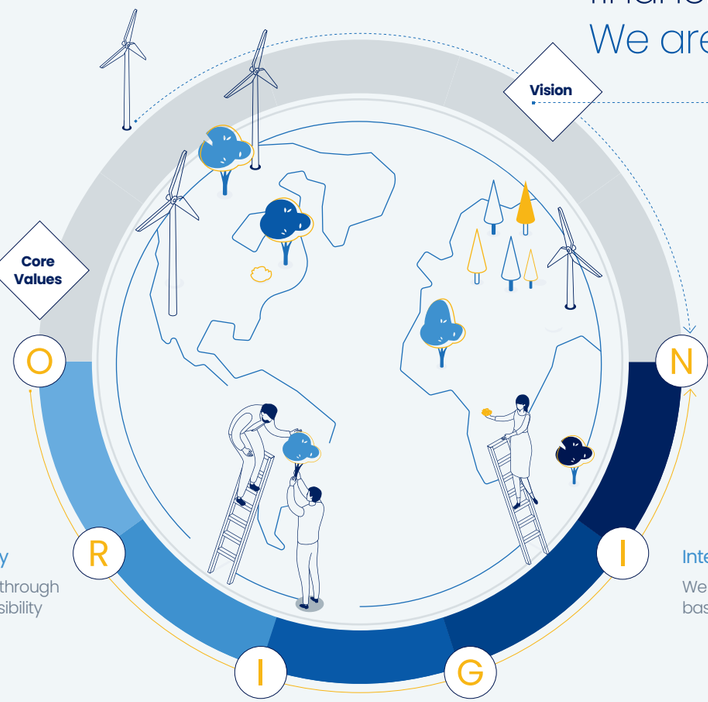
MANUFACTURED CAPITAL

Value creation through global network

- 72 domestic branches (3 sub-branches)
- 7 overseas-local subsidiaries**
  (1 overseas representative office)

Global Network Profile

Beyond the First
Korea's leading financial company,
We are NHIS



Orientation
Our clients' interests always come first

Networks
We work together to generate synergy

Responsibility
We build trust through strong responsibility

Intelligence
We provide financial solutions based on superior expertise

Innovation
We innovate through creative thinking

Global
We create opportunities through global perspective

CAPITAL OUTPUT

FINANCIAL CAPITAL

Financial capital of stakeholders as a foundation of business activities

- Net income: KRW 931.5 billion
- Dividend: KRW 331.9 billion
- Corporate tax: KRW 370.6 billion
- Interest paid to clients: KRW 229.5 billion

* Controlling shareholders' net income: KRW 931.5 billion

HUMAN CAPITAL

Agents working together to drive sustainable growth

- Average training hours per employee: 69.5 hours
- Percentage of women workforce: 41.9%

INTELLECTUAL CAPITAL

Technologies and ideas for the advancement of financial products and services

- New services based on bid data, AI, and metaverse: 5
- New non-face-to-face clients: 1.73 million persons

SOCIAL CAPITAL

Mutual growth with local communities and partner companies

- Social contribution expenses: KRW 10.08 billion
- Support for Angel Fund: KRW 220 million
- No. of towns subject to "Building Community Town" Project: 31
- Crowdfunding raised for supporting small-to medium farms: KRW 208 million
- Economic value distributed to registered partners in 2021 (contract amount): KRW 5.47 billion

NATURAL CAPITAL

Finance to ensure environmental sustainability

- 2021 goal for ESG investment: KRW 185 billion
  ESG investment made in 2021: KRW 597.4 billion

MANUFACTURED CAPITAL

Value creation through global network

- Increased capital: KRW 5.8 trillion in 2020 → KRW 6.8 trillion in 2021

* As of the end of December 2021
** London Subsidiary was incorporated from a Representative Office as of April. 2022 (NH Investment & Securities Europe Ltd.)

KEY HIGHLIGHTS



NHIS is leading a new paradigm in the capital market by making such efforts as seizing new business opportunities that integrate ESG into finance, while proactively responding to global ESG trends.

ESG Integration at NHIS

We seek to become a sustainable finance platform that leads to a better tomorrow by enhancing client value and promoting social values through sustainable growth. We will adopt green management strategies that are better attuned to carbon neutrality and realign our socially responsible management with local community and stakeholder interests. In addition, we will actively take the lead in protecting shareholder rights by way of making our operations more transparent. As a member of pan-NongHyup Group, we will explore ways to achieve win-win growth with agriculture and farming villages and develop into an ESG-conscious company that contributes to society.

ESG Vision & Strategic Direction

MISSION

Enhance client value and create social value through sustainable growth centered around environment and society

NHIS, a sustainable finance platform that paves the way towards a better tomorrow

GOAL

Advance green management strategies to achieve carbon neutrality

- Establish and operate an environmental management system
- Establish carbon neutrality strategies
- Expand ESG-based businesses

Strengthen socially responsible management based on trust from clients and society

- Contribute to building a sustainable local community
- Achieve stakeholder-centered joint growth
- Strengthen human rights management that respects diversity

Operate transparent governance for sustainable growth

- Strengthen ESG information disclosure
- Take timely responses to initiatives and external evaluations
- Protect shareholder rights and improve BOD operations

EMPOWERING
INVESTMENT CULTURE

Investment, Becomes a Culture

In 2019, NHIS declared a new brand vision, "Investment, Becomes a Culture", as a way to renew our commitment to client value as well as to improve how we respond to market changes. Accordingly, we have since been increasing client contact points and offering distinctive services so that they can approach investment as culture as the new brand vision implies.

In June 2019, we ran the "Restaurant of the Season", a pop-up gourmet restaurant as a medium through which clients can experience the NHIS brand through enjoyment of healthy dish made only of in-season ingredients at an interior setting of unique design motif. In 2020, to communicate our brand vision, we opened a "Culture Salon" offering classes three to four times a week on wine, meditation, photography, and other subjects that interest young clients. In March 2021, we held an "NH Super Stock Market" event catering to a COVID-19 pandemic-induced growing interest among clients in the stock market. Each of NH Super Stock Market visitor was given a mobile phone pre-installed with an investment simulation application and thus enabled visitors to experience the joy of trading domestic and overseas stocks with virtual seed money as if shopping stocks from a supermarket. Encouraged by a huge success of the event, in August 2021 we launched "Investment to Culture", the industry's first brand digital platform to provide Millennials and Generation Z with investment content in a way they find as familiar as a computer game. To further facilitate client communications going forward, we are planning on introducing various client-driven events.





Culture Salon (2020)



NH Super Stock Market (2021)



Restaurant of the Season (2019)



First

Operating income surpassed KRW 1 trillion for the first time since the company's founding

14.8%

ROE improved by 4.5%p year-on-year to record 14.8%

Overseas Credit Ratings

A3 Moody's

A- S&P

(Top-tier rating among securities firms in Korea)

Domestic Credit Ratings

AA+

Korea Investors Service, Korea Ratings, NICE Investors Service

* As of the end of December 2021, and based on consolidated financial statements

EMPOWERING
GREEN IMPACT





Leading the Green Impact Finance

NHIS has achieved many "firsts" with the development of the Korean capital market. As the roles of finance gain attention with ESG management fast becoming a major global topic, NHIS is making great strides in ESG management, setting many "firsts" in the area of ESG investment as well.

In February 2021, NHIS successfully issued a KRW-denominated ESG bond, an industry first, and the raised fund of KRW 110 billion was invested in eco-friendly and social value creation projects. In July, we exclusively arranged the Korea District Heating Corporation's ESG bond issue, the first of its kind by a government-owned enterprise. We also invested KRW 100 billion in the Parc.1 project in Yeouido to receive a green building certification. By publishing a Carbon Disclosure Project (CDP) report every year, we take part in international efforts to counter climate change. In 2019, in collaboration with NH-Amundi Asset Management, we purchased a 50% stake in Överturingen Wind Farm in Sweden, the largest of its kind in Europe. Riding the winds of ESG management, NHIS presents green impact finance, a new paradigm for investment.

First

Became the first financial investment company in Korea to successfully issue a KRW-denominated ESG bond

KRW 1 trillion +

Implementing a plan to invest KRW 1 trillion in low-carbon green industry by 2025

A

Achieved an overall ESG grade of A from the Korea Corporate Governance Service (KCGS)

Environmental (A), Social (A+), Governance (A)

* As of the end of December 2021

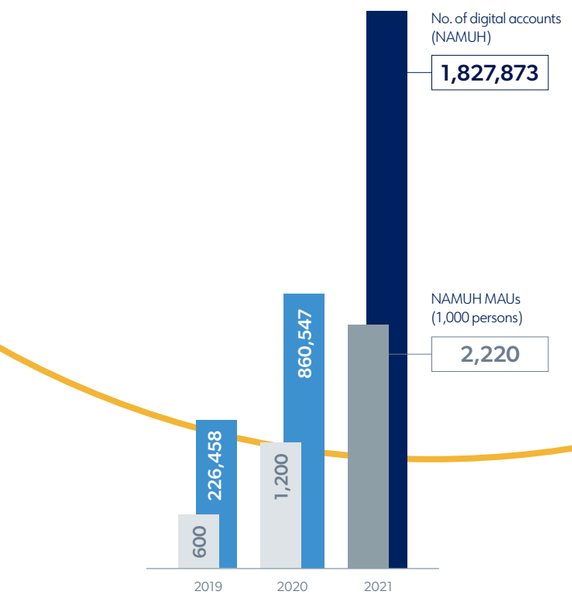
SCALING
DIGITAL INNOVATION

Investment, Going Digital

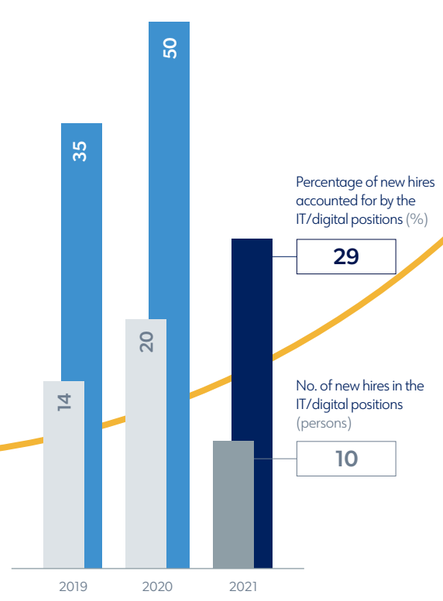
The world has undergone three industrial revolutions, each characterized by the steam engine, electricity, and the Internet, respectively. And today, we are entering the Fourth Industrial Revolution led by artificial intelligence (AI), big data, and numerous other cutting-edge technologies. As digital transformation sweeps through the global economy, every component is metamorphosing at a rapid pace, including finance.

To proactively respond to such seismic shift, NHIS in 2018 created a Chief Digital Officer (CDO), another industry first, tasked with strengthening digital competitiveness. "NAMUH", a mobile trading system (MTS), is fast-growing into a competitive online trading platform on the back of "NAMUH Members", a subscription-based investment content service launched in November 2021, as well as the emergence of metaverse applications. In particular, monthly active users (MAUs) of NAMUH reached 2.3 million; NAMUH Members, launched based on an analysis of some 3 million client data and a survey of over1,000 Millennials and Generation Z clients, successfully won more than 25,000 subscribers' sign-ups in three days of operation. Going forward, we will continue to reinforce our distinctive growth by offering services clients want and building platforms that meet clients' use.

DIGITAL PERFORMANCE



DIGITAL WORKFORCE





First

Became the industry's first to open a subscription-based membership service and metaverse platform

112.4%

Recorded 1.83 million digital accounts, a year-on-year increase of 112.4%

No. 1

NAMUH ranked the first in a consumer satisfaction survey conducted by the Korea Consumer Agency in 2021

* As of the end of December 2021

SCALING
SOCIAL IMPACT



Agricultural Impact Finance, Going Far and Wide

Agricultural industry is the foundation stone of modern civilization, and the happiness of farmers is a top-priority value at NongHyup Group. As a member of pan-NongHyup Group, NHIS drives diverse social contribution activities to rediscover the importance of agriculture and to help farmers enjoy happier, more affluent lives.

In 2021, we published "Korea Rural Economic Report" to illuminate on the value of farming villages to society. Celebrating the National Agricultural Cooperative Federation's 60th anniversary, we produced "Wise Agricultural Investment Life", a video highlighting the investment qualities of the agricultural industry. Our community service is also focused on farm support, including a variety of programs for minor local communities and "Building Community Town" project, through which we give a practical helping hand to farming villages. In 2021, we extended the reach of our community support programs to overseas, and supported farmers in Sri Lanka in collaboration with World Vision, an international relief development non-governmental organization (NGO). As part of our support for Sri Lanka, we donate a portion of overseas stock trading earnings to World Vision Korea, which then provides technical and financial support to agricultural cooperatives in the island nation. Conducting ESG management with a particular focus on raison d'etre of NongHyup, agricultural village support, and the expertise of NHIS, financial services, w e continue to further increase our positive impact on our society.



First

Published the first "Korea Rural Economic Report"

31

No. of towns benefitted from the Building Community Town project

KRW 10.08 billion

Social contribution expenses increased by 84% year-on-year

* As of the end of December 2021

GUIDED
BY GOOD GOVERNANCE

Both “green impact finance” and “agricultural impact finance” we pursue to spread farther and further with greater impact when supported by a strong ESG governance. For this reason, we have built a distinctive ESG management system and practice ESG management in all our operations. In 2021, we created an “ESG Department”, an ESG-dedicated unit tasked with managing implementation of ESG measures and evaluating results. In October 2021, we established a “Sustainability Council” consisting of executives. The council deliberates and decides on ESG plans and sets the direction for ESG management to follow. In March 2022, we launched an “ESG Committee” under the BOD, installing an ESG execution driver at the governance level, thereby completing the steps for systematic execution of ESG management. We will continue to pursue sustainable growth by identifying new opportunities from a business perspective and connecting ESG factors to business operations through internalization of ESG management.

Operation Status of the Sustainability Council

Agenda submitted for discussion in 2021	Agenda submitted for discussion in 2022
1. Reporting on the ESG execution status in 2021	1. Reporting on moving forward with ISO 14001 certification
2. Approval of a (draft) ESG implementation plan for 2022	2. Reporting on the creation of the ESG Committee
3. Approval of a (planned) appointment of an outside member	3. Reporting on ESG pivoting activities





TOWARDS THE ESG LEADERSHIP

Established in 1969, NHIS has been growing together with the development of the nation's capital market and has solidified our status as a leading comprehensive financial investment company in Korea. We have been upholding the unchanging value that clients are the center of finance, based on which we continue to grow by building a comprehensive portfolio and providing distinctive client value.

Today, riding the ESG wave, a global trend and social demand, we are solidifying our ESG leadership by focusing its capabilities on client value enhancement and social value creation that consider ESG, aiming to become a sustainable financial platform for a better tomorrow.



ENVIRONMENTAL PART

Living in an era where global cooperation is required to resolve the climate crisis, humankind's common task, NHIS is focusing on advancing its green management strategies to achieve carbon neutrality as Korea's leading comprehensive financial investment company and global corporate citizen. In addition, we are enhancing corporate value and building trust with our stakeholders by systematically managing environmental information and transparently disclosing the information.



Environmental Management System

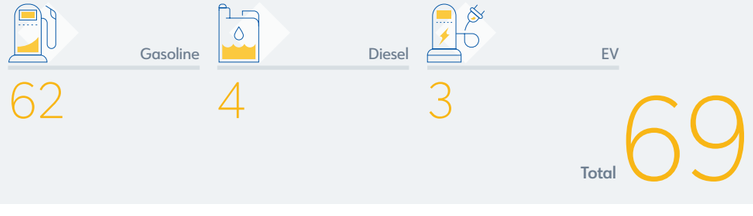
Foundation for Environmental Management

NHIS is expanding eco-friendly activities in its overall work environment. We are systematically managing major environmental data, including greenhouse gas (GHG), wastes, and energy consumption, through a GHG management system (ECO-partners.co.kr). In addition, we disclose carbon information every year transparently through Carbon Disclosure Project (CDP) reporting.

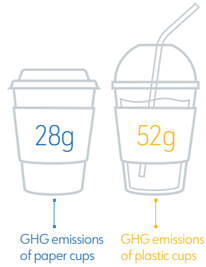
Eco-friendly Work Environment

NHIS implements eco-friendly management by placing priority on high-efficiency and eco-friendly products when purchasing products. Also, for electric equipment purchases and rentals, we buy products of eco-friendly green companies first, in addition to promoting efficiency in electric power use by regularly conducting electricity safety inspections. In 2021, three out of 69 fleet vehicles were electric vehicles (EVs).

Fleet Vehicles as of 2021



Water Reclamation and Reuse System The Parc.1 building, where NHIS headquarters is located, has a water reclamation and reuse system – a facility that treats used tap water so that it is reused as domestic water and industrial water. Rainwater and used tap water is stored and used as heavy water, including landscape water and washroom wash water, in the building, after which it goes through in-house treatment for reuse.



Tumbler Washer NHIS is moving forward with adopting Klean Genie tumbler washers to fully establish an eco-friendly corporate culture by encouraging employees to use tumblers, thereby contributing to reducing GHG emissions. If an employee uses one less paper cup a day for a year, 6,720 grams of GHG emissions are reduced, based on the measurement method of 28 grams x 20 days (monthly average working days) x 12 months, which is the amount of CO_2 that one 30 years old pine tree absorbs. The washer indicates the number of times it was used, based on which the amount of GHG reduction can be measured, being expected to encourage all employees to participate in environmental protection.

Environmental Performance

Energy Consumption

Category	Counting Scope	2019	2020	2021
LNG (1,000m^3)	HQ	33.2	31.0	152.6
Diesel (Liter)	HQ	215.0	220.0	-
Electricity (kWh)	HQ	6,389,736.0	6,371,014.0	4,762,825.0
Steam (Gcal)	HQ	739.2	680.3	596.4
Vehicle				
Gasoline, Diesel (L)	HQ	175,142.6	189,327.7	179,008.5
Electricity (kWh)	HQ	-	-	136.4

GHG Emissions (Unit: tCO_2eq)

Category	Counting Scope	2019	2020	2021
Direct GHG emissions (Scope 1)	HQ	463.5	489.0	731.4
Indirect GHG emissions (Scope 2)	HQ	3,044.7	3,025.9	2,278.0
Other indirect GHG emissions (Scope 3)		1,381.6	485.0	301.0
Water	HQ	12.9	12.0	11.3
Paper	All (HQ, Branch)	109.1	94.2	86.3
Bankbook	Branch	0.4	0.5	0.5
Card	Branch	0.2	0.2	0.3
Business trip	HQ	1,259.0	378.1	202.6
Total GHG emissions (Scope 1+2+3)		4,889.8	3,999.9	3,310.4

Water & Raw Materials

Category	Counting Scope	2019	2020	2021
Water consumption (m^3)	HQ	39,002.0	36,148.0	47,706.0
Paper consumption (Tons)	All (HQ, Branch)	97.4	84.1	77.1

Waste Disposal (Unit: Tons)

Category	Counting Scope	2019	2020	2021
General waste	HQ	140	180	679
Specified waste	HQ	71	83	0
Waste recycled	HQ	120	120	80

* GHG emissions are based on ISO14064-1:2018 and GHG Protocol:2004
* Due to the HQ move in 2021, the 2021 data is based on the rental area at the HQ building

Development of Eco-friendly Products and Services

Digital Counters

NHIS adopted digital counters to reduce paper use and distributed tablet PCs at the company level, so that employees use digital devices during consultation. Internally, we use the electronic reporting system to spread a culture of environmental protection. In addition, we make continued efforts to avoid unnecessary paper use when providing services, such as providing financial product information via text messages or email.

Implementation of Net Zero Finance

Coal-Free Finance

Various industries are establishing measures against the climate crisis, and the financial industry is also publicly announcing its determination with a sense of responsibility by making climate change-related declarations and establishing policies. In February 2021, NH Financial Group declared its commitment to coal-free finance, taking an active lead in sustainable net-zero growth, through which the Group will preemptively respond to the environmental crisis and offer eco-friendly financial services.

NHIS also does not participate in new project financing for construction of domestic and overseas coal power plants and prohibits the underwriting of new bonds that are issued by a special purpose company (SPC) for the construction of coal power plants in Korea and abroad. As a top-tier player in the capital market, we actively support the transition of coal power plants to new and renewable energy companies.

ESG Investment Status and Future Plans

In February 2021, NHIS became the first in the securities industry to successfully issue KRW-denominated ESG bond worth KRW 110 billion. The funds were used to make investments in green business and social value creation. We are actively looking into issuing foreign currency ESG bonds in 2022. In addition to issuing ESG bonds, we plan to increase investments in ESG financial products, including investments in new and renewable energy as well as eco-friendly technologies.

ESG Investment (Unit: KRW billion)

Investment Area	Goal for 2021	2021 Performance	Achievement Rate
PF investment for new and renewable energy	100.0	150.9	151%
Green New Deal PEF fund investment	15.0	15.0	100%
ESG fund sales	30.0	121.5	405%
ESG bond/fund investment	40.0	310.0	775%
Total	185.0	597.4	323%

Investment Area	Goal for 2021	Goal for 2022[1)]	Achievement Rate
PF investment for new and renewable energy	100.0	195.0	195%
Green New Deal PEF fund investment	15.0	45.0	300%
ESG fund sales	30.0	90.0	300%
ESG bond/fund investment	40.0	150.0	375%
Total	185.0	480.0	259%

[1)] Goal for 2022 was set in consideration of one-off amounts in 2021

SOCIAL PART

NHIS is well aware that the foundation that enables a company's sustainable growth is trust with various stakeholders, including clients, partner companies, and local communities, which is why we are strengthening socially responsible management. In addition, we are building a corporate culture in which employees' human rights and diversity are respected, thereby increasing trust and understanding among employees.



Contribution to Local Communities

Employee Participation in Social Contributions

NHIS promotes joint growth through continued exchange and cooperation with local communities. In particular, as a member of the NongHyup Group, we are carrying out unique community activities that contribute to the happiness and development of farmers and agriculture, which is a major key industry of the nation, based on the value of win-win and collaboration.

Social Contribution Group To promote systematic social contribution activities, NHIS established the Social Contribution Group under direct control of the CEO and has been conducting sharing culture activities since the second half of 2011. There are 38 in-house volunteer groups in the Social Contribution Group. Donations that are voluntarily made by employees are matched by the company to make donations to the socially underprivileged, and information on various social contribution activities is disclosed on the website. We provide a community space on our website where employees share their individual social contribution activities as part of efforts to spread the culture of sharing. Although there were difficulties in carrying out social contribution activities that are participated in by all employees due to the prolonged COVID-19, a total of 4,992 employees took part in social contribution activities for 24,974 hours in 2021. We will continue to expand social contribution activities based on systematic plans.

Social Contribution Activities

Category		2019	2020	2021
Social contribution expenses	Donation (KRW 100 million)	59	52	100
	Fund (KRW 100 million)	1.4	2.9	0.8
No. of participants[1)] (Persons)		5,820	5,610	4,992
Hours of participation[1)] (Hours)		31,291	27,881	24,974

[1)] Accumulated

Building Community Town NHIS runs "Building Community Town" project to offer effective support, such as supporting local projects of towns and farmers markets, in addition to providing a helping hand to farming communities. Although it was difficult to directly visit farming communities due to COVID-19 in 2021, we still made visits, with our number of visits going down 15% from the previous year to record 33 visits and the number of participating employees totaling 437. We will continue to fulfill social responsibilities and engage in activities of sharing based on close ties with local communities.

Building Community Town Project

Category	2019	2020	2021
No. of villages	32	30	31
No. of volunteer activities	67	39	33[1)]
No. of participants (Accumulated)	1,661	1,807	437[1)]
Participation rate (%)	55	60	15

[1)] The number of participants and face-to-face volunteer activities were reduced due to COVID-19

Supporting Small and Medium-Sized Farms NHIS is striving to nurture small and medium-sized farms in partnership with the Startup Farm Support Center and Nongwoo Bio. We are going beyond the sales support for farm products, and we share information on the present state of rural communities and the stories of farmers as they challenge themselves to overcome difficulties, thereby contributing to increased farm income. Amid diversification of the distribution network, we are encouraging farmers to leverage several online distribution networks, such as crowdfunding and smart stores, for them to more effectively open up markets. This year marks the sixth consecutive year of crowdfunding. We also choose outstanding farms in consideration of the funding amount, annual product supply capacity, and farmers' cooperation and provide support. We are striving to continually increase the number of supported farms, beginning with 24 farms in 2017, and we recorded an achievement rate of 743% in 2021. The four chosen farms opened the Naver Smart Store to build a stable sales channel, which served as a foundation for the farms to develop autonomy. We will provide support so that farms can establish a platform where consumers can purchase large amounts of quality farm products and expand the program to cover many farms.

Crowdfunding to Support Small and Medium-Sized Farms

Category	2019	2020	2021
No. of farms supported	22	24	24
No. of funding projects	5,106	5,570	6,495
Target (KRW million)	44.5	43.5	28.0
Fund raised (KRW million)	182.7	223.0	208.0
Achievement rate (%)	411	513	743

Smart Stores Support for Small and Medium-Sized Farms

Category	2020	2021
No. of farms supported	4	4
Target (KRW million)	11.0	4.0
Fund raised (KRW million)	62.6	17.3
Achievement rate (%)	570	433

Angel Fund Launched in 2005, the "Angel Fund" is NHIS' leading social contribution program that supports the socially underprivileged and children together with NGOs. Employees voluntarily donate a portion of their salaries every month to raise sponsorship funds, which are used for programs that they designate from among diverse support programs. NHIS also adds a certain amount to the employees' sponsorship funds, which are delivered to the underprivileged, children, and health support programs in areas with poor medical services.

Organizations Sponsored by Angel Fund (Unit: KRW million)

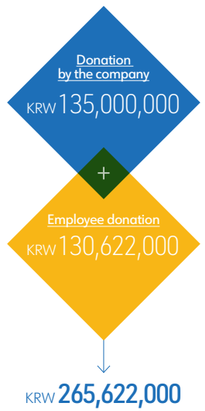
Organizations	Remarks	Amount
Miral Welfare Foundation	Support for underfed children	60.0
Korea Pediatric Cancer Foundation	Medical expenses and financial support for children with cancerous diseases	50.0
Wonju Medical Cooperative Association	Health check-up and education support for rural areas with limited access to medical care	36.4
Total		146.4

Blood Donation NHIS holds the "Love Sharing Blood Donation" event three times a year, participated by all employees, including the CEO. Against the backdrop of a sharp drop in the number of blood donators in Korea in 2021 owing to the spread of COVID-19, NHIS employees voluntarily participated in the blood donation event and strived to help address blood shortage.

Year	1st (Participants)	2nd (Participants)	3rd (Participants)
2019	41	43	63
2020	94	89	63
2021	73	141	111
2022	101	-	-

* The 2nd and 3rd event of the year will be held in 2022

Wildfire Donation for Uljin and Gangwon



Wildfire Donation NHIS employees actively took part in fund-raising to support wildfire relief and recovery efforts in Uljin and Gangwon. Employee donations were collected on two occasions to help farms and contribute to recovery from damages in Uljin and Gangwon, which were designated as special disaster areas affected by wildfire in March 2022. A total of 2,970 employees, 97% of total employees, participated in the fund-raising. The donations will be delivered to the Urban-Rural Cooperation National Movement Headquarter and will be used for recovery from damages in Uljin and Gangwon and support for wildfire victims.

Scholarship Program

NHIS has been supporting youths from low-income families since 2005, and has been placing priority on students in rural areas since 2017. Every year, we choose 40 high-achieving high school students from low-income families who have fallen through the social welfare safety net and provide an annual scholarship of KRW 4 million per person to pay for boarding, special activity fees, and other expenses that are needed for learning. We provide an incentive fund of KRW 2 million when the students successfully enter college so that they could continue their studies. We had offered scholarship to 600 students through 2021. In addition to financial support, NHIS employees served as mentors for the students and formed lasting close relationships, thus providing non-financial support, including advice on school life and employment. We will continue to realize social value by helping youths build a better future.

One Company, One School Financial Education NHIS has been running the "One Company, One School Financial Education" program for elementary and middle school students. In 2021, we provided a class to Wolbae Middle School students on the concept of finance and types of financial products so that the students raise their understanding of finance. We provided education in different classes, taking the COVID-19 situation into consideration, and delivered lecture materials to classes that were not directly provided with lectures so that the respective teachers could provide education using the materials, in our efforts to share financial knowledge with as many students as possible. In addition, we provided a class to Daegok Elementary School students in Seoul on saving and investment. We continue to make efforts to develop financial knowledge of youths.

Inclusive Finance

Responsible Investment

Sales of NHIS "NongSarang" Products

Category	2019	2020	2021
Money trust (KRW trillion)	5.8	4.4	5.1
MMW (Money Market Wrap) account (KRW billion)	748.6	1,115.8	1,155.9
Derivative-linked products (KRW billion)	50.0	197.2	-

* Raised and delivered up to KRW 0.5 billion per year

Retail Sales of ESG-themed Fund (Unit: KRW million)

Category	Sales in 2021
NH-Amundi Century Enterprise Green Korea Securities [Equity]	24,023
Multi Asset Global Clean Energy Securities Feeder Investment Trust [Equity]	23,548
Korea Investment Management Credit Focus ESG Securities Feeder 1 (Bond)	22,962
UBS HANA IPO Stock & Governance Structure Securities Feeder Investment Trust [Bond Balanced]	17,289
MIDAS Responsible Investing Securities (Equity)	10,247
NH-Amundi 100 Years Corporate Green Korea 30 Sec Inv Trust [Bond Balanced]	4,006
Schroder Global Sustainable Growth International Selection Fund (Equity FoF Fund)	1,498

* Indicated only funds with sales of KRW 1 billion or more based on the order amount

Results of Customer Satisfaction Survey

The Korean Customer Satisfaction Index (KCSI) has been organized by Korea Management Association Consulting since 1992 and is a leading customer satisfaction index in Korea that evaluates the level of satisfaction and loyalty of customers who actually used the respective products and services. NHIS ranked first in the securities' category for two years in 2018 and 2019 in the survey.

The National Customer Satisfaction Index (NCSI) was jointly developed by the Korea Productivity Center and University of Michigan and is a national customer satisfaction index that has been measured since 1998. It is a quality index that comprehensively evaluates and reflects the level of satisfaction and loyalty of customers who actually used the products and services. NHIS ranked second in the securities/financial product sales category in the NCSI survey in 2020 and 2021.

2021 Customer Satisfaction Survey Items

Category	Item
Sales staff	(Formation of relationships) Relationship management
	(Employee capability) Expertise, investment need suitability, earnings rate management
	(Loyalty) Intention to continue trading
	(Customer voice) Listens to customer opinions
Service	(Formation of relationships) Kind attitude
	(Employee capability) Explanation skills, promptness, accuracy
	(Voice of customers) Listens to customer opinions

NCSI/KCSI Ranking

Category	2019	2020	2021
KCSI (Securities sector)	1	2	4
NCSI (Financial product sales sector)	1	2	2

Shared Growth

Partnership to Grow Together

Transparent Cooperation NHIS recognizes its partner companies as partners for sustainable growth and strives to engage in transparent cooperation. As of the end of 2021, we are working with 35 registered companies and 308[1] companies, and sign the "Pledge for Anti-Corruption" when entering construction and purchase contracts with registered companies, specifying that the parties will mutually cooperate for a transparent relationship of integrity. When a contract comes to an end, we conduct a survey to check if employees complied with laws and procedures. There was no case of termination of contracts with partner companies due to corruption or violation of laws during the year.

Ethics and Personal Information Protection Training for Partner Companies NHIS sends a Letter from Chief Compliance Officer (CCO) to partner companies once in the first and second half of the year to help partner companies understand NHIS' ethical management program. In addition, by signing the Pledge for Anti-Corruption, we stipulate matters on transparent, fair contracts. We also provide training on personal information protection once a year and use various means to recommend partner companies' participation in ethical management.

[1] Including one-time trade companies

Human Rights Management

Human Rights Policy NHIS makes utmost efforts to protect the human rights of all employees. We respect the human rights of employees throughout the entire human resource management process, ranging from employment to evaluation, compensation, and training, in accordance with laws and guidelines in Korea and overseas, including the Constitution and Labor Standards Act. NHIS' collective agreement complies with all labor principles that are recommended by the International Labor Organization (ILO) and were ratified by the state. The collective agreement is applied to all sites to protect employees. Human rights training is provided to protect human rights and improve awareness, resulting in prevention of relevant issues. We also operate the employee grievance handling system. In the event of workplace bullying and sexual harassment, which are types of human rights violations that may occur in the company, a workplace bullying and sexual harassment handling committee is formed, consisting of an equal number of labor and management, and appropriate measures are taken, such as investigating the facts and protecting victims.

Labor Union

Operation of the Labor Union NHIS respects the labor union's collective bargaining right, and faithfully responds to the labor union's collective bargaining demands and communicates with the labor union. The labor union was first established in 1981 and, as of the end of December 2021, 1,927 employees of NHIS were eligible to join the union and are all members. Matters specified in the collective agreement are identically applied to even employees who are not a labor union member. A collective wage agreement is signed with the labor union every year. Labor and management regularly discuss major pending issues through official and unofficial channels.

Labor Union Membership (Unit: Persons, %)

Category	2019	2020	2021
No. of employees eligible to join the labor union	2,040	1,980	1,927
No. of employees joined the labor union	2,040	1,980	1,927
Membership rate	100	100	100

Grievance Handling System

To handle employee grievances at all times, NHIS operates the "Communication and Empathy" section of our website as a direct communication channel between the CEO and employees. The channel was considerably used in 2021, with a total of 36 opinions and grievances being shared. Using this space, employees share each other's grievances and ask and answer questions. In addition, departments related to the subjects directly post answers as part of efforts to listen attentively to employee grievances and effectively resolve them. Furthermore, employees can freely report their grievances through "HRIS", an in-house HR management system, and receive personal counseling from a grievance-handling employee in the HR Department.

Employee Human Rights Training Program

NHIS regularly provides human rights training to protect employees' human rights at the workplace and to improve awareness pursuant to relevant laws. Human rights training is provided to all employees. In addition to sexual harassment prevention training, we provide training to improve perceptions towards the disabled and training to prevent workplace bullying.

Employee Human Rights Training Program (Unit: Persons)

Category	2019	2020	2021
Sexual harassment prevention training	3,056	3,043	3,191
Banning office bullying	3,045	2,948	3,191
Improving awareness of disabilities	2,990	3,137	3,191

Employee Diversity

Respect for Diversity To establish a workplace where gender equality is realized, NHIS is increasing the ratio of female employees and managers in a phased manner. We are also making continued efforts to expand and fully establish social equity recruitment, including the disabled, veterans, job applicants who graduated from regional schools, and the socially underprivileged. In 2021, women accounted for 41.9% of total employees and 26.1% of total managers. Both figures have been indicating an upward trend in the last three years.

Employee Diversity (Unit: %)

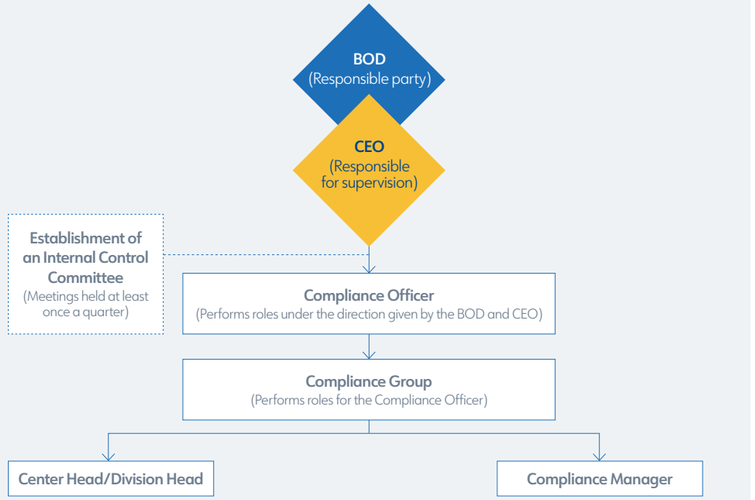
Category			2019	2020	2021
Female leadership	Position	Percentage of women at workforce among total	40.1	40.2	41.9
		Percentage of female managers[1]	22.0	23.7	26.1
	Employment type	Percentage of women among employees with non-permanent positions	27.1	26.8	30.8
		Percentage of women among employees with permanent positions	44.5	45.3	46.6
Other employee diversity figures		Percentage of high school graduates	7.6	7.4	7.8
		Percentage of veterans	3.1	3.1	2.8
		Percentage of the disabled	1.1	1.1	1.1

[1] Managers or above positions

Ethics and Compliance

Transparent Organization Operation

Ethical Management Organization The NHIS Ethical Management Committee is a top decision-making body that was established and is run for the purpose of systematic ethical management. Chaired by the CEO, the Committee consists of executives in charge of the Management Administration Division, the head of the Wealth Management Division, the head of the Corporate Strategy Group, the head of the HR Department, and the Compliance Officer. The Compliance Officer supervises the Compliance Division's support of the Ethical Management Committee. We established the Ethics Management Secretariat under the Committee to support smooth operation. The Secretariat handles diverse tasks for corporate-wide dissemination and practice of ethical management, such as ethical management training, operation of the whistleblowing center, and assessment of the current state.



NHIS Ethics Charter

1. NH Financial Group is a cooperative financial group in charge of financial business for our proud farmers who have been contributing to the development of agriculture and rural communities.
2. Based on such pride and self-esteem, we seek to develop into Asia's leading global cooperative financial group that receives the affection and trust of farmers and clients through ethical management and compliance management.
3. We therefore strive to achieve our mission with a creative mindset and challenging spirit, handle work with integrity based on high ethical values, and endeavor to prevent corruption and establish a clean work atmosphere.
4. We provide farmers and clients with the best products and services, and practice the principle that puts farmers and clients first through their satisfaction and new value creation management.
5. We comply with domestic laws and international regulations, respect the market order of free competition, and establish community relations in which we engage in mutual cooperation with all stakeholders in pursuit of joint prosperity.
6. We respect the personality of our employees and do not discriminate against them. We also promote fair opportunities and fair evaluations, and strive to improve employees' health and quality of life.
7. We take active part in promoting public interest as a part of society, and contribute to development of the nation and society by creating new value.
8. We respect life and take the lead in protecting nature and the environment to make utmost efforts to secure the natural environment for future generations.



Fair Trade At NHIS, all employees observe relevant laws and internal standards when executing all contracts, and promote enhancement of work transparency through reasonable and fair processes. We clarified partner company selection criteria in accordance with rules on contract-related work to ensure transparency in the overall contract process. The electronic bidding system we adopted in 2015 is used to handle the entire process that ranges from bidding to payment. In particular, the purchase of IT assets, sensitive intellectual properties, is made through the "Pan-NongHyup IT Integrated Purchase" system that is operated by the National Agricultural Cooperative Federation. Companies that employ our former employees who retired no more than three years ago are excluded from bidding as part of efforts to comply with fair trade.

Fair Competition NHIS complies with various laws and respects business transaction customs in handling all business and sales activities pursuant to Article 15 (Compliance with Transaction Laws) and Article 16 (Pursuit of Free Competition) of the Code of Ethics. We also contribute to the establishment of a financial and securities market where the order of the market economy is respected and where fair competition takes place based on mutual respect with competitors.

Internal/External Whistleblowing System NHIS has set an internal/external whistleblowing system in place that enables reporting of violations of laws, unfair acts, issues related to risks to the company system, employee accidents, corruption, bribery, and actions that are in violation of our "Employee Code of Conduct". We strictly guarantee anonymity by implementing an anonymous reporting system so that whistleblowers are not disadvantaged in any way. Violations can be reported through various channels, including face-to-face meetings, mail, phone, fax, and website report centers. The Compliance Officer is in charge of operating the internal/external whistleblowing system to ensure fair and independent investigations and prevent the escalation of cases and destruction of evidences by those who committed the violations. Matters related to disciplinary action against violators are sent to the HR Department and the Auditing Department to take strict disciplinary action. In case of an issue with the company's system, we establish company-wide measures, such as improving various regulations, systems, and work processes, to prevent recurrence. We 100% handled, in accordance with internal processes, the 11 reports that were identified as valid reports, from among 34 reports received in 2021 through the whistleblowing system.

Internal and External Reporting Channels (Unit: Cases, %)

Category		2019	2020	2021
Internal	No. of reporting	3	6	6
	No. of handling[1]	1	3	5
	Handling rate (%)	33	50	83
External	No. of reporting	10	15	28
	No. of handling[2]	3	4	5
	Handling rate (%)	33	75	40

[1] No. of cases that are found to be valid so that followed by measures taken against the employee
[2] Reports where investigations have been undertaken, e.g., violation of the Code of Conduct (other reports are classified as complaints)

Violations of the Rules (Unit: Cases)

Category	2019	2020	2021
Related to program trading	1	5	2
Related to conflicts of interest	0	3	1
Related to order record maintenance	5	9	6
Related to unfair trade practices	0	0	1
Violation of financial transactions between employees, etc.	4	1	8
Others	62	14	5

* Based on the "Warning from Compliance Officer" in case of minor violations of company rules

Violations of the Laws

Date		Institutions	Category	Reason for measure	Measures
2019	Jun. 26	Financial Services Commission (FSC)	Sector inspection by FSS (Sep. 2018)	Violation of the fiduciary duty of due care	Fine: KRW 18 million
	Nov. 6	FSC	Comprehensive inspection by FSS (Jun. 2018)	Violation of the prohibition on offering credit to affiliates of comprehensive financial investment business entity	Penalty: KRW 352 million
				Violation of the duty to submit a business report (KRW 4.8 million)	
				Violation of the prohibition on resale of underwritten securities (KRW 90 million)	Fine: KRW 114.8 million
				Violation of the prohibition on investment solicitation for subordinated bonds issued by its own or affiliates (KRW 20 million)	
				Violation of limit on credit granting	Institutional warning
2020	No violations				
2021	Jun. 9	FSC	Voluntary report	Violation of the Foreign Exchange Transactions Act	Fine: KRW 1.39 million

Gift Return Center (Unit: Cases)

Category	2019	2020	2021
No. of gifts returned	3	3	14
No. of gifts donated	0	0	3

Special Internal Whistleblowing Period NHIS runs a regular, special whistleblowing period twice a year to establish a sound organizational culture and improve integrity. In the event of a major social issue, such as a fraudulent act or sexual harassment, we designate a frequent special whistleblowing period. By doing so, we discover factors that trigger corruption in advance and remove unfair work practices to strengthen employee awareness of ethics. In 2021, the special internal whistleblowing periods were organized two times to support ethical practice.

Special Internal Whistleblowing Period (Unit: Times)

Category	2019	2020	2021
Special internal whistleblowing period	3	3	2

Transparent Business Culture

Ethics Training and Activities to Build the Culture of Ethics NHIS provides video training on business ethics and compliance so that its employees can internalize ethics and make ethics a part of their daily lives. The training is provided to all employees every Thursday, consisting of a five-minute video on ethics and compliance and a simple quiz. We also provide business ethics and compliance training on a regular basis (once each in the first and second half of the year) to strengthen employee ethics and enhance their commitment to observing laws. In addition, we are running a wide array of programs, including the "Ethical Management Campaign" and "Online Ethics & Compliance Golden Bell Quiz", as a way to build a culture of ethics.

Ethics Training (Unit: Cases)

Category		2019	2020	2021
Regular ethics & compliance training	All CMs and team leaders	2	1	2
Training by external instructors	Personnel of relevant divisions	2	0	0
Occasional training	New employees, upon request, etc.	27	20	32

* Including group training only, and excluding video lectures on business ethics for all employees (40 times a year), anti-money laundering training (once a year), and education on fair trade (once a year)

Ethics and Anti-Corruption Programs Ethics and anti-corruption are more emphasized in the financial and securities industry than any other industry due to industry characteristics. At NHIS, all employees voluntarily submit the "written oath to practice ethics", "written oath on compliance", "written oath to observe employee trading regulations", and "written oath to comply with the Improper Solicitation and Graft Act" every year, making a pledge to strictly observe ethics regulations and contributing to the company's transparent value creation and establishment of a sound business culture. In particular, employees in charge of construction/service/purchase contracts fill out a "written oath on contracts of integrity" every quarter to reinforce their resolve. Furthermore, through the "Integrity Assessment for Executives" that is conducted every year, employees directly evaluate their respective division and group head's sense of ethics to prevent and manage corruption and ethical risks. Every year, all employees conduct a "self-assessment of ethical awareness" and are thus provided with an opportunity to reflect on shortcomings. November 2 of every year was designated as the pan-NongHyup "Day of Ethical Management and Integrity", performing a pivotal role in ruminating over the true meaning of ethical management and strengthening the determination to practice ethical management at the Group level.

Regular reports are made on the operation of programs and results of monitoring anti-corruption, ethical management, and compliance with regulations to the BOD and Internal Control Committee as well as NH Financial Group to strengthen socially responsible management. As a result of all employees' efforts to realize a trusted, transparent company, in 2021 NHIS received the ISO 37001 certification, an international standard for anti-bribery management systems that has companies all across the globe identically specify detailed rules on conduct, including bribery prevention, ethical management, compliance with laws, and leadership.

Trust with Clients

Establishment of a Culture of Financial Consumer Protection The Financial Consumer Protection Act was enforced on March 25, 2021, for the purpose of enhancing consumer rights and interests and increasing citizens' trust in financial companies. In response, we further strengthened our consumer protection system by adopting new systems that strengthen protection of financial consumer rights, such as strengthened compliance with the six principles for the sale of financial products, rights to withdraw subscriptions of financial products, rights to demand termination of unlawful contracts, and rights to demand perusal of materials.

Consumer Damage Compensation Organizations and Procedures NHIS has set a consumer complaint response team in place under the Financial Consumer Protection Division to increase client satisfaction by actively incorporating client opinions and complaints. In principle, the complaints are reviewed to identify any violation of laws and possibilities of compensation for damages and the results are notified within 14 business days. If a case falls under a violation or compensation, we identify required improvements and quickly take measures.

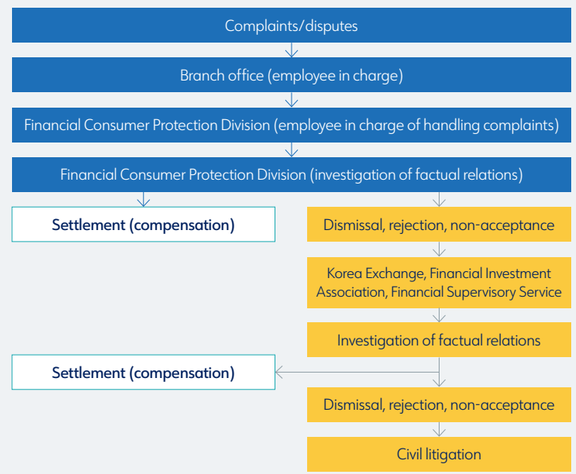
VOC Handling (Unit: Cases, %)

Category	No. of cases submitted	No. of cases resolved	Handling percentage
2019	19,559	19,316	98.75
2020	23,784	23,365	98.23
2021	24,808	24,717	99.63

Financial Cybercrimes and Fraud (Unit: Cases)

Category	No. of cases
2019	0
2020	0
2021	0

Complaint/Dispute Handling Procedure



Risk Management

Risk Management Policy

NHIS prevents uncertain risk factors and effectively manages them, thereby developing drivers for sustainable growth. We manage risks by defining and categorizing them into different types and regularly report the risk management status to top management. To raise employee understanding of the importance of risk management, we provide company-wide risk management training. As a way to respond to market risk, we continually monitor the market and thoroughly analyze detected risks to establish counter strategies. As part of our utmost efforts to minimize credit risk, we apply strict prior/follow-up evaluations to all parties we do business with.

Risk Management Organization

NHIS operates an organization dedicated to overseeing risk management and an independently operated decision-making body to support its systematic risk management.

Category	Organization	Roles
Dedicated risk management organization	Risk Management Group	Under the auspices of the CEO, the CRO (Chief Risk Officer) leads the Group to reinforce the company's risk managing through operation of risk management and supervision department, and credit assessment department.
Decision-Making Body for Risk Management	Risk Management Committee	Under the BOD, the Committee establishes frameworks and strategies as a top decision-making body.
	Risk Management Council	The Council sets and manages risk limits, and makes decisions on transactions associated with credit risks.
	Investment Business Committee	The Committee reviews investments and transactions associated with credit risks.
	Product Approval Committee	The Committee makes an approval for development and sales of financial investment products (including non-complex/complex financial investment products).
	Product Approval Council	The Council deliberates in advance and makes decision on agenda items presented by the Product Approval Committee.

Risks and Opportunities

Increase in Overseas and Alternative Asset Investments Investment demand for overseas and alternative assets has been increasing amid clear growth limitations of traditional investment assets and increased information accessibility. Overseas asset investment products and structured products underlying overseas assets are also on the rise. In response, NHIS is strengthening assessment capabilities, including an increase in professional assessment employees. Based on their expertise, professional assessment employees preemptively strengthen credibility of product structures and thus promote stability of the product earnings structure. In particular, we set an exposure limit by asset type and country to prevent and manage an excessive increase in overseas and alternative assets. We are establishing and operating a system that ensures more efficient management of risks by creating a department that is dedicated to the supervision of alternative assets.

Increased Financial Market Volatility Increased market volatility due to unexpected events may lead to growing risks of a company despite strict risk management. In particular, derivative products are one of the most vulnerable assets when financial market volatility increases since their stable management becomes difficult when major global indexes fluctuate, resulting in the possibility of a liquidity crisis for the entire company. NHIS is therefore preemptively managing the issuance volume according to the market environment through the "ELS·DLS Issuance Council", a specialized risk management organization. In addition, we are building a foundation for controlling losses and risks even in crisis situations by improving the derivative product assessment model.

Increased Real Estate PF Credit Risks The supervisory authorities are tightening real estate market regulations in preparation for the spread of credit risks in the real estate PF market, which is one of the major business areas of securities firms. In consideration of such circumstances, NHIS sets and manages a ceiling on real estate PF business size through discussions with NH Financial Group. In case of overseas alternative assets that may become exposed to foreign exchange and credit risks, we mainly invest in assets in developed countries with low risk levels and make other such efforts to prevent the spread of credit risk.

Means of Risk Management

- **VaR(VaR, Value at Risk)**
  - A measure of the maximum losses for a certain period of time (1 day) within the given level of credibility (99%)
- **Sensitivity analysis**
  - An analysis of changes in value due to changes in market risk factors, such as stock prices, interest rates, exchange rates, and volatility
- **Stress Test**
  - A measure of potential losses in case of exceptional events, such as a market crisis

Financial Risk

Market Risk Market risk is the risk of a reduction in value of investment assets caused by changes in interest rates, stock prices, and foreign exchange rates. When interest rates fluctuate, earnings change mainly for bonds, which are relevant assets. When stock prices fluctuate, earnings change for stocks and relevant derivatives. Exchange rate changes have an overall impact on overseas assets and business.

To control market risks, NHIS uses various risk management methods. We also frequently verify derivative product models that are used for value evaluation and risk measurement to minimize the risk of distortion of profits and losses, as well as risk measurements.

Credit Risk Credit risk refers to the risk of economic loss that is caused by a business counterparty's failure to fulfill repayment and payment obligations. We measure credit risk for all credit risk exposures, including loans, investment securities, and derivatives, and set credit exposure limits for each counterparty, affiliate, and book for concentrated risk management. We have a strict review/approval process based on credit rating assessment, monitor potential insolvency factors, and maintain a series of follow-up management systems to enhance asset quality, including credit reviews.

Liquidity Risk Liquidity risk refers to the risk of a financial obligation issue that results from insufficient asset liquidity. To manage this risk, NHIS sets all assets and liabilities as risk management targets and measures liquidity and interest rate risks by analyzing daily asset, liability, and off-balance sheet engagement positions. In addition, the Treasury Department and Risk Management Department monitor and control liquidity at the company-wide level and also analyze and report crisis situations. We categorize liquidity risk into three levels and established a response system for each level.

Non-financial Risk

Operational Risk Operational risk refers to economic losses that may arise from inappropriate or incorrect internal procedures, personnel, systems, and external events in the course of business operation. This includes losses from incompleteness or error in handling office work and security issues of information systems. We built a company-wide operating risk management system (ORMS) aimed at minimizing operational risk. Each organization has a Risk Manager (RM) who regularly conducts a risk self-assessment (RSA) on a daily and monthly basis and manages key risk indicators (KRIs). Furthermore, we regularly examine risk levels of each organization to control potential operational risk.

Environmental Risk Environment risk refers to the risk of financial and non-financial losses that can be incurred to a company due to environmental issues. NHIS controls equity investments, loans, and others to non-environmental businesses or companies, such as power plants and coal terminals, and sets a ceiling for specific industries that have a high possibility of harming the environment, resulting in environmental risk reduction.

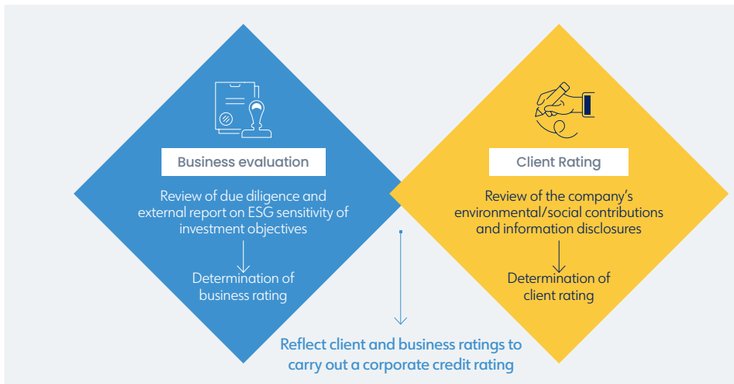
ESG Risk NHIS is establishing measures to preemptively respond to ESG risk, which has recently emerged as a key issue in the industry. As a prior step to applying optimal ESG standards aimed at internal social and environmental risk management, we provided training to all employees as a way to raise their understanding of ESG and overhauled various regulations. Also adopted are ESG standards for business and client evaluations, based on which we are monitoring industries from social and environmental aspects while also measuring negative impact to set the ceiling. We are establishing a process of evaluating deal evaluation factors, such as client/business ratings, through a series of processes that range from reviewing disclosed materials of ESG-related companies, referencing outside expert reports, and conducting a mandatory due diligence in the deal assessment process. As a mid- to long-term measure for ESG risk prevention, we will devise and fully establish an assessment process that considers ESG. We applied ESG to the corporate credit rating evaluation system as part of a process of establishing an ESG assessment and evaluation model, which enabled us to derive non-financial evaluation items for improvements to the Group's corporate credit rating evaluation system.

GOVERNANCE PART

Transparent governance is an essential requirement for a company to achieve sustainable growth. NHIS has therefore established advanced BOD-centered governance that can present the right path to enhancing stakeholder rights and interests as well as corporate growth, while also striving to grow in an economically, socially, and environmentally right way. In addition, we are committed to internalizing ESG by developing ESG implementation drivers at the governance level.



Building ESG-related Corporate Credit Rating System



Risk Management Performance in 2021

Performance	Description
Support efficient asset distribution	• Comprehensive distribution of risk limits to support efficient asset distribution • Review of major book risk management system
Improve the risk management process and system	• Development of an initial margin and Basel III market risk calculation management system • Improvement of timeliness of the company-wide risk-weighted asset status report
Enhance overseas and alternative asset assessment capabilities	• Suggestion of deal structure stabilization measures and relevant activities • Systematization of deal assessment process management • Improvement of assessment capabilities and increased efficiency of the assessment process
Establishment the supervision system	• Regular execution of a credit review for each theme • Analysis and regular rating of low-rating exposure concentrated borrowers • Equity investment book review

Business Continuity Plan NHIS established a business continuity plan (BCP) to prevent risks that arise from unexpected variables, such as IT system failures, infectious disease, fire, and earthquake. We operate an emergency planning committee in accordance with the BCP emergency manual in the event of a crisis situation to make thorough preparations for continuance of essential business, thereby promoting continuity and stability of business activities.

Risk Management Plans NHIS seeks to establish a more stable management environment by systematically managing the risks that it bears. As a leading example, we will further solidify our risk management system by establishing an in-house management process that is in line with Basel Agreement III[1], which will be fully adopted in 2023.

Risk Management Area	Activity
Allocate and adjust risk assets	• Regular review of risk resources by business and by book as a way to exam distribution appropriateness and redistribution
Prevent non-performing assets	• Active suggestion of measures to stabilize the deal structure of alternative investments during assessments • Follow-up risk management after selecting and increasing assets subject to supervision that reflect market environment changes through the risk supervision department • Expansion of sources for acquiring overseas information and active incorporation of acquired information in assessments
Improve IT systems related to risk management	• Establishment of NHIS' own IT system that applies market and operational risk management systems in preparation for the Basel[1] III regulation requirements scheduled to be adopted by 2023

[1] Basel Agreement: Basel III supplements Basel II, an international agreement on one's own capital measurements and standards represented by the BIS capital adequacy ratio that was established by the Basel Committee on Banking Supervision (BCBS) under the Bank of International Settlements (BIS). Its goal is to ultimately contribute to economic growth by strengthening banks' loss absorption capabilities and enhancing the financial industry's stability. It will be enforced in 2013 and fully applied to all banks of member countries by 2023. Korea has been participating in the agreement since 2009 and all banks in Korea are subject to the agreement.

Board of Directors

BOD Operation

Independence of BOD At NHIS, BOD performs the role of deciding on and controlling major pending matters to promote the balanced enhancement of rights and interests of diverse stakeholders and continue corporate growth. The BOD consists of a total of eight members – two internal, five outside, and one non-executive directors. In particular, outside directors account for a majority of the BOD members and an outside director is appointed to serve as the BOD chairperson, so that the BOD can faithfully perform the role of keeping checks and balances as the company's top standing decision-making body. An appointed director serves a two-year term and can serve consecutive terms. The maximum term of outside directors is limited to six years in the company and nine years including the term served in affiliates pursuant to relevant laws.

BOD Operation Status For efficient BOD operation, there are four professional committees – Director Nomination Committee, Auditing Committee, Compensation Committee, and Risk Management Committee. The Auditing Committee has at least one financial or accounting expert, and other committees are also composed of directors with experience and expertise that are suitable for the respective committee's characteristics.

BOD Activities (Unit: Cases, Times, %)

Category		2019	2020	2021
No. of items resolved		31	39	44
No. of items reported		34	44	32
No. of meetings		14	18	18
Attendance rate	Inside director	92.9	100.0	100.0
	Outside director	98.6	87.7	98.9
	Non-executive director	88.0	100.0	100.0

The BOD is held once a quarter, and a special BOD meeting is held when needed. In 2021, 18 BOD meetings were convened with an attendance rate of 99%. NHIS shares relevant materials before the Board meeting is held so that directors can sufficiently review the agenda items. At the regular quarterly Board meetings, the BOD received reports on quarterly BOD-approved matters and business performance, matters delegated by the general shareholders' meeting, and details on work execution in relation to sustainability management, and decided on relevant important matters.

Expertise and Diversity

The BOD of NHIS consists of directors who have research or work experiences in such relevant fields as finance, economics, management, law, accounting, consumer protection, and information technology, and have professional knowledge that is suitable for handling the work. This ensures maximum fusion and supplementation of expertise among directors, enabling efficient BOD operations. In addition, we provide continued training and work support through a dedicated organization so that outside directors can identify pending management issues early and develop an in-depth understanding of the financial industry. In December 2020, a female outside director was newly appointed in our continued efforts to increase board diversity.

BOD Composition

Directors	Name	Gender	Tenure	Key Profile	Expertise
Outside Directors	Jeon Hong-Yul (Chair of the BOD)	Male	34 months	Senior Deputy Governor of Financial Supervisory Service Member of Corporate Governance Committee	Financial System
	Hong Seuk-Dong (Chair of Director Nomination Committee)	Male	22 months	Vice President of NongHyup Securities Head of Fund Management Department of National Agricultural Cooperative Federation	Finance
	Jeong Tae-Seok (Chair of Compensation Committee)	Male	22 months	CEO of Kwangju Bank CEO of Kyobo Securities	Finance
	Hong Eun-Joo (Chair of Auditing Committee)	Female	13 months	Professor of Hanyang Cyber University CEO of iMBC	Economics
	Park Min-Pyo (Chair of Risk Management Committee)	Male	13 months	Department Head of Supreme Prosecutors' Office Head of Seoul Eastern District Prosecutors' Office	Law
Inside Directors	Jeong Young-Chae (CEO)	Male	46 months	President & CEO of NH Investment & Securities Head of IB Division of NHIS	Finance
	Im Byeong-Soon (Standing Auditor)	Male	22 months	Head of Financial Supervisory Service Standing Auditor of Lotte Card	Financial System
Non-Executive Director	Seo Dae-Seok	Male	13 months	Vice President of NH Nonghyup Bank Executive Director of NH Networks	Finance

* As of the end of December 2021

BOD Performance Evaluation

NHIS pays director remunerations transparently and fairly in accordance with the remuneration system approved by the BOD and Compensation Committee. Through a regular evaluation that is held at least once a year, we review whether the BOD appropriately performs the roles and responsibilities that are stipulated in laws and internal rules. Evaluation items consist of BOD roles and composition, as well as independence and appropriateness of BOD operations. Evaluations are carried out in the form of a written survey on the BOD minutes and a survey of all directors. Director evaluations are conducted at least once a year and the results are reported to the BOD, after which they are disclosed in the Annual Report on Corporate Governance. We plan to receive evaluations from an outside organization for outside directors whose tenure of office is two years or more. When choosing an outside evaluation organization, we will thoroughly review whether the organization is qualified. Starting in 2021, we adopted ESG criteria in director performance evaluations to conduct both quantitative and qualitative evaluations.

Director Evaluation Criteria and Method

Category	Director Evaluation Criteria and Method
Inside Director	Evaluate based on a resolution by the Compensation Committee, using such criteria as the annual management goal, KPI achievement, and other factors
Outside Director and Non-executive Director	Evaluate based on a multifaceted evaluation that consists of a self-evaluation, mutual evaluation, and employee evaluation through surveys and level of participation in board (committee) meetings

Executive Remuneration

Category	Registered Directors[1]	Outside Directors[2]	Auditing Committee Members
No. of executives (persons)	3	3	3
Total remuneration (KRW million)	578	197	361
Average remuneration per person (KRW million)	289	65	120
Notes	Average remuneration of two executives	Average remuneration of three executives	Average remuneration of three executives

* As of the end of December 2021

[1] Excluding outside directors and Auditing Committee members; and including a non-executive director for the headcount but excluding when calculating the average remuneration

[2] Excluding Auditing Committee members

Director Appointment Process

NHIS operates the Director Nomination Committee to appoint directors through a transparent, fair process. When evaluating candidates, the Committee deliberates passive qualification requirements, such as grounds for disqualification specified in laws, as well as active qualification requirements, such as expertise, fair conduct in job performance, and sense of ethical responsibility. The Committee then recommends a candidate, which is followed by a BOD approval and director appointment at a general shareholders' meeting. The company chooses and manages 35 CEO candidates according to its management succession plan, and manages 202 outside director candidates to ensure the appointment of independent outside directors with a high level of expertise as part of efforts to maintain soundness of governance principles.

Shareholder-Friendly Management

Transparent Disclosure NHIS discloses and notifies shareholders of the location, agenda, and other matters of a general shareholders' meeting no later than two weeks before the meeting pursuant to Article 542-4 of the Commercial Act. Matters that are finalized after a general shareholders' meeting resolution are disclosed without delay as part of efforts to smoothly provide information to stakeholders. Management matters that are closely related to investor profits are disclosed on an electronic disclosure system (DART) and the Korea Exchange.

Electronic Voting System NHIS adopted the electronic voting system in June 2015. The electronic voting system enables shareholders to exercise their voting rights online without having to attend a general shareholders' meeting in person by posting the list of shareholders and general shareholders' meeting agenda on the electronic voting system. We will continue to establish systems to encourage active exercise of shareholder rights.

BOD Activities

BOD Committees

Director Nomination Committee The Director Nomination Committee consists of four members, including three outside directors. The Committee recommends candidates for the CEO, outside directors, and Auditing Committee members who will be appointed at a general shareholders' meeting through a transparent and fair process by considering expertise, fair conduct in job performance, ethics, and diversity.

Operation of Director Nomination Committee (Unit: Cases, Times, %)

Category		2019	2020	2021
No. of items resolved		4	7	2
No. of items reported		0	1	0
No. of meetings		3	3	2
Attendance rate	Inside director	-	-	
	Outside director	100.0	88.0	100.0
	Non-executive director	100.0	100.0	100.0

Auditing Committee The Auditing Committee evaluates the appropriateness of the company's overall internal control system and presents a business performance improvement direction. It is stipulated that outside directors account for at least two-thirds of the members as a way to remain independent of top management, and accordingly the Auditing Committee consists of two outside directors and one inside director. The Committee performs supervision functions to ensure credibility and transparency of financial information, thereby faithfully performing the role of keeping checks and balances.

Operation of Auditing Committee (Unit: Cases, Times, %)

Category		2019	2020	2021
No. of items resolved		14	12	15
No. of items reported		9	11	10
No. of meetings		8	5	6
Attendance rate	Inside director	100.0	100.0	100.0
	Outside director	100.0	100.0	100.0

Compensation Committee As a BOD committee, the Compensation Committee deliberates appropriateness of the company's major remuneration policies and compensation system in connection with risks, through which it performs leading roles in realizing the company's financial soundness. To strengthen the connection between financial performance and risk management, a member of the Risk Management Committee participates in the Compensation Committee.

Operation of Compensation Committee (Unit: Cases, Times, %)

Category		2019	2020	2021
No. of items resolved		5	5	4
No. of items reported		2	1	1
No. of meetings		4	4	4
Attendance rate	Inside director	75.0	100.0	100.0
	Outside director	100.0	100.0	100.0
	Non-executive director	100.0	100.0	100.0

Risk Management Committee The Risk Management Committee establishes, approves, and comprehensively manages response policies and strategies for various risks that may arise during business activities. The Committee consists of three outside directors and one inside director with expertise in the fields of economics, finance, and risk. In 2021, the Committee made decisions on such matters as basic policies on risk management that are in line with company-wide strategies, level of risks that can be borne, setting and distribution of company-wide risk capital limits, and setting of company-wide investment and loss limits. We will continue to provide training to enhance the expertise of the Risk Management Committee.

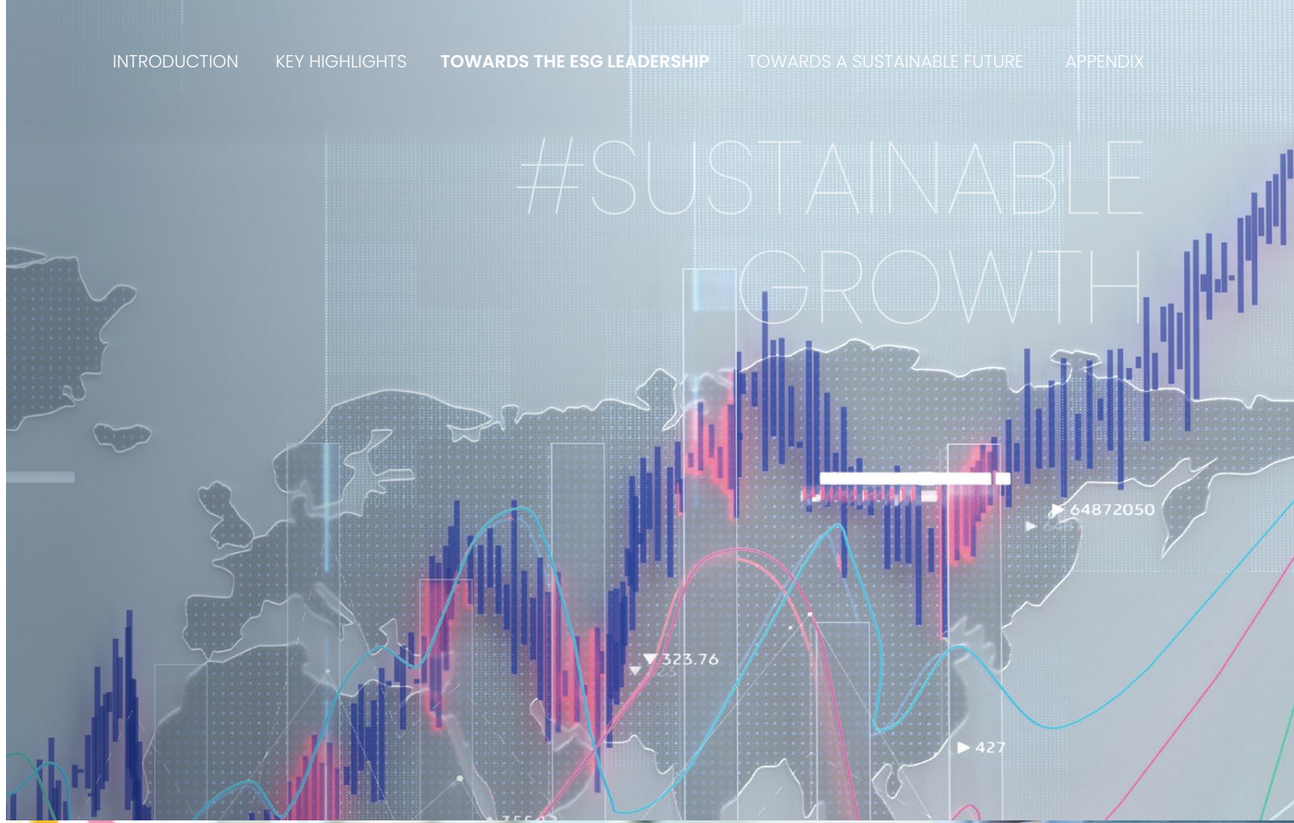
Operation of Risk Management Committee (Unit: Cases, Times, %)

Category		2019	2020	2021
No. of items resolved		5	3	4
No. of items reported		10	8	5
No. of meetings		6	6	5
Attendance rate	Inside director	100.0	100.0	100.0
	Outside director	100.0	100.0	100.0

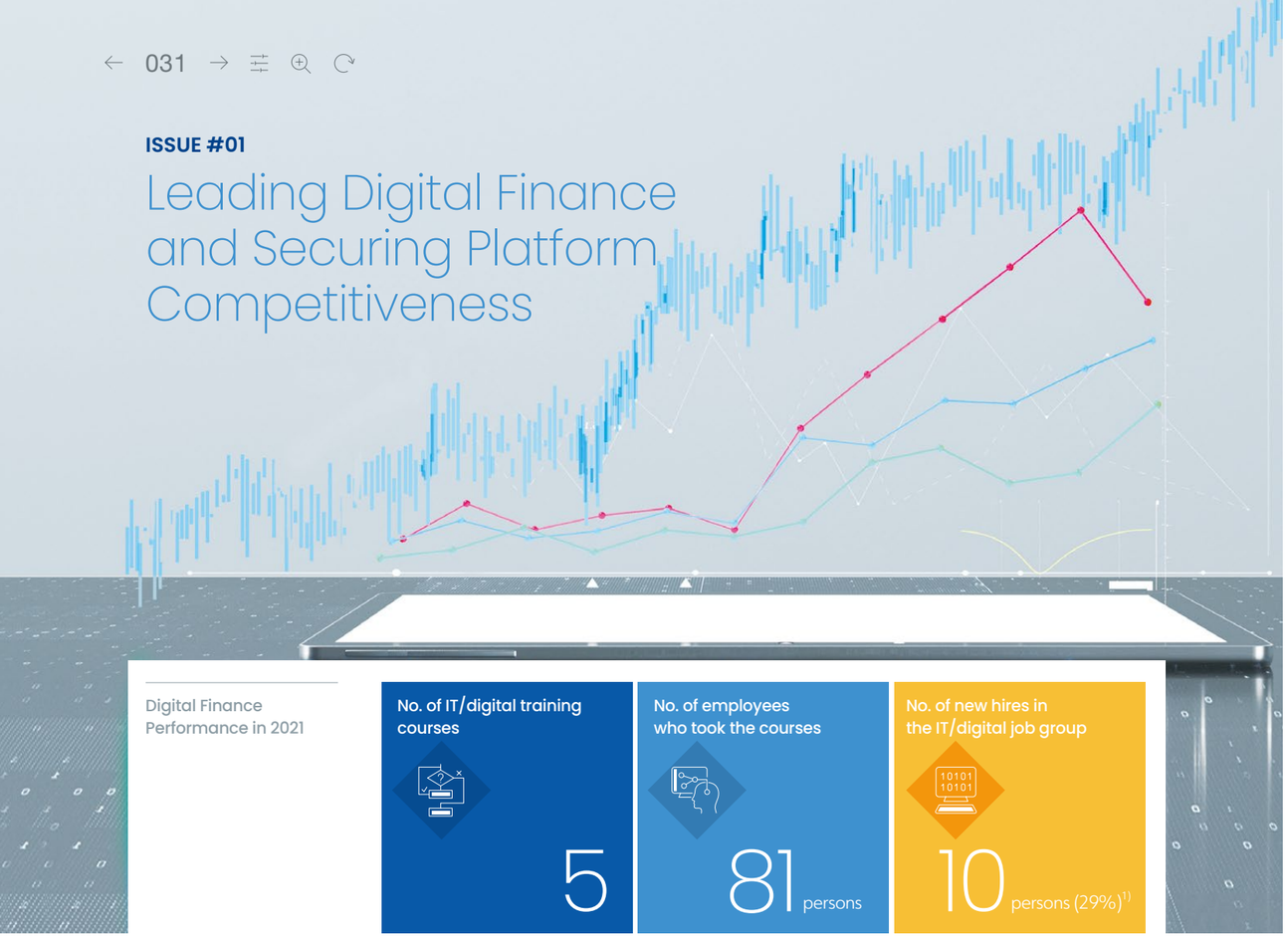
ESG Committee NHIS created the ESG Committee in March 2022 to secure ESG implementation drivers at the governance level. Consisting of three outside directors and one non-executive director, the Committee establishes ESG management strategies and examines the ESG execution status and results. The ESG Committee will adopt ESG as the company's major management strategy and actively implement ESG management activities aligned with business.

TOWARDS A SUSTAINABLE FUTURE

NHIS has set our ESG management mission as client value enhancement and social value creation aimed at sustainable growth, based on which we are further strengthening areas that we have been good at while also focusing on areas that we should be better at. In response to digital transformation, we are leading innovation by combining internal and external capabilities, and at the same time stay true to our clients by communicating more sincerely with them and striving to protect financial consumers. In addition, we are well aware of that employee differences are becoming diverse as quickly as the world changes, and are building a corporate culture in which employees acknowledge and respect each other so that diversity becomes a growth driver for a sustainable future.







ISSUE #01

Leading Digital Finance and Securing Platform Competitiveness

Digital Finance Performance in 2021

No. of IT/digital training courses	No. of employees who took the courses	No. of new hires in the IT/digital job group
5	81 persons	10 persons (29%)[1]

[1] Percentage of total new hires accounted for by the IT·digital job group

Advancing Digital Finance System

Digital Finance-Centered Organizational System

NHIS has formed the NAMUH Group and Platform Transformation Group under the WM Digital Division in order to operate an organizational system centered around digital finance. The NAMUH Group establishes and implements brand strategies for NAMUH client and offers digital client-specialized services, while the Platform Transformation Group provides each client-tailored services based on mobile and other platforms. We are striving to preemptively respond to sharply-changing trends in the financial market and to explore future business opportunities.

Operating Big Data Center In response to the growing importance of data as a strategic asset in the financial industry, NHIS established a Big Data Center. We appointed an outside big data expert as the head of the Center and hired internal·external experts to strengthen relevant capabilities. The Big Data Center performs a pivotal role in company-wide digital finance innovation, such as conducting company-wide big data analysis and building AI-connected work processes to offer each business unit and top management with optimal business solutions and discover new business opportunities.

Internalizing Digital Capabilities

Offering Digital Training for Employees NHIS is expanding support for a wide range of employee training programs aimed at improving digital capabilities. In 2021, we provided IT·digital courses to 81 employees and also offered professional digital courses, including training to obtain a Linux certificate, to 64 employees. In this way, we are striving to develop company-wide competitiveness, going beyond enhancing the capabilities of individual employees.

Attracting IT/Digital Talents NHIS strives to increase the number of IT·digital experts. New hires in the IT and digital job group accounted for 29% of total new hires in 2021. We are making continued efforts to recruit highly-skilled IT and digital talent, such as holding a job fair for engineering majors.

Technological Cooperation for Digital Finance

Holding the 2nd Big Data Contest, "Data, Becomes a Culture" The 2nd Big Data Contest was held in 2021 under the theme of "Combining Data to Forecast Stock Retention Period and Suggest Service Ideas", with the participation of 744 teams, consisting of 865 people, from 109 colleges. We provide the winner with prize money and excellent teams with an experiential internship opportunity. Through the contest, we are deriving creative ideas and set up opportunities to recruit excellent talent with both technological development and financial capabilities.

Industry-Academia Joint Research with SNU Graduate School of Data Science NHIS is conducting an industry-academia joint research project with SNU Graduate School of Data Science with the goal of becoming the first in the financial investment industry to provide investment services that use supply chain data. This project is based on an MOU that we signed with Seoul National University in 2020. We are increasing clients' investment opportunities by enhancing convenience in using services through the expansion of investment search services from the current stock search, using stock name (code name), to a keyword-based stock search. We will continue to conduct new research that applies our extensive financial data and SNU Graduate School of Data Science's new AI technologies, through which we will accelerate digital finance innovation.

NHIS-KAIST UX Design Research Institute Wins Germany's iF Design Award Jointly established by NHIS and KAIST in 2020, the UX Design Research Institute performs UI/UX analysis and research as well as education development. The Institute received the Gold Award, a top level in the service design category, at the world-renowned iF Design Award in 2021. The award-winning "ALINE" presents a service concept that combines ESG and investment to help align investors' investments and consumption with their values. At the iF Design Award, all four service concepts that were submitted by the Research Institute won an award.

Expanding Mobile Platform-based Services

NAMUH – Mobile Asset Management Platform Millennials in their 20s and 30s considerably use mobile devices and are becoming a main client base of the investment market. Accordingly, the proportion taken up by mobile platforms in the securities industry has been on the rise as well as their importance. In response to new inflow of young clients who are familiar with non-face-to-face finance and investment, we are striving to develop mobile-based convenience and provide client-centered benefits by designing a platform that consists of a compact process and sensible UI. These will enable us to have the inflow of young clients lead to long-term client relations, promoting continued growth.

To this end, NHIS launched NAMUH, the first mobile trading system brand in Korea, seeking to provide easy, convenient stock-trading services and lead the mobile securities trend. NAMUH is distinctive from other companies' services that require clients to open a stock trading account and a separate CMA account in that one CMA account enables clients to handle trading for all financial products, including stock trading. We also provide commission-free benefits and debit card services without conditions to all clients and pursue other client-oriented services.

NHIS is the only securities firm in Korea to establish an alliance with all Internet-only banks (K Bank, Kakao Bank) to enhance client accessibility. It was confirmed that 530 thousand clients, that account for 38% of 1.4 million new clients of NAMUH in 2021, were through Kakao Bank. Also, clients aged less than 30 account for 66% of total new clients. This reflects that we successfully expanded our client base and substantially widened the foundation for mobile financial services.

NAMUH Members In October 2021, we launched a subscription-type membership service so that Millennials and Generation Z, our main clients for today and tomorrow, can form correct investment propensity in an easy and fun way, while also enjoying successful investments. NAMUH Members consists of four sections – NAMUH Today, NAMUH Level Up, NAMUH PICK, MY Membership – and delivers diverse, extensive investment information. Together with the launch of NAMUH Members, we operated a content supply-centered free experience period to result in increased accessibility, thus allowing clients to experience distinctive benefits without a sense of burden. As a result, we recorded 75 thousand subscribers in January 2022. By using the young clients' investment tendencies and needs that we identified in this process, we will plan and provide client-tailored services and products, thus increasing clients' investment success experiences.



Mobile screen of NAMUH Members

Composition of NAMUH Members Service

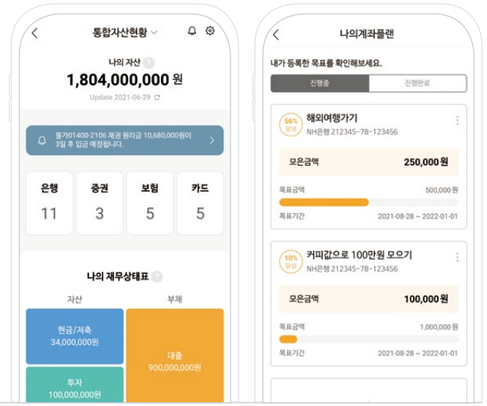
NAMUH Today	• Providing subscribed materials of four external paid newsletter companies tailored to Millennials and Generation Z
NAMUH Level Up	• Providing around 150 episodes of educational content, produced in-house through an alliance with 3PRO TV, the leading financial YouTube channel with 1.8 million subscribers
NAMUH PICK	• Providing stock recommendation services, including Power Map, Money Watch, and Morning Star
MY Membership	• Providing SSAC points to motivate the development of an investment habit and offers event participation opportunities per point grade

Realizing Digital Finance

MyData In January 2022, NHIS officially launched the MyData service under the slogan, "The beginning of all asset management". The service handles integrated management of an individual client's financial information (credit information), and provides individually-tailored asset management, including consumption pattern analysis and investment advice. The MyData service provides such services as the integrated asset status, my account plan, financial notification, stock performance report, and my consumption. It adopted private certification organizations, such as NAVER, toss, and PAYCO, and made a connection to a total of 56 financial institutions as of January 2022 to enable integrated asset management. We plan to expand target financial institutions to increase clients' usage convenience. Through the MyData service, we seek to strengthen systematic, integrated asset management services using our unique and distinctive asset management method.

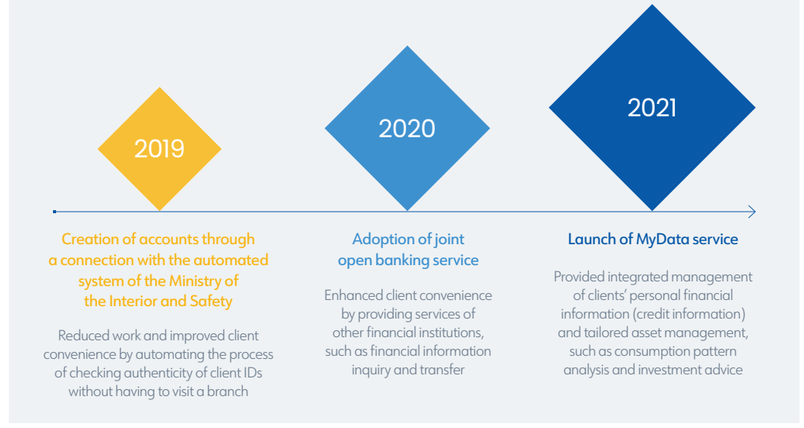
Composition of MyData Service

Integrated asset status	• Allowing clients to view asset information at a single glance and to peruse detailed information on assets by business, type, etc.
Financial notification	• Providing significant financial event notifications to clients
Investment performance report	• Providing clients with an organized performance report on their stocks and funds • Recommending funds that reflect client portfolio analysis, house view opinions, and in-house evaluation model score • Providing alternatives to improve the performance of client-owned products
My consumption	• Presenting statistical data so that a client can view, at a single glance, the cash flow, by analyzing revenue and expenditure details in the banking and card sector • Enalbing users to compare their investment asset status with people who are similar in age or asset size



Mobile screen of the MyData service

Work and Service Improvements Using Digital Technology



Innovating Digital Finance for Clients

Opening the "Investment Changes to Culture" Digital Platform Launched in August 2021 for the first time among securities companies in Korea, "Investment Changes to Culture" is Millennials and Generation Z – our key future clients. With the concept of "investment playground", the platform provides investment content in a way that young clients are familiar with, such as amusements or playing games, aiming to lower the psychological hurdle towards investment and thus enhance their investment accessibility. Following the huge success of our offline investment pop-up store, "NH Super Stock Market", in the first half of 2021, we expanded the store to the online space and enabled domestic and overseas stock shopping using a virtual shopping support fund of KRW 100 million. It consists of the "Solution Center" where users check their MBTI investment propensity and expert advice per investment type are given; the "Game Land" which tests investment capability; the "Culture Salon" where users enjoy video content, such as on basic investment skills; and "NH Showroom" that outlines NHIS' brand activities. We will continue to establish various platforms and provide diverse, new investment experiences so that our future key clients can come across finance in an easy and interesting way.

ISSUE #02

Expanding Client Communication



Consumer-Centered Management Performance in 2021

PB satisfaction level of a client satisfaction survey	Work satisfaction level of a client satisfaction survey	No. of times of operation of the client panel program
89 points	92 points	6 times

Internalizing Client-Centric Management

Client-Centric Management System

NHIS strives to become a financial investment service partner that helps clients achieve goals that they want and need and, above all, a company that can build trust with clients. To this end, we comply with relevant systems to enhance client value, placing the highest priority on client value, while handling work from the client perspective.

Client-Centric Management Organization NHIS established the Financial Consumer Protection Group under direct control of the CEO to manage overall consumer-centered management and has been appointing the Chief Consumer Officer (CCO) since 2019 to manage overall financial consumer protection work, thereby laying the foundation for advancing client-centric management. From an independent position, the Financial Consumer Protection Group handles internal control activities in relation to financial consumer protection, voice of customer (VOC) system, financial consumer protection training, and client complaint prevention and handling.

In addition, we declared the "Financial Consumer Protection Code" for consumer-centered management, and carry out activities aimed at fully establishing a culture of financial consumer protection, such as PR and Consumer Protection Day events for employees. We will continue such activities to build an organizational culture of client-centric management.

Open Banking Service – Unified Financial Account Management NHIS QV has opened and operates an open banking service for efficient financial and investment activities of investors. Open banking service enables users to transfer money between financial institutions, participating in the service scheme, such as banks, securities companies and mutual finance providers. They can also check their balance and transaction details. NHIS has adopted such functions as open banking account registration and fund inquiry and transfer from the user perspective. In particular, we increased the convenience of the "fund transfer" function that is used to transfer funds from other financial institutions to NHIS. We also offer a service that enables clients to view balances on the open banking service screen and immediately handle fund transfers between NHIS and other financial institutions. We operate the system in a way that allows clients who trade stocks, financial products, and others to handle various transactions through the NHIS M(H)TS, ranging from other financial institution fund transfers to stock trading.

"NHIS Metaverse", targeting Millennials and Generation Z NHIS launched the industry's first, internal application-based metaverse platform. Aimed at becoming an investment communication platform, allowing communication among clients, the "NHIS Metaverse", as part of the NAMUH Members services, offers Millennials and Generation Z new investment experiences. Clients can enjoy diverse activities in the NHIS Metaverse that similarly reproduces the exterior of the NHIS office building, inside and outside the NHIS office building, including lobby and conference hall, Yeouido Hangang Park, and other actual space. During the open period, we set up an investment consultation booth in the metaverse lobby and provided advisor consultation. In particular, kiosks that are arranged on the right and left in the conference hall make a connection to various mobile trading system (MTS) services that offer client convenience and enable investment-type individual savings account (ISA) opening and current price inquiry of overseas stocks.

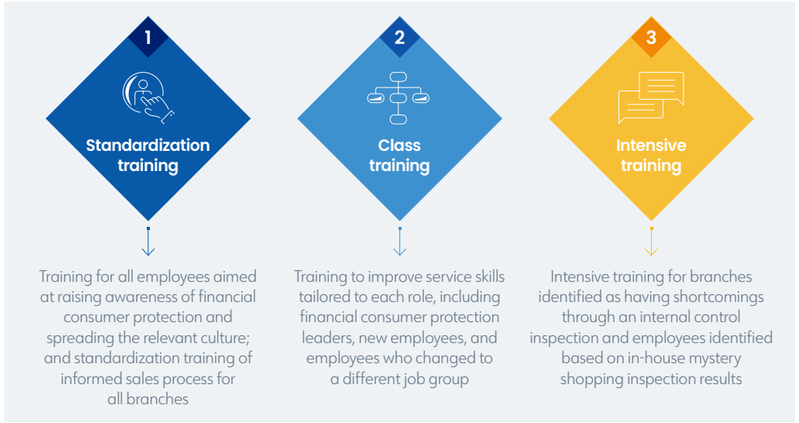
We are examining and implementing various factors for the NHIS Metaverse, such as addition of diverse content related to investment services, AI investment consultation that incorporates investment philosophies of star private bankers (PBs), and combination of augmented reality (AR) and virtual reality (VR) technologies. We forecast that metaverse will absorb the home trading system (HTS) and MTS platforms to become a different investment ecosystem. We will therefore go beyond launching the metaverse platform and strive to become a financial investment company that can lead the approaching metaverse era.



NHIS Metaverse

Internalizing Client-Centric Capabilities

Employee Training on Financial Consumer Protection NHIS provides a wide array of financial consumer protection training programs to employees to improve the level of consumer protection by raising employee awareness of consumer protection. Financial consumer protection training is classified into three categories, which are standardized training for all employees, class training including for financial consumer protection leaders, and intensive training through internal control inspections. Employees improve their client service skills and observe relevant regulations, including the Financial Consumer Protection Act, through training, thereby making efforts to improve client satisfaction by fully establishing a culture of financial consumer protection.



On/Offline VOC System NHIS has set on/offline client communication channels in place in order to collect their opinions. Client opinions collected through each channel are categorized into different types and are used to build a system that enables easy identification of voice of customer (VOC) statistics and issue status. The collected materials are incorporated in online media, work and system, product, and branch service improvements. In 2021, we received 24,808 cases of VOCs and incorporated them to make such improvements as supplying real-time US stock prices without fee, extending aftermarket trading time, and improving matters related to overseas stock balance and US stock STOP Booking service. Going forward, we will collect and manage VOC data more systematically, and thus improve client value.

Diversifying Bi-Directional Communication Channels with Clients

Identifying Client Needs

Client Satisfaction Survey in 2021 NHIS has been conducting client satisfaction surveys since 2019 to implement client-centric management. In 2021, we conducted the survey to clients who experienced PB and other services at 82 branches and 38,968 clients responded, which is an increase of around 1.9-fold from the previous year. PB service satisfaction survey results were 89 points, reflecting a high level of satisfaction. We also confirmed a high level of satisfaction with 92 points in our business service satisfaction survey, which was created in 2021. We will expand survey areas to diverse client contact points in 2022 as part of efforts to continually raise client satisfaction.

Investment Information Survey In response to growing demand for mobile investment information, NHIS conducts a survey to identify client needs in addition to client satisfaction surveys. Every month, clients can participate in a survey on investment targets that they are interested in and content they would like to be provided with through our website, HTS, and MTS. Client opinions that are collected are used for overall services related to providing contents.

Diversifying Communication Channels



NH Super Stock Market

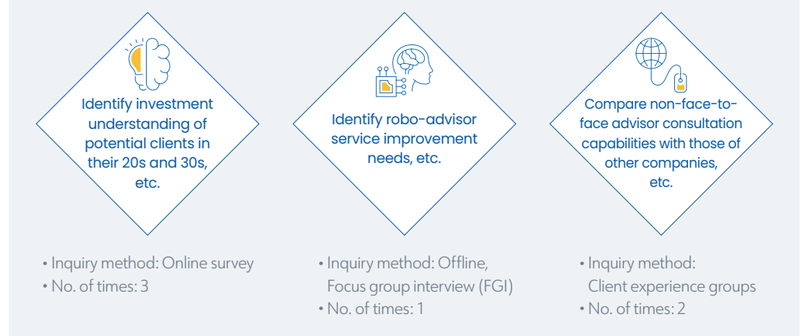
"NH Super Stock Market" – Experiential Promotion for Clients NHIS runs diverse experiential programs in line with our brand slogan, "Investment, Becomes a Culture" as a way to develop a positive perception toward our brand image and investment. In 2021, taking the fact that Millennials and Generation Z have emerged as the main client base of the investment market into consideration, we held the "NH Super Stock Market" from the end of March to early May 2021, based on a supermarket concept, bringing a securities firm and pop-up store into one space. Visitors were provided with a mobile phone that had an investment simulation application installed and had the unique experience of using virtual seed money to place domestic and overseas stocks in a shopping cart and purchase the stocks as if they were shopping. In a separate space, clients also used non-face-to-face video consultation services, which are planned to be provided by futuristic offline branches. In this way, we offered a wide array of direct investment experiences. We visually displayed stocks in a trendy, fancy space that combined our brand colors, blue and yellow, and that satisfied the preference of young generations who are sensitive to the latest trends and place importance on direct experience, with the goal of having investment become a part of daily life. We will continue to hold various events to communicate with future clients, in addition to communicating with existing clients.

"Investment Highlight" – Monthly Investment Reporting Service NHIS provides the "Investment Highlight Service", a report that enables clients to easily view their respective various investment activities. Clients can identify various investment details at a single glance, including my investment ranking, top performance based on rate of return, and top performance based on earnings. In particular, we provide data that enables comparison with other people's investments, making it interesting for clients who are sensitive to changes. By experiencing investment highlight services, clients can look back on their own investments. We plan to provide detailed reporting on areas that clients are highly interested in and on investment diagnosis to help with investment performance.

Online Centenarian Academy NHIS is directly communicating with clients on life-time asset management and retirement planning through the Centenarian Academy. YouTube live streams are offered to ensure easy access to the public. Beginning with a special lecture by a well-known professor (Professor Kim Nan-Do of Seoul National University) in January 2021, a total of 10 lectures were given.

"NH Mentors" – Client Panel Program NHIS built and operates a client panel system for the purpose of systematically managing the quality of services that are provided to clients. The client opinions collected through the "NH Mentors" client panel program are used for advisory service and robo-advisor service development and for improvements to the "First-time Trading Guide Book" for QV MTS. In addition, we continue to identify the needs of current and potential clients by using various methods, such as on/offline in-depth discussion meetings and client experience groups, targeting potential clients in their 20s and 30s.

Client Panel Program Operation in 2021



Developing Products and Services that Incorporate Client Feedbacks

Advancing Global Investment Platforms

Overseas Stock Investment Information Service With the stock market boom in Korea, people's level of interest in overseas stocks considerably increased. In response, NHIS provides 24-hour Reuters translated news of three countries – the US, China, and Hong Kong. Based on in-depth analyses by our overseas stock analysts, we provide recommended overseas stocks for the US, Great China Region, Japan, and each ETF. We also offer the AI PICK3 service, which recommends three investment stocks every day based on AI technologies and a one-minute video for each stock.

Development of Market-Friendly Indexes Recognizing that securing pre·after market time of the US stock market is an important factor to investors, we built a US stock-trading infrastructure for US investment clients that provides a level of convenience that is similar to domestic stock trading services. We provide a service that supports stock trading even before and after regular trading hours through the US pre·after market, and also offer an after-market service that is extended by as many as four hours. In addition, we provide a client-tailored service that has added various trading options, such as market price, limit price, and limit on close (LOC), to enable real-time check of stock market prices in the US.

Reflecting Clients' Inputs

Status of Reflecting Client Feedbacks NHIS is reflecting opinions collected through VOC and client complaints in our product development phase, thereby increasing client participation in our business activities and responding to market changes. In 2021, we reflected client opinions for each business area, such as improving information that is provided on foreign currency securities-secured loans and improving overseas stock trading-related services.

Consumer Feedbacks

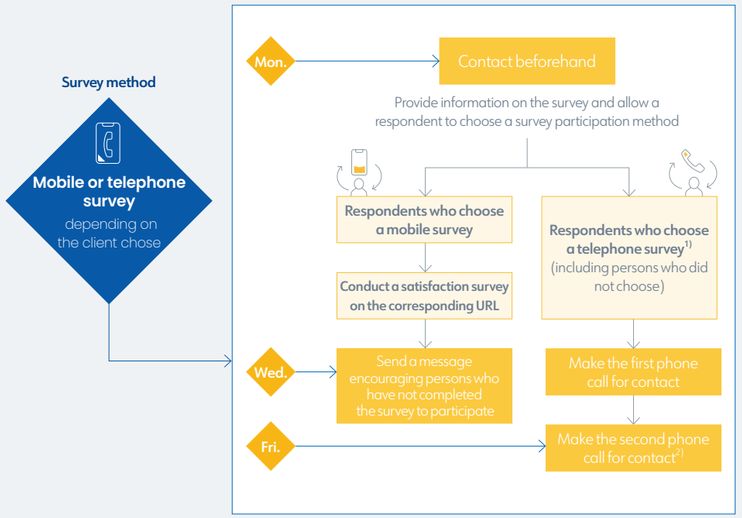
Year	Category	Consumer Opinion	Product/Service Development and Improvement
2019	Complaints	• Request for improving the system of charging a fee when a transaction statement request is made on the website	• Provided information on the fees, withdrawal details, etc. • Improved service of providing information on cancellation with period
	VOC	• Request for online trading service for foreign currency promissory notes	• Began to offer an online trading service for foreign currency promissory notes
		• Request for online withdrawal and closure of pension savings fund accounts	• Began to offer a service for online withdrawal and closure of pension savings fund accounts
2020	Complaints	• Request for domestic stock/ETF accrual services • Request for the wording of the fee stated in the general account terms	• Added and changed the notifications for domestic stocks/ETF service fee on NAMUH (MTS) • Corrected typo in the account terms on the website and MTS
	VOC	• Increasing overseas stock trading types	• Implemented US aftermarket trading service and added more trading options
		• Request for REITs trading service in IRP account	• Implemented a REITs trading service in IRP account
2021	Complaints	• Request for the improvement of information on foreign currency securities-secured loans not being available (MTS)	• Added a detailed phrase in notes when a loan agreement is made (foreign currency securities-secured loans require a prior agreement made by visiting the branch, no such loan service is available for NAMUH account)
	VOC	• Request for a service related to overseas stock trading	• Began to offer real-time US stock market prices without fee, extend the after-market time, provide fractional share trading service for overseas stocks, and offer such online services as the US stock STOP Booking service
		• Request for an online service for foreign currency transfer	• Began to provide a mobile service, and improved the same name criteria for foreign currency transfers

Enhancing Client Satisfaction through Process-Centric Value

NHIS' process-centric value refers to assigning value to all processes that are aimed at improving client satisfaction. We are striving to enhance client value throughout the entire process that ranges from making preparations to meet clients to identifying client needs, providing optimal solutions, and offering follow-up management services, and also reflected this in our PB evaluation indexes. We also abolished financial value-centered key performance indicators (KPIs) that focused on simply selling products to clients, and completed the innovative process of adopting instead an activity-centered evaluation system that focuses on client communication. By forming continuous relationships with clients, NHIS employees are performing roles as an important partner that presents a direction for asset management.

Our process-centric value has been continually improved through various evaluations and client satisfaction surveys. In 2021, we held two regular client satisfaction surveys, targeting around 120 thousand clients. The surveys consisted of four areas – sales employees' building of relationships, employee capabilities, loyalty, and listening to client opinions. Survey results were reflected in branch and branch employee evaluations and used for employees' strengthening of capabilities. In addition, the percentage of client satisfaction surveys reflected in branch and branch employee evaluations has been 40% since 2020. The database that we continue to accumulate through the surveys will be used in diverse ways to identify clients' hidden needs and trends, based on which we will advance our survey model and establish policies for clients. Amid increased diversity of market risk factors, in-depth analyses for clients and client-centered management activities are critical. We will internalize our process-centered value and have it lead to management activities for clients at the company-wide level.

Advisor Client Satisfaction Survey Process



1) For respondents in the second half of 2021, the survey was concluded if a survey method was not chosen
2) Only a mobile survey was conducted in June and July (no telephone survey)
3) Principle on ending contact: Contact only up to two times to prevent complaints

ISSUE #03

Protecting Financial Consumers



Financial Consumer Protection Performance in 2021

Personal information protection training hours

18,280 hours

Electronic financial fraud damages in the last three years

Zero

No. of participants of personal information protection training

2,961 persons

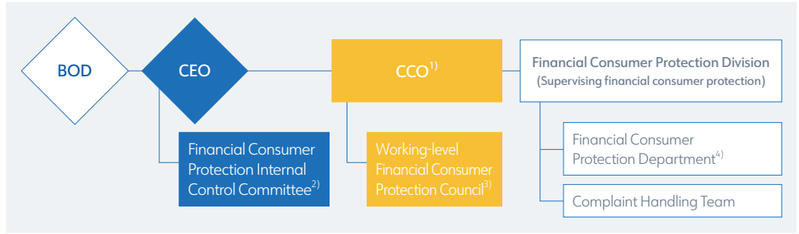
Financial Consumer Protection

Financial Consumer Protection System

Financial Consumer Protection Group & CCO NHIS is developing internal capabilities in line with stricter policies on financial consumer protection, including the enforcement of the Financial Consumer Protection Act. As the company's top decision-making body, the BOD sets basic policies on establishing and operating an internal control system on financial consumer protection, and approves relevant management strategies and policies as part of increased efforts for financial consumer protection. To ensure efficient execution of policies determined by the BOD, we created the "Financial Consumer Protection Internal Control Committee", chaired by the CEO, and made outside member participation in this Committee mandatory to secure objectivity and expertise.

We organized the Financial Consumer Protection Group under direct control of the CEO and appointed an independent Chief Consumer Officer (CCO) to enable efficient company-wide responses for financial consumer protection, such as financial consumer damage relief. We solidified the foundation for consumer protection by taking various measures, such as financial consumer protection-related systems, prior reviews of new product development, various activities related to informed sales, employee training, and regular·frequent inspection activities.

Consumer-Centered Management Organization Chart



[1)] Chief Consumer Officer

[2)] Chaired by the CEO, this meeting organization consists of executives and outside members to protect financial consumer rights and interests
- Set financial consumer protection policies
- Establish basic plans on financial consumers and discusses system improvements

[3)] Chaired by the CCO, this meeting organization consists of relevant division heads for financial consumer protection
- Conduct working-level discussions among divisions on pending issues regarding financial consumer protection

[4)] Independent work-dedicated organization under direct control of the CCO
- Prior reviews with regards to financial consumer protection when developing new products
- Various activities for informed sales of financial products
- Prevention, handling, and management of complaints

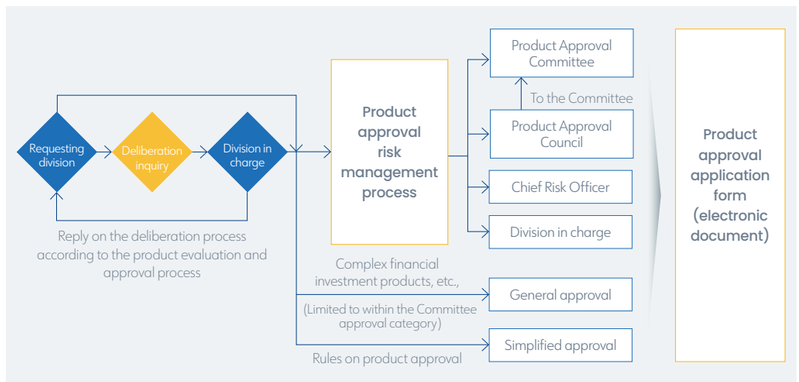
Code of Financial Consumer Protection The NHIS Financial Consumer Code was established as the Financial Consumer Protection Charter on December 31, 2014, and amended to the current Code of Financial Consumer Protection on January 21, 2015. The code embodies our determination to establish a financial investment company that grows together with clients by placing top priority on client value. We hold a Code of Financial Consumer Protection Declaration Ceremony every year to systematically practice the code at the company-wide level and set a Day of Financial Consumer Protection for all employees to write a pledge on practicing financial consumer protection. In this way, all employees are endeavoring to fully establish a financial consumer protection mindset.

Financial Consumer Protection Activities

Product Approval Committee NHIS has a great sense of responsibility toward financial consumer losses, and conducts prior risk reviews and goes through a sales approval process for financial instruments that are provided to financial consumers, including mutual funds, ELS/DLS, debentures, wrap, and money market trust (MMT). The Product Approval Committee supervises the deliberation process for financial products that are provided to financial consumers, and strives to develop objectivity and expertise of the financial product deliberation process by enhancing employee capabilities.

Product Deliberation Process At NHIS, divisions that seek to sell financial products are required to submit product-related documents to the Product Approval Committee Secretariat in accordance with the "New Product Prior Review Rules" and "Financial Consumer Protection Regulations" that are stipulated in our corporate regulations. The Secretariat then reviews product-related documents according to a strictly- and thoroughly-designed product deliberation process. In particular, the product evaluation and approval process were divided into the product management method and investment asset type and then subdivided into Product Approval Committee approval, Product Approval Council approval, CRO agreement, relevant division agreement, general approval, and simplified approval, thereby building an advanced system for product deliberation process operation.

Product Deliberation Process



Expanding Investment Education

NHIS provides investment education to diverse client groups to establish a mature investment culture in Korea and to prevent financial incidents.

Retirement Planning Education for Middle-Aged and Elderly Clients For senior clients who are experiencing various social and economic changes throughout their life, we provide investment education by planning and publishing the Centennial Report and other research reports. We provide easy-to-understand content to help them stably grow their retirement assets and develop a correct understanding of financial investment products. In 2021, we published ten "THE100Report" to help seniors understand the overall aging trend, and also published six "THE100 Magazine" to provide practical daily life information that helps with retirement planning.

Providing Content to Novice Investors NHIS has been producing and providing diverse contents for inexperienced investors through on/offline channels. By analyzing economic conditions and the investment market status in Korea and overseas, we also provide professional content that is useful for more experienced clients, in addition to inexperienced investors.

Information Security and Personal Information Protection

Information Security and Personal Information Protection System

Organization Dedicated to Information Security and Clients' Personal Information Protection NHIS has the Information Security Group under direct control of the CEO to facilitate the establishment of a strong information security system. To prevent security risks and to take quick measures throughout the process, such as detecting and handling risks, we united executives in charge of information privacy and client information protection – the Chief Privacy Officer (CPO), Credit Information Administrator and Protector (CIAP), and Chief Information Security Officer (CISO) – to be the Information Security Group Head.

Raising Information Security Awareness At NHIS, all employees are required to take personal information protection training once a year so that they can do their best to protect information from their positions and roles. Different training programs are provided for different positions, including new employees and managers (division head, executive, and CEO). We provide continuous information protection training to enhance employee awareness and understanding of information security. In 2021, a total of 2,961 employees took part in information security training. In addition, we engage in diverse efforts to spread the culture of information security by carrying out various measures, such as the "clean desk", random inspection of office space after employees leave work; personal information masking; and strengthening of the duplicate file prevention function.

Information Security Trainings (Unit: Person, Hour)

Category	2019	2020	2021
Participants in personal information protection training	2,938	2,980	2,961
Hours of personal information protection training	18,522	18,261	18,280

* Personal information and information protection trainings of Financial Security Agency

Data Breaches (Unit: Case)

Category	2019	2020	2021
Cases of personal information leaks	0	9[1)]	451[2)]

[1)] There was a system error that resulted from a partner company mistake while performing an IT system update in 2020
[2)] Exposure occurred in 2021 due to an open banking system error, rather than hacking or other such infringement

Information Security Campaign Even a trivial act that results from a lack of awareness of information protection becomes a huge threat to data security. NHIS holds an information security. campaign twice a year. We conducted the "My desk is a clean information security area" campaign in the first half of 2021, and the "Seven rules on practicing information security" campaign in the second half of the year. We also published a monthly magazine on information security as part of efforts to improve employee awareness of information security.

Information Security Day NHIS designated the second Friday of each month as "Information Security Day" to have all employees conduct a self-evaluation on security levels. A message is sent to the CM, division heads, and center heads, informing them on performing a self-evaluation on Information Security Day through an in-house messenger. A message is sent again if an evaluation is not performed. Security level self-evaluation items include client information retention, inquiry, carrying information out of the premises, printing, and account information download history. After the evaluation, each employee receives an inspection on security appropriateness.

Simulated Cyber Attack Training NHIS conducts advanced persistent threat (APT) training, which is training on how to respond to ransomware attacks, in connection with the Financial Security Institute for all employees. For employees who did not pass the training conducted with the Financial Security Institute, we provide separate APT training as well as relevant education and evaluation at the Security E-Learning Center, which is our own training system. Through such training, we are preventing information security incidents, such as guiding employees on how caution should be taken in using email.


ISMS-P
CERTIFICATE
OF
Personal Information & Information Security Management System
President of Financial Security Institute
Republic of Korea

Personal Information & Information Security Management System (ISMS-P) certification

Personal Information and Information Security Management System Certification

Information Security Management System (ISMS) certification is a comprehensive evaluation and certification system for domestic information protection systems. NHIS obtained the certification in 2015 and renews the certification every year through a follow-up assessment, thereby continuously strengthening information security management. We received consulting on advancing the personal information security management system at the company-wide level in 2020, and also earned Personal Information & Information Security Management System (ISMS-P) certification in 2021.

Intelligent CCTV Control System

NHIS built an intelligent CCTV control system and is taking the lead to protect financial consumers at the company-wide level. By operating a system that can handle integrated management of the CCTVs of the head office and around 80 branches across the nation, we are more actively handling disputes and follow-up processing that may arise during financial work. Also, high-resolution images can be used as detailed proof in the event of a financial transaction incident. We detect and block intrusion from the outside, such as hacking and network modulation, by building a network security system, and thus established security policies on CCTV personal image data and strengthened stability.

Information Security Strategy

NHIS – a name that stands out for the financial safety

Corporate-wide information security training	Training for outsourcing companies and consignors	Constant notices on information security	Corporate-wide information security campaign	→ Raise awareness of the importance of information security and implement change management
Employees and outsourcing companies / Inspection of consignors	Information Protection Day /Self-inspection	Vulnerability inspection, hacking simulation	Infrastructure inspection	→ Risk-based monitoring on information security
Personal information	Technical protection	Physical protection	Managerial protection	→ ISMS-based security management system and certification
Integrated information protection portal for personal information and information security				→ Big data-based system for information security and fraud prevention
Solution for information technology security	Solution for personal information protection	Solution for the prevention of and response to financial fraud		→ Security solutions for personal information and client assets

Information Security

Establish strategies and plans

- Establish goals and annual business plan
- Information Security Committee

Establish information security policies and management system

- Review compliance with regulations
- Evaluate risks
- Establish and execute related policies and protection measures
- Establish and amend information security rules and regulations

Manage internal control of information security

Personnel control	System control
Inspection on employees and partner companies	Security deliberation/review
	Vulnerability inspection and analysis

Privacy & Credit Information Protection

Establish strategies and plans of privacy & credit information protection

- Establish goals and annual business plan of privacy & credit information protection
- Personal Information Protection Council
- Information Security Assessment

Establish privacy & credit information protection policies and management system

- Review compliance with regulations
- Personal Information Protection Council issues
- Establish and execute related policies and protection measures
- Establish and amend privacy & credit information protection rules and regulations

Manage internal control of privacy & credit information protection

Internal control	External control
Monitoring of excessive cases of personal information being inquired, carried out, and printed out	Management of personal information consignment/ provision contracts
Register book of personal information management	Training and inspection of personal information consignee companies
Review of credit rating inquiries	Confirmation of personal information destruction

Training and public relations

Responding to supervisory institution's audit/inspection

Develop and operate an information security system

Development	Operation
Review adopting a new information security system	Personal computer-based system
Develop a new information security system	Server/DB-based system
	Network-based system

Monitoring of information security control



ISSUE #04

Developing Employe Capabilities

Talent Management Performance in 2021

Duty-specialized training courses for employees	Ratio of continuous service after maternity leave of female employees	Occupational incident rate over three years
13 courses	96.9%	0%

Talent Management

Employment Stabilization and Talent Recruitment

NHIS seeks to achieve sustainable growth together with employees in the ever-changing business environment. We understand the importance of employment stabilization and talent recruitment, and make diverse efforts to this end. We are facilitating an increased sense of belonging and devotion towards the company among employees, such as by providing equal welfare benefits (leaves, educational expenses, medical expenses, and support for special family occasions) to non-permanent employees as permanent employees since 2019.

Efforts to Secure Talent

NHIS strives to attract global-wide outstanding talent, such as through financial job fairs that are organized by relevant organizations in Korea every year and operation of the Global Sophomore Internship for overseas graduating students. We also recruit, on a rolling basis, outstanding experienced talent in several professional fields through diverse employment processes as part of continued efforts to recruit excellent talent.

Fair Employment and Evaluation

Under the HR policy, "equal employment and respect for human rights", NHIS promotes fair employment and performance evaluations for professional, long-term talent-fostering. We carry out recruitment of human resources based on practical skills, without discrimination based on region, academic background, age, or gender, as part of efforts to diversify our workforce. In 2019, we adopted a new evaluation system that places as much importance on the process as results. We fairly evaluate the process and outcome of conducting work to achieve a goal that was agreed upon between an evaluator and employee so that an employee's efforts are reflected in the evaluation. We also prevent unfair evaluation by operating the evaluation feedback system and appeal system. Also, the Talent Development Committee is held for excellent talent to actively encourage employees' development of capabilities. Going forward, we will make continuous efforts for employee growth and happiness.

Employees (Unit: Persons, %)

Category		2019	2020	2021
Total No. of employees		3,028	3,053	3,064
New employee hires	Male	114 (58.2)	108 (73.0)	103 (56.9)
	Female	82 (41.8)	40 (27.0)	78 (43.1)
Employee turnover	Male	73 (53.3)	118 (67.4)	151 (71.2)
	Female	64 (46.7)	57 (32.6)	61 (28.8)
Employment type	Permanent	2,257 (74.5)	2,199 (72.0)	2,156 (70.4)
	Non-permancent[1)]	771 (25.5)	854 (28.0)	908 (29.6)
Region	Domestic	3,016 (99.6)	3,040(99.6)	3,058 (99.8)
	Overseas	12 (0.4)	13 (0.4)	6 (0.2)
Position	Executive officer	64 (2.1)	66 (2.0)	64 (2.1)
	Managerial[2)]	1,847 (61.0)	1,918 (63.0)	1,940 (63.3)
	Staff	1,117 (36.9)	1,069 (35.0)	1,060 (34.6)
Age	20s	237 (7.8)	299 (9.8)	331 (10.8)
	30s	1,138 (37.6)	1,131 (37.1)	1,054 (34.4)
	40s	1,069 (35.3)	1,057 (34.6)	1,025 (33.5)
	Over 50s	584 (19.3)	566 (18.5)	654 (21.3)
Gender	Male	1,815 (59.9)	1,827 (59.8)	1,780 (58.1)
	Female	1,213 (40.1)	1,226 (40.2)	1,284 (41.9)

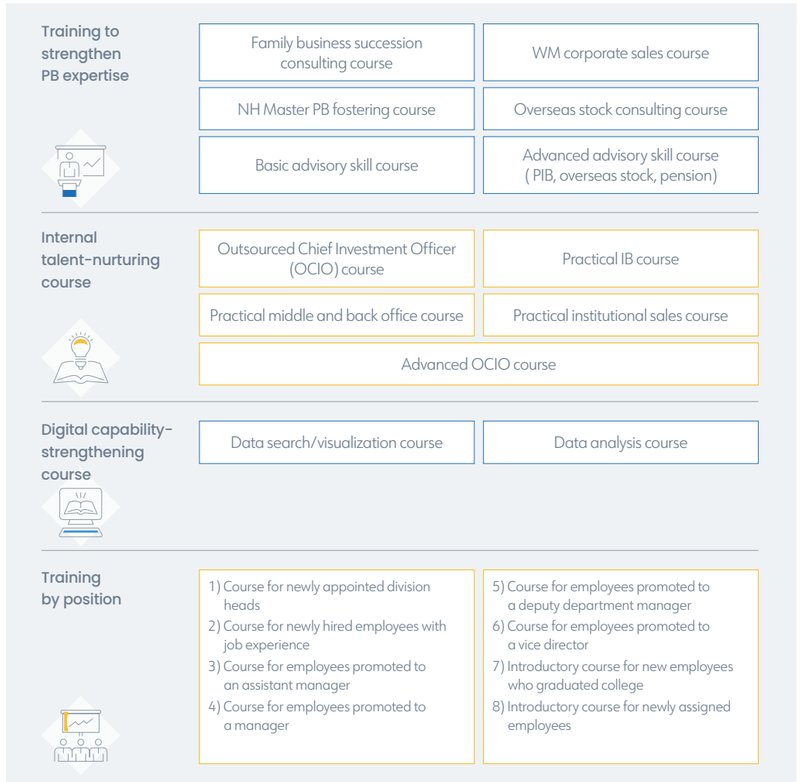
[1)] Non-permanent positions: Including salary contract employees, sales professionals, indefinite-term contractors, short-term contractors, and part-timers

[2)] Managerial: Managers and higher positions

Employee Training

Increasing Employee Training

NHIS understands that capability development for employees is an essential for sustainable growth, and offers a wide variety of training programs to nurture job experts. Training is largely divided into leader-fostering and expert-fostering, and support is provided so that employees can fulfill their roles across different positions and functions. Due to continued COVID-19 in 2021, we mainly provided non-face-to-face online training. We replaced 15 training programs with online lectures and provided around 300 video lectures, thus building an online learning atmosphere.



Employee Training (Unit: KRW 10,000, Hours)

Category		2019	2020	2021
Average training expense per person		85.6	40.0	40.3
Average training hour per person	Male	58	57	68
	Female	74	66	71
Training hour per person by job type	Branch sales staff	83	97	104
	Branch support staff	93	64	74
	Head office sales staff	46	37	49
	Head office support staff	57	48	60

Work-Life Balance

Work-Life Balance

Reduced Work Hours NHIS strives to fully establish a work culture of reduced work hours by adopting the "NH Smart Work 3.3.3 Campaign" and "Leaving work on time for early, full establishment of reduced work hours". To this end, we adopted Robotic Process Automation (RPA) to automate repetitive work and raise work efficiency. We are also striving to fully establish an efficient organizational culture by adopting and operating various flexible working systems, such as the flexible working hours and alternative work schedule.

Balance between Work and Family Life NHIS guarantees employees' work-family life balance and helps them achieve a stable balance between work and personal life. As a leading example, we provide maternity leaves, fertility leaves, and sterility leaves to prevent career disruption of female employees, and operate our leave system in compliance with legal systems, such as including spouses in the target of parental leave. We became the first in the securities industry to open an in-house daycare center in 2017, thus helping employees with infants focus on their work without being concerned. We cover educational expenses for children of employees who do not use the in-house daycare center, and provide this support for a long period, from when children are in elementary school to college. As a result of supporting employees' work-family life balance through various programs, the continuous employment rate in 2021 was 96.9% and 66.7% for female and male employees, respectively.

Parental and Childcare Leave (Unit: Persons, %)

Category		2019	2020	2021
No. of employees took the leave	Male	3	2	5
	Female	49	59	84
No. of employees returned from the leave	Male	1	3	1
	Female	73	65	46
No. of employees remained for 12 months after the leave	Male	0	1	2
	Female	58	71	63
Return rate	Male	33.3	150.0	20.0
	Female	149.0	110.2	54.8
Retention rate	Male	0	100.0	66.7
	Female	100.0	97.3	96.9

Systems to Achieve Work-Life Balance (Unit: Persons, %)

Category		2019	2020	2021
Flexible working hours[2]	No. of employees subject to the system[1] (person)	2,964	2,986	3,000
	No. of employees who used the system (person)	723	765	611
	Ratio (%)	24.39	25.61	20.37
Mom's Lounge[3]	No. of employees subject to the system (person)	-	-	134
	No. of employees who used the system (person)	-	-	27
	Ratio (%)	-	-	20.15
Family care leave	No. of employees subject to the system (person)	-	2,986	3,000
	No. of employees who used the system (person)	-	165	164
	Ratio (%)	-	5.53	5.47

[1] All employees: Excluding executives

[2] Flexible working hours: Excluding the work hour reduction system such as for pregnancy and infant care period

[3] Mom's Lounge: Employees who applied for Moms Lounge from among employees using a prenatal diagnosis leave in 2021 (Including head office and all branches)

Employee Benefits

Improving Welfare System To provide information on the NHIS welfare system, we created a welfare system information section on our internal website 'NHOW' in 2020. By increasing accessibility to information on how to apply for benefits and receive funds, we are guaranteeing employee convenience. We will continue to make welfare system improvements for employees.

Housing Stability Support NHIS operates various loan support systems, such as housing finance loans and livelihood stabilization loans by using internal labor welfare funds, thereby supporting housing stability of employees. Housing support funds are provided to employees who are working away from their homes in regional branches.

Leave System NHIS operates various leave systems, in addition to the annual leave stipulated in the Labor Standards Act. The refresh leave system, which supports around 400 employees a year, provides support funds when an employee uses the annual leave for five consecutive days. The sabbatical leave system provides the same number of days of paid leave when an employee uses 2.5 – 5 days of the annual leave. This leave system is made available every five years of continuous service to offer a long-term leave opportunity. We operate a welfare system that guarantees leaves that are more than what is stipulated in laws.

Safety and Health Management

Employee Safety and Health Support

Activities for Employee Safety and Health NHIS provides a safe work environment to its employees to raise employees' work satisfaction levels and to help them demonstrate their capabilities to the fullest. As a leading example, we provide health check-up support to employees and their family members in partnership with 57 hospitals across the nation. In 2021, 4,504 employees and their family members received health check-up benefits. We also operate various welfare systems to promote employee health, as part of which we provide support for medical expenses and purchased a group accident insurance policy to prepare for accidents and diseases that may occur while employees are handling their work.

Support for Health Check-up (Unit: Persons)

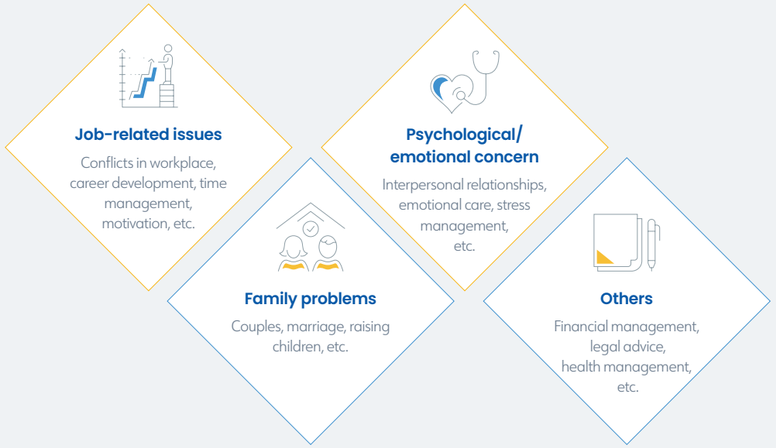
Category	2019	2020	2021
No. of employees completed health check-up	4,533 (2,806)	4,325 (2,823)	4,504 (2,819)

Occupational Safety and Health Practice (Unit: %)

Category	2019	2020	2021
Occupational incident rate	0	0	0

Employee Psychological Health Program NHIS operates the Employee Assistance Program (EAP) to provide a psychological health and counseling program to employees and their immediate family. An employee who seeks to use the psychological health program can use the EAP website to make a reservation for counseling and to conduct a self-diagnosis. In addition, EAP regularly sends out an EAP letter every Friday, publishes an in-house newsletter column every month, and holds an open lecture every quarter to promote employees' psychological health.

Types of Employee Mental Health Assistance Program



EAP Statistics

Category	2019	2020	2021
No. of emotion care counseling sessions	808	891	1,035
No. of employees received counseling	145	181	207
Satisfaction level (out of 5)	4.5	4.7	4.6

APPENDIX

Materiality Test

Materiality Test Process

STEP 1.

Forming an issue pool

We formed a pool of 27 potential issues through international standard analysis, same industry benchmarking, media research, and internal material review based on economic/environmental/social impact on overall management activities and level of stakeholder interest.

STEP 2.

Prioritizing issues

To determine the priority of the pool of potential issues that were derived, in February 2022 we conducted a survey to NHIS stakeholders, including clients, employees, partner companies, and local communities. Based on the survey, we identified our sustainability management level and impact, and carried out a dual materiality assessment based on outward and inward impact.

STEP 3.

Conducting dual materiality assessment

1) Inward impact: Issues that impact corporate value
- Same industry benchmarking: Benchmarked outstanding sustainability management companies and 10 companies in the same industry
- Last report's issues and employee survey results

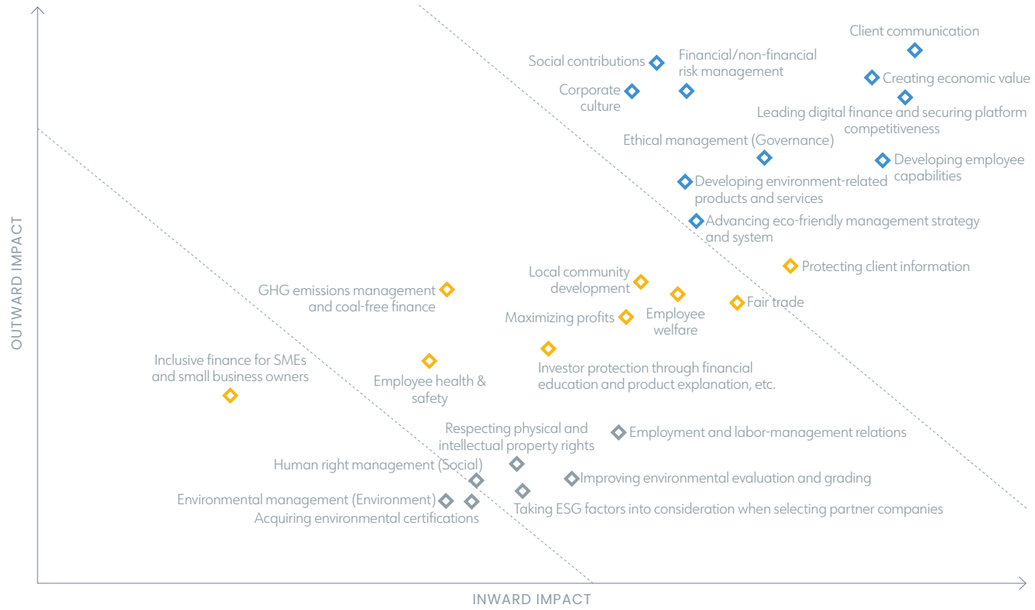
2) Outward impact: Issues in which a company impacts the economy, the environment, and people
- Use of international standard initiatives: Used outside stakeholder survey results, including GRI, DJSI, ISO 26000, UN SDGs, TCFD, and SASB
- Media research: Analyzed around 2,744 articles exposed in the media in 2019, 2020, and 2021

STEP 4.

Selecting material issues

We confirmed 10 stakeholder interest issues that belong to the "high" importance level category in connection with the economic, environment, and social topic indexes defined in the GRI Standards. We chose material issues in consideration of meaning, scope, impact, and reporting period and limitation.

Materiality Test Results



Selecting Material Issues

No.	Material Issues	Impact Assessment	Inward / Outward	Stakeholders	Page
1	Client communication	Non-financial performance, trust and reputation	Inward / Outward	Client	65-69
2	Leading digital finance and securing platform competitiveness	Financial performance, non-financial performance	Inward / Outward	Client, Shareholder & Investor, Partner Company	60-64
3	Creating economic value	Financial performance	Inward / Outward	Client, Shareholder & Investor, Partner Company, Employee	12-19
4	Developing employee capabilities	Financial performance, non-financial performance	Outward	Employee	75-80
5	Social contributions	Non-financial performance, trust and reputation	Inward / Outward	Shareholder & Investor, NGO, Local Community, the Underprivileged	39-41
6	Ethical management (Governance)	Trust and reputation	Inward / Outward	Client, Shareholder & Investor, Partner Company, Employee, Government	45-49
7	Financial/non-financial risk management	Financial performance, non-financial performance	Inward / Outward	Client, Shareholder & Investor, Partner Company, Employee	51-52
8	Corporate culture	Non-financial performance, trust and reputation	Outward	Employee	78-80
9	Developing environment-related products and services	Financial performance, non-financial performance	Inward / Outward	Client, Shareholder & Investor, Responsible Investor	38
10	Protecting client information	Non-financial performance, trust and reputation	Inward / Outward	Client	70-74

Management Approach

NHIS is actively responding to future changes by analyzing and identifying ever-changing industry issues to grow into a sustainable financial company. In particular, we choose material issues that impact our sustainability management and conduct relevant activities from the mid- to long-term perspective.

MATERIAL ISSUE	CONTEXT	OUR APPROACH	2021 ACHIEVEMENT	PAGE
Leading digital finance and securing platform competitiveness	• Amid rising client demand for non-face-to-face products and services, digital innovation of finance is gaining speed and business models of financial and securities industries are changing. In particular, the IT industry is triggering changes in the financial industry structure by collaborating or competing with financial companies as it expands the provision of financial services, including payment/remittance, fund brokerage, and investment. Such adoption of new technologies related to digital transformation is expected to lead to new financial innovation advances as well as a paradigm shift in finance.	• NHIS has seized the potential financial sector paradigm shift due to digital transformation as an opportunity, and is making unsparing investments for digital innovation. In detail, we created and restructured organizations to be centered around digital finance, while providing digital training to employees and increasing recruitment for the IT/digital-related job group, thus solidifying internal foundation. In addition, we formed industry-academia technological cooperation partnerships with renowned universities in Korea, in our efforts to expand mobile-based platform services.	• Held the 2nd Big Data Contest • Launched "NAMUH Members", a subscription-type membership • Opened "NHIS Metaverse" • Launched the MyData service	60-64
Client communication	• The market is diversifying due to IT companies expanding into financial investment businesses, and the need of our clients are also changing rapidly. As non-face-to-face channels gain more influence, financial products' characteristics and sales structures are clearly changing as well. And thus, data capabilities needed to recommend optimal, tailored products for clients' economic circumstances and lifecycle are expected to emerge as a key competitiveness. In response, developing an attitude of nimbly responding to client needs is becoming an essential requirement for strengthening competitiveness.	• NHIS offers segmented employee training programs on financial consumer protection, operates online and offline VOC systems, and makes other such efforts in order to internalize client-centric management. In addition, we have diversified client communication channels to identify client needs. Client opinions collected through various channels are stored in a database and reflected in the development of products and services. We will do our best to enhance client value throughout all processes, ranging from making preparations to meet clients to identifying client needs, providing optimal solutions, and offering follow-up management services.	• Conducted a client satisfaction survey • Conducted an investment information survey • Held the experiential promotion "NH Super Stock Market" • Ran a client panel program "NH Mentors"	65-69
Protecting financial consumers	• IT giants that offer financial product brokerage services are increasing their influence in the financial industry. This, combined with the enforcement of the Financial Consumer Protection Act in March 2021, is leading to the emergence of the importance of consumer protection responsibilities. Financial product advertising and brokerage services offered by fintech companies have positive effect of raising consumer accessibility, but there are also concerns over unfair/incomplete sales and increased sales fees of platform companies that dominated the market. There is also an increasing possibility of resulting consumer damages. Amid sharp changes in the financial environment, we expect legal and institutional improvements to domestic financial consumer protection systems and have strengthened supervision functions for additional financial consumer protection.	• NHIS is establishing safety mechanisms to protect financial consumers throughout the launch-sales-follow-up management of products, while also operating the Product Approval Committee for prior reviews of financial product risks and sales approval. In addition, we provide content to inexperienced investors who may be vulnerable to financial incidents, and are offering other such investment education from the client perspective. We are raising employee awareness through regular information security training and information security campaigns every year. We also became the first in the industry to build and operate an intelligent CCTV control system and are making other such efforts to establish a safe investment environment.	• Created the "Financial Consumer Protection Internal Control Committee" • Acquired the Personal Information & Information Security Management System (ISMS-P) certification • Conducted cybersecurity simulation training • Ran an information security campaign	70-74
Developing employee capabilities	• As digital finance and global business gain greater weight, strengthening financial companies' employee capabilities is growing more important. Amid rapid development of technologies, domestic and overseas companies are actively looking for IT talent who have key digital skills, ranging from cloud to AI and machine learning. As digital innovation progresses, there will likely be a need to foster talent and develop continuous employee training strategies.	• NHIS strives to secure global-wide outstanding talent. We set diverse support systems in place so that all employees can develop their respective capabilities and receive compensation for their performance based on fair opportunities. We provide training by position and duty categorized into two – fostering of leaders and fostering of experts. In addition, we help employees achieve a stable balance between work and personal life through family-friendly programs, such as flexible working hours, in-house daycare center, and family care leave, as well as a psychological health program.	• NH Smart Work 3.3.3 Campaign • 15 training programs and around 300 online lectures • Adopted and operated Mom's Lounge • Provided 1,035 cases of counseling as part of the psychological health program	75-80

FINANCIAL PERFORMANCE

Independent Auditor's Report

To the Board of Directors and Shareholders of NH Investment & Securities Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of NH Investment & Securities Co., Ltd. and its subsidiaries (collectively referred to as the "Group") which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including 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 NH Investment & Securities Co., Ltd. and its subsidiaries as at December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

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

Key Audit Matters

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

Valuation of Over-The-Counter Derivatives Classified as Level 3

Why it is determined to be a key audit matter:
Fair value of large portion of over-the-counter derivatives classified Level 3 in the consolidated financial statements is calculated by using an internally developed valuation system. Management's estimates and judgment are required in estimating the fair value of these derivatives held by the Group in determining appropriate models, assumptions and inputs. Given the complexity of estimation and the extent of judgment involved in valuing these over-the-counter derivatives, we considered this to be a key audit matter. Over-the-counter derivatives classified Level 3 of the Group subject to fair value measurement are derivative assets, derivative liabilities, securities at fair value through profit or loss and financial liabilities designated at fair value through profit or loss that amount to ₩ 7,578,012 million as at December 31, 2021 (Note 9.1).

How our audit addressed the key audit matter:
We obtained an understanding. and evaluated processes and controls in relation to fair value measurement. Our focus was particularly on the accuracy of underlying transaction data used and mathematical calculation in accordance with management's internal valuation methodologies.

We assessed design and tested operating effectiveness of controls over accuracy and completeness of key inputs such as underlying transaction data used in management's determination of estimated fair value. We tested transaction data used in the valuation by examining supporting evidence including contracts and trade confirmations.

We also tested the controls over periodic verification of management's internal valuation system, verification of input data, and verification of output data to ensure the accuracy of over-the-counter derivative valuation. We involved our derivative valuation specialist to independently estimate fair values utilizing independent valuation models and variables to see if management's valuation is outside our ranges.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 40.4 of the consolidated financial statements. As explained in Note 40.4 to the consolidated financial statements, the rapid spread of the COVID-19 epidemic has had a negative impact on the global economy, which can result in an increase in expected credit losses, potential impairment of assets, and negatively affecting the Group's ability to generate revenue.

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2020, were audited by Ernst & Young Han Young who expressed an unqualified opinion on those statements onMarch 5, 2021.

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

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

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

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

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

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

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 ofthe going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

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

Seoul, Korea
March 4, 2022

This report is effective as of March 4, 2022, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statements of Financial Position

December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries (in millions of Korean won)

	NOTES	2021	2020
Assets			
Cash and cash equivalents	39,42 4,8,9,10,11,12,41,4	₩ 1,348,746	₩ 1,212,647
Financial assets at fair value through profit or loss ("FVTPL")	2	34,593,665	38,964,992
Derivative assets (hedging)	5,9,10,41,42	-	4,503
Financial assets at fair value through other comprehensive income ("FVOCI")	6,9,10,11,12,42	5,143,796	5,423,596
Financial assets at amortized cost, net	7,8,9,10,12,41,42	16,637,296	16,200,741
Investments in associates and joint ventures	13,41	435,949	310,244
Property and equipment, net	12,14,41	161,340	139,621
Investment properties, net	12,15	54,294	53,036
Intangible assets, net	16,41	56,834	56,825
Right-of-use assets	17,41	47,751	73,808
Current tax assets		11,550	9,711
Deferred tax assets		11,384	33,182
Other assets	18,41,42	39,394	255,527
Total Assets		₩ 58,541,999	₩ 62,738,433
Liabilities			
Deposits due to customers	9,19,41,42	₩ 7,575,232	₩ 7,027,024
Financial liabilities at fair value through profit or loss ("FVTPL")	9,10,20,41,42	14,138,157	14,348,698
Derivative liabilities (hedging)	5,9,10,41,42	3,694	5,579
Borrowings	9,10,11,21,39,42	20,072,272	23,757,331
Debentures	9,21,39,42	3,415,340	3,305,868
Other financial liabilities	9,10,22,39,41	5,935,467	7,967,412
Provisions	23,40	88,217	262,208
Current tax liabilities		212,375	130,231
Deferred tax liabilities		81,780	4,220
Other liabilities	24,25,41	196,160	126,988
Total Liabilities		₩ 51,718,694	₩ 56,935,559

December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries (in millions of Korean won)

	NOTES	2021	2020
Equity			
Equity attributable to equity holders of the parent	26		
Capital stock		₩ 1,609,400	₩ 1,531,275
Capital surplus		1,641,600	1,520,120
Other components of equity		264,584	164,622
Retained earnings (The beginning balances of regulatory reserve for credit loss as at December 31, 2021 and 2020, were ₩ 78,893 million and ₩ 74,642 million, respectively) (The amounts estimated to be transferred into reserve as at December 31, 2021 and 2020, were ₩ 10,880 million and ₩ 4,251 million, respectively)		3,302,570	2,581,705
		6,818,154	5,797,722
Non-controlling interests		5,151	5,152
Total Equity		6,823,305	5,802,874
Total Liabilities and Equity		₩ 58,541,999	₩ 62,738,433

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

Consolidated Statements of Comprehensive Income

Years Ended December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries

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

	NOTES	2021	2020
Operating revenue			
Fee and commission income	27,41,44	₩ 1,417,597	₩ 1,193,290
Gain on financial instruments at fair value through profit or loss	28	7,374,734	9,475,362
Gain on financial assets at fair value through other comprehensive income	29	3,272	26,639
Gain on valuation and disposal of derivative instruments (hedging)	30	-	2,314
Interest income	31,41	999,228	981,684
Interest income calculated using the effective interest method		512,764	458,151
Interest income on financial instruments at fair value through profit or loss		486,464	523,533
Gain on financial assets at amortized cost	32	1,138	35,453
Gain on disposal of financial assets at amortized cost		69	32,137
Reversal of provisions for credit losses on financial assets at amortized cost		1,069	3,316
Gain on foreign exchange transaction	33	643,616	756,465
Other operating revenue	35,41	322,599	296,615
		10,762,184	12,767,822
Operating expenses			
Fee and commission expense	27,41	234,538	168,230
Loss on financial instruments at fair value through profit or loss	28	7,328,393	9,324,222
Loss on financial assets at fair value through other comprehensive income	29	3,591	8,654
Loss on valuation and disposal of derivative instruments (hedging)	30	-	46
Interest expense	31,41	229,527	285,658
Loss on financial assets at amortized cost	32	4,207	145,654
Loss on disposal of financial assets at amortized cost		3,377	544
Bad debt expense on financial assets at amortized cost		830	145,110
Loss on foreign exchange transaction	33	465,000	889,049
General and administrative expenses	34,41	1,046,625	893,608
Other operating expenses	35,41	156,358	265,450
		9,468,239	11,980,571

Years Ended December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries

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

	NOTES	2021	2020
Operating income		1,293,945	787,251
Non-operating income	36	106,033	57,024
Non-operating expenses	36	97,915	55,160
Profit before income taxes		1,302,063	789,115
Income tax expense	37	370,599	212,237
Profit for the year		₩ 931,464	₩ 576,878
Net profit attributable to the equity holders of the parent (adjusted profit after regulatory reserve for credit loss for the years ended December 31, 2020 and 2019, amounted to ₩ 920,646 million and ₩ 572,721 million, respectively)		₩ 931,526	₩ 576,971
Net loss attributable to the non-controlling interests		(62)	(93)
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Loss on valuation of financial assets at FVOCI (Debt securities)		(24,366)	(434)
Gain on valuation of derivative instruments (hedging)		514	323
Gain (Loss) on overseas business translation		64,423	(40,186)
Other comprehensive income (loss) attributable to the non-controlling interests		61	(433)
		40,632	(40,730)
Items that will not be reclassified to profit or loss			
Gain on valuation of financial assets at FVOCI (Equity securities)		72,803	39,369
Adjustment of credit risk of financial liabilities measured at FVTPL		9,603	2,000
Loss on valuation of derivative instruments (hedging)		-	(1,290)
Remeasurement of the defined benefit plan		(23,014)	(11,593)
		59,392	28,486
Total other comprehensive income (loss)		100,024	(12,244)
Total comprehensive income		₩ 1,031,488	₩ 564,634
Comprehensive income attributable to the equity holders of the parent		1,031,488	565,161
Comprehensive income (loss) attributable to the non-controlling interests		-	(527)
Basic earnings per share (in Korean won)	38	₩ 3,071	₩ 1,923
Diluted earnings per share (in Korean won)	38	₩ 3,071	₩ 1,923
Basic earnings per share (preferred stock) (in Korean won)	38	₩ 3,121	₩ 1,973

Consolidated Statements of Changes in Equity

Years Ended December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries

(in millions of Korean won)

Description	Capital Stock	Capital Surplus	Other Components of Equity	Retained earnings	Total Equity Attributable to Equity Holders of the Parent	Non-controlling interests	Total Equity
Balance at January 1, 2020	₩1,531,275	₩1,519,983	₩ 176,433	₩2,157,388	₩5,385,079	₩ 7,006	₩ 5,392,085
Transactions with owners:							
Dividend paid	-	-	-	(150,742)	(150,742)	-	(150,742)
Equity changes in investment using equity method	-	137	-	-	137	(1,328)	(1,191)
Total comprehensive income:							
Profit for the year	-	-	-	576,971	576,971	(93)	576,878
Other comprehensive income							
Gain on valuation of financial assets at FVOCI	-	-	38,936	-	38,936	-	38,936
Gain on changes in credit risk of financial liabilities at FVTPL	-	-	2,000	-	2,000	-	2,000
Remeasurement of the defined benefit plan	-	-	(11,593)	-	(11,593)	-	(11,593)
Loss on valuation of derivative instruments	-	-	(967)	-	(967)	-	(967)
Loss on overseas business translation	-	-	(40,187)	-	(40,187)	(433)	(40,620)
Others	-	-	-	(1,912)	(1,912)	-	(1,912)
Balance at December 31, 2020	₩1,531,275	₩1,520,120	₩ 164,622	₩2,581,705	₩5,797,722	₩ 5,152	₩ 5,802,874
Balance at January 1, 2021	₩1,531,275	₩1,520,120	₩ 164,622	₩2,581,705	₩5,797,722	₩ 5,152	₩5,802,874
Transactions with owners:							
Dividend paid	-	-	-	(210,661)	(210,661)	-	(210,661)
Capital increase with consideration	78,125	121,480	-	-	199,605	-	199,605
Total comprehensive income:							
Profit for the year	-	-	-	931,526	931,526	(62)	931,464
Other comprehensive income							
Gain on valuation of financial assets at FVOCI	-	-	48,437	-	48,437	-	48,437
Gain on changes in credit risk of financial liabilities at FVTPL	-	-	9,603	-	9,603	-	9,603
Remeasurement of the defined benefit plan	-	-	(23,014)	-	(23,014)	-	(23,014)
Gain on valuation of derivative instruments	-	-	514	-	514	-	514
Gain on overseas business translation	-	-	64,422	-	64,422	61	64,483
Balance at December 31, 2021	₩1,609,400	₩1,641,600	₩ 264,584	₩3,302,570	₩6,818,154	₩ 5,151	₩6,823,305

Consolidated Statements of Cash Flows

Years Ended December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries

(in millions of Korean won)

	NOTES	2021	2020
Cash flows from operating activities			
Profit before income taxes		₩ 1,302,063	₩ 789,115
Other adjustments to reconcile net income to net cash used in operating activities	39	(1,026,177)	(709,419)
Changes in operating assets and liabilities	39	2,294,141	(5,388,309)
Interest income received		963,931	981,437
Interest expense paid		(189,831)	(224,448)
Dividend received		319,323	67,892
Income taxes paid		(204,278)	(173,892)
Net cash inflow (outflow) from operating activities		3,459,172	(4,657,624)
Cash flows from investing activities			
Cash inflows			
Disposal of financial assets at FVOCI		3,478,319	3,947,714
Disposal of investments in associates		59,631	9,301
Net cash inflows due to changes in consolidation scope		11,785	38,511
Termination of derivative instruments (hedging)		-	48,609
Decrease in deposits		21,809	6,669
Disposal of property and equipment and investment properties		9,955	1,473
Disposal of intangible assets		2,104	2,158
		3,583,603	4,054,435
Cash outflows			
Acquisition of financial assets at FVOCI		(3,185,723)	(5,698,531)
Acquisition of investments in associates		(125,408)	(62,265)
Termination of derivative instruments (hedging)		-	(46,845)
Increase in deposits		(8,303)	(6,877)
Acquisition of property and equipment		(55,247)	(28,666)
Acquisition of intangible assets		(3,206)	(1,679)
		(3,377,887)	(5,844,863)
Net cash inflow (outflow) from investing activities		205,716	(1,790,428)

Years Ended December 31, 2021 and 2020

NH Investment & Securities Co., Ltd. and Subsidiaries (in millions of Korean won)

	NOTES	2021	2020
Cash flows from financing activities			
Cash inflows			
Increase in borrowings		1,758,948,519	1,787,877,766
Increase in debentures		66,812,624	49,234,820
Increase in deposits received		1,381	251
Increase in non-controlling liabilities		144,161	-
Capital increase with consideration		199,605	-
		1,826,106,290	1,837,112,837
Cash inflows			
Decrease in borrowings		(1,762,766,273)	(1,781,570,869)
Decrease in debentures		(66,708,669)	(48,615,000)
Decrease in lease liabilities		(26,387)	(27,614)
Decrease in deposits received		(1,653)	(421)
Decrease in non-controlling liabilities		-	(68,450)
Decrease in non-controlling interests		-	(1,328)
Dividend paid		(210,661)	(150,742)
		(1,829,713,643)	(1,830,434,424)
Net cash inflow (outflow) from financing activities		(3,607,353)	6,678,413
Net increase in cash and cash equivalents		57,535	230,361
Effect of exchange rate changes on cash and cash equivalents		78,563	(13,837)
Cash and cash equivalents at the beginning of the year	39	1,212,647	996,123
Cash and cash equivalents at the end of the year	39	₩ 1,348,745	₩ 1,212,647

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

Stakeholder Communication Channels

Stakeholder Communication

NHIS collects diverse opinions by communicating with internal/external stakeholders, including shareholders, clients, employees, and local communities, and reflects them in management activities to achieve sustainable development. Accordingly, we identify various stakeholders that give and receive economic, environmental, and social influence according to corporate activities, products, services, and relations. We categorize shareholders, clients, employees, local communities, and others into key, strategic, and other stakeholders based on internal standards. By establishing continuous, reliable communication channels, we collect stakeholder expectations.

Stakeholders and Main Communication Channels

Category	Communication channels
Shareholders and investors	General shareholder's meeting, performance reports and management disclosures, investor meetings, securities firm conferences, and other investment presentations/IR, website, phone calls to shareholders, business reports and other disclosures
Employees	Management strategy meetings, internal broadcasting, Intranet, Labor-Management Council, employee satisfaction survey, Industrial Safety and Health Committee
Partner companies	Electronic purchase system, partner company training program
Clients	Voice of customers (VOC), call center, client center, investment/product presentations, website, social media, mobile applications, consumer portal
Local communities	Measurement of social contribution activity performance, Social Contribution Group
Government and related agencies	Financial Supervisory Service, Financial Services Commission

Tax Policy

NHIS understands that compliance with tax laws and responsible, transparent tax payments that go beyond observance of laws is an important factor in contributing to national finance, enhancing shareholder value, and maximizing stakeholder profits, and that it is a fundamental condition that needs to be met for the company's long-term growth. We have therefore established tax rules and policy, and pursue cooperative, constructive relations with taxation authorities for faithful implementation of our tax policy. We make transparent tax payments and disclose relevant information according to the following rules.

Principles on Tax

- We recognize that compliance with tax laws and transparent tax payments are important parts of management.
- We faithfully report and pay taxes in accordance with responsible tax rules.
- We do not abuse differences in tax laws among countries to avoid taxes.
- We evaluate the adequacy of transfer price in accordance with the arm's length principle in transactions with persons with special relationship.
- We avoid use of tax structures for the purpose of avoiding taxes, and do not manage a legal entity at tax havens where sharing of tax information is impossible and where we do not have any economic activity.
- We make utmost efforts to fulfill cooperation obligations that are stipulated in tax laws to maintain constructive and cooperative relations with taxation authorities.
- We conduct preemptive management and monitoring to reduce tax risks.
- We document and store tax reports, documentary evidence, and materials related to decision-making on accounting issues.

Disclosure of Tax Payment Information

In Korea, we responsibly disclose income tax-related details through an audit report which is available on the Financial Supervisory Service's electronic official notice system (Dart.fss.or.kr). Disclosed content includes the following.

1. Accounting criteria for calculating income taxes
2. Deferred tax asset and liability details
3. Composition details regarding temporary differences
4. Income tax expense composition details and tax rate information

In addition, through our annual Integrated Report and Auditors' Report, we disclose revenue and tax payment amount information by country, the difference between the valid tax rate and statutory tax rate of income taxes, and the reason for this difference.

Tax Management Organization

Tax issues are reviewed and discussed on a regular basis at the working level across all businesses. When an issue is identified, an additional review is conducted by the financial department with expertise for a CFO report process. For any significant tax issues, a prudent review process by the outside experts is carried, and the issue may be brought in to the BOD if necessary.

Base Erosion and Profit Shifting

Global tax monitoring and regulation is tightened due to increased transfer of taxable income among countries which bear possible cases of tax avoidance. The tax authorities protect their taxation rights and prevent international tax avoidance by denying transfer prices and taxing them at arm's length prices, whether or not there is an intention to avoid tax in international transactions. The need to review (TP Study) transfer prices in case of international trade with overseas local subsidiaries emerged in 2012. Accordingly, we received professional legal advice in 2014 and carried out a thorough review on the transfer prices on overseas trade that occurred between NHIS and overseas local subsidiaries.

Whenever there is a new service contract with an overseas local subsidiary, NHIS' Global Business Planning Department and IB Business Planning Department, which oversee contracts with local subsidiaries, conduct a TP Study in the form of receiving a transfer price review report from a law firm for each contract. We use the review results as the reference to calculate commissions to reduce domestic tax risks while observing the OECD Transfer Pricing Guidelines. We also promote the appropriate fulfillment of tax obligations based on local tax laws.

GRI Standards Index

UNIVERSAL STANDARDS (GRI 100)

Category	Disclosure	Indicators	Page
Organizational Profile	102-1	Name of the organization	6
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	102-3	Location of headquarter	About This Report
	102-4	Number of countries where the organization operates, and the names of countries	10-11
	102-5	Ownership and legal form	8
	102-6	Markets served	10-11
	102-7	Scale of the organization	6-7
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Strategy	102-14	Statement from senior decision-maker	4-5
	102-15	Key impacts, risks, and opportunities	106-107
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	45
	102-17	Mechanisms for advice and concerns about ethics	44
Governance	102-18	Governance structure	53
	102-21	Consulting stakeholders on economic, environmental, and social topics	95
	102-23	Chair of the highest governance body	53
	102-24	Nominating and selecting the highest governance body	55-56
	102-26	Role of highest governance body in setting purpose, values, and strategy	54
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Stakeholder Engagement	102-40	List of stakeholder groups	53
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Category	Disclosure	Indicators	Page
Reporting Practice	102-45	Entities included in the consolidated financial statements	55
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	102-47	A list of the material topics identified in the procedure for defining report content	83
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	102-49	Changes in reporting	
	102-50	Reporting period	
	102-51	Date of most recent report	
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	102-54	Claims of reporting in accordance with the GRI Standards	
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	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	

TOPIC SPECIFIC STANDARDS ECONOMIC PERFORMANCE (GRI 200)

Category	Disclosure	Indicators	Page
Economic Performance	201-1	Direct economic value generated and distributed	86-94
	201-2	Financial implications and other risks and opportunities due to climate change	106-107
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	39-41
	203-2	Significant indirect economic impacts	20-21
Anti-Corruption	205-1	Operations assessed for risks related to corruption	48
	205-2	Communication and training about anti-corruption policies and procedures	
	205-3	Confirmed incidents of corruption and actions taken	46-47
Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	47
Tax	207-1	Approach to tax	96

TOPIC SPECIFIC STANDARDS ENVIRONMENTAL PERFORMANCE (GRI 300)

Category	Disclosure	Indicators	Page
Energy	302-1	Energy consumption within the organization	37
	302-2	Energy consumption outside of the organization	
Water and Effluents	303-1	Water withdrawal by source	
Emissions	305-1	Direct (Scope 1) GHG emissions	
	305-2	Indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
Effluents and Waste	306-3	Significant spills	
	306-4	Transport of hazardous waste	
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Zero

TOPIC SPECIFIC STANDARDS SOCIAL PERFORMANCE (GRI 400)

Category	Disclosure	Indicators	Page
Employment	401-1	New hires and employee turnover	76
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	79
	401-3	Parental leave	78
Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	79
	403-6	Promotion of worker health	79-80
Training and Education	404-1	Average hours of training per year per employee	77
	404-2	Programs for upgrading employee skills and transition assistance programs	77
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	44
Non-Discrimination	406-1	Incidents of discrimination and corrective actions taken	46
Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A
Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	N/A
Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	N/A
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	39
Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	46
Clients' Personal Information	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	72
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	47

Category	Disclosure	Indicators	Page
Financial Service Sector Supplement			
Financial Service Sector Specific Disclosure on Management Approach	FS1	Policies with specific environmental and social components applied to business lines	51-52, 101-102
	FS2	Procedures for assessing and screening environmental and social risks in business lines	
	FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	
	FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	
	FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities	
Financial Services Sector Specific Performance Indicator	FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	101-102
	FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	
Financial services sector specific on product responsibility society performance indicators			
Society Performance Indicators	FS13	Access points in low-populated or economically disadvantaged areas by type	40-42
	FS14	Initiatives to improve access to financial services for disadvantaged people	
Financial services sector specific disclosure on management approach			
Product Responsibility Performance Disclosures	FS15	Policies for the fair design and sale of financial products and services	70-71
Financial services sector specific product responsibility performance indicators			
Product Responsibility Performance Indicators	FS16	Initiatives to enhance financial literacy by type of beneficiary	67, 72

SASB Index

Employee Diversity & Inclusion

Code	FN-IB-330a.1
Accounting Metric	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees
Unit of Measure	Percentage (%)
NHIS Response	At NHIS, we do not tolerate any discrimination in our hiring and/or performance evaluation procedures. On pages 44 and 76, we disclose, in detail, our diversity indicators, including gender and the number of socially disadvantaged employees. Relevant policies and initiatives on this matter are also specified within.

Incorporation of ESG Factors in Investment Banking & Brokerage Activities

Code	FN-IB-410a.1
Accounting Metric	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry
Unit of Measure	(1) Number of products, (2) KRW million

NHIS Response

Category		No. of products (amount)
New & renewable energy PF underwriting·arrangement	Photovoltaic power generation	1 (147,896)
	Hydrogen fuel cell power generation	1 (3,000)
ESG fund sales	New Deal	9 (44,917)
	ESG	17 (80,246)
	SRI	3 (10,458)

Code	FN-IB-410a.2
Accounting Metric	(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry
Unit of Measure	(1) Number of products, (2) KRW million

NHIS Response

Category			No. of products (amount)
Green Finance	Sustainable agriculture, forestry, and fisheries industries	Korean ETF	1(5,867)
		Other securities	1 (1,846)
	New & renewable energy and energy efficiency	Korean ETF	18 (26,480)
		Overseas ETF	6 (21,300)
		Collective investment securities (others)	4 (79,590)
		Foreign currency securities	1 (1,320)
		Other securities	7 (20,611)
		Callable bond	1 (50,000)
		Corporate credit offering	17 (251,905)
	Pollution prevention and control	Corporate credit offering	2 (226,489)
	Other eco-friendliness	Collective investment securities (equity type)	2 (3,230)
		Collective investment securities (others)	4 (85,389)
		Other securities	6 (26,044)
		Corporate credit offering	2 (165,000)
	Ocean waste resource circulation	PEF investment	1 (15,000)
	Socially responsible investment bond	Green bond	3 (50,000)

NHIS Response	CSR	Public services, including healthcare and education	Korean ETF	13 (13,031)
			Overseas ETF	3 (8,671)
			Collective investment securities (equity type)	5 (5,100)
			Collective investment securities (others)	5 (24,511)
			Foreign currency collective investment securities	1 (2,807)
			Other securities	22 (55,697)
			Corporate credit offering	8 (67,990)
		Infrastructure for vulnerable groups	Collective investment securities (others)	1 (11,835)
			Corporate credit offering	11 (80,648)
		Socio-economic entities	Other securities	1 (130)
		Socially responsible investment bond	Social bonds	2 (260,000)

Code	FN-IB-410a.3
Accounting Metric	Description of approach to incorporation of ESG factors in investment banking and brokerage activities
Unit of Measure	N/A
NHIS Response	NHIS established the Sustainability Council, which is an executive consultative body, and the ESG Department as a division dedicated to ESG. We also created the ESG Committee (as of March 31, 2022) as a BOD sub-committee. Details can be found on page 57. NHIS operates a risk management organization and body, and manages its financial risks as well as environmental and ESG risks. Environmental and ESG risks are integrated under NHIS' risk management policy and are closely connected to our business activities. Details regarding the alignment plans and activities are disclosed on pages 50-52. In 2021, we declared coal-free finance in accordance with the "ESG Transformation 2025" vision of NH Financial Group, through which we seek to contribute to the Korean government's New Deal and low-carbon policy.

Business Ethics

Code	FN-IB-510a.1
Accounting Metric	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations
Unit of Measure	KRW
NHIS Response	NHIS strives to establish an ethical corporate culture. Details on violations of financial market laws can be found on pages 45-49.

Code	FN-IB-510a.2
Accounting Metric	Description of whistleblower policies and procedures
Unit of Measure	N/A
NHIS Response	NHIS does not tolerate any form of unethical conduct and takes firm measures irrespective of the gravity of the conduct. We operate internal/external reporting systems through diverse channels, and details on relevant policies and procedures can be found on pages 45-49.

Professional Integrity

Code	FN-IB-510b.1
Accounting Metric	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings
Unit of Measure	(1) Number of persons, (2) Percentage (%)
NHIS Response	In 2021, there is one number of employee reported to violate financial laws and/or regulations.

Code	FN-IB-510b.2
Accounting Metric	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party
Unit of Measure	Number of cases
NHIS Response	We disclosed the number of reports that were received through NHIS reporting channels and cases of regulation violations in the last three years on pages 45-49. We conduct thorough investigations on internal regulation violations and take follow-up measures to prevent recurrence.

Code	FN-IB-510b.3
Accounting Metric	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care
Unit of Measure	KRW
NHIS Response	There are a total 54 ongoing legal proceedings as of 2021 and their results and impact cannot be predicted. They will be disclosed transparently in the future after the settlement.

Code	FN-IB-510b.4
Accounting Metric	Description of approach to ensuring professional integrity, including duty of care
Unit of Measure	N/A
NHIS Response	NHIS strives to fulfill all ethical responsibilities that are recognized as the social norm, including economic and legal responsibilities. Our policies on professional integrity and ethics are stated in the Code of Conduct and Code of Ethics to promote the compliance. Our commitment to internalizing ethical awareness can be found on pages 45-49.

Code	FN-IB-000.A
Accounting Metric	Number and value of transactions (classification by underwriting/advisory/securitization transactions) * In case of syndicate transactions, only areas that fall under NHIS were reflected
Unit of Measure	Number of cases, KRW billion
NHIS Response	IPO underwriting: 23 cases, KRW 2,583.7 billion Corporate bond underwriting: 302 cases, KRW 9,699.5 billion Rights issues underwriting: 18 cases, KRW 2,872.7 billion Financial advice on corporate acquisition/sale: 3 cases, KRW 495.4 billion

Systemic Risk Management

Code	FN-IB-550a.1
Accounting Metric	Global Systemically Important Bank (G-SIB) score, by category
Unit of Measure	Basis points (bps)[1)]
NHIS Response	N/A

[1)] Basis Points (bps): As a basic unit used for interest rates and other percentages in finance. One basis point is equal to 1/100th of 1%, or 0.01%, or 0.0001, and is used to denote the percentage change in a financial instrument.

Code	FN-IB-550a.2
Accounting Metric	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities
Unit of Measure	N/A
NHIS Response	NHIS establishes its own crisis scenarios every year and conducts an integrated crisis analysis on a half-yearly basis in accordance with the Banking Supervision Enforcement Regulations. Our integrated crisis analysis consists of five steps: "scenario setting-risk estimation-profit and loss analysis-capital ratio analysis-reporting and utilization". The analysis results are reported to the Risk Management Committee and applied to business management/capital/fund and risk management plans. The crisis stage of capital adequacy and internal capital is determined in consideration of risk factors (default rate, loss rates in case of bankruptcy, credit conversion rate) that fluctuate depending on changes in macroeconomic indicators. In case of liquidity, we consider liquidity squeeze. The crisis determination index implements an action plan according to the crisis stage (caution-alert-severe) identified by using the results of a crisis analysis conducted based on the "1st Year Deterioration Scenario". Capital adequacy is improved through risk-weighted asset allocation, management plan and performance goal adjustment, and capital expansion by stage. In case of liquidity crises, we strategically respond to a crisis by operating a crisis response organization, issuing corporate bonds, and considering securitization. Before selecting a scenario, we consider the economic condition and select scenario-setting variables in consideration of major risk factors, after which a categorization is made into "internally defined scenarios (criteria based on the possibility of future risks)" and "historical scenarios (based on actual events)" per crisis stage. A basic, exacerbation, and serious scenario is applied depending on the magnitude and severity of the situation, and the scenario-setting method is categorized based on model estimation and subjective judgment. However, subjective judgment is excluded as much as possible in basic scenario-setting.

Setting of a basic scenario	Set by using the VaR (Value at Risk) models estimation and variance-covariance matrices of each variables' error terms
Selection of exacerbation and serious scenarios	Assumptions are added upon the basic scenario to establish exacerbation and severe scenarios. Assumption is based in case of multiple shocks on private consumption expenditure and exports of goods and services complexly interact. For any variables strenuous to reflect shocks under the model, normal(n) distribution standard deviation shocks are assumed.

* Indices that are not included in the GDP estimation model, such as the housing sale price index and KTB yield, are estimated using the SVR model.

In case of KRW and foreign currency liquidity crisis scenarios, we use a liquidity crisis scenario reported to the internal Risk Management Committee. The LCR[1)] criteria are used as the basic scenario, with the additional application of a scenario that assumes internal crisis, market crisis, and coupled crisis.

[1)] LCR (Liquidity Coverage Ratio): A short-term liquidity indicator (amount of high liquidity asset holdings/net cash outflow of the next 30 days) set in Basel that requires the retention of high liquidity assets necessary for bank survival for 30 days even in severe crisis situations for the purpose of increasing a bank's short-term resilience

Code	FN-IB-550b.3
Accounting Metric	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities[1)]
Unit of Measure	N/A
NHIS Response	NHIS sets evaluation criteria for financial products and applies them for risk identification and evaluation to manage risks, including financial products retained by the company and trading positions[2)]. The division in charge of evaluation chooses input variables used for financial product evaluation, evaluation models, and other information used for evaluation by holding discussions with trading divisions and regularly updates them. The division responsible for evaluation can change the fair value level based on its own decision depending on changes in the market where market information is traded and the degree of significance to fair value. In case of previously-issued products, the level can be changed after reviewing rationality through an agreement with the finance division. The evaluation principles observe the Korean International Financial Reporting Standards (K-IFRS). NHIS' issued products of marketable securities, including derivative linked securities, reflect their credit ratings and apply the NHIS curve per issuance currency. For other products, the interest rates of the respective currency and currency swap curve are applied. In circumstances where exchange rates must be considered, the spot exchange rate is applied for the evaluation exchange rate, and the basic rate of exchange is applied as the conversion rate. Credit Risk Adjustment (CRA) is applied to all over-the-counter derivative products transactions of our counterparties and is determined in consideration of the credit risks of NHIS and counterparties. If the valuation is a positive number, credit risks of counterparties are reflected. If the valuation is a negative number, NHIS' credit risks are reflected. The amount of CRA is calculated using the below calculation formula per netting agreement and allocated by transaction. EL (Expected Loss)=EAD (Exposure At Default) X PD (Probability of Default) X LGD (Loss Given Default) • EAD: It is determined by adjusting the estimated collateral value from the sum of the evaluated amount per netting agreement • If the evaluated amount is a positive number, then Max (evaluated amount-estimated value of receivables taken as collateral, 0) • If the evaluated amount is a negative number, then Min (evaluated amount-estimated value of collateral payment, 0) • Estimated collateral value is calculated in accordance with BIS standards, with positive numbers applied for value of receivables taken as collateral and negative numbers applied for estimated value of collateral payment. • When determining PD, the common credit rating of a holding company will be applied with priority in case of a counterparty's credit rating. If there is no common credit rating of a holding company, an external rating will be converted and used. If there is no rating, BB+ will be applied. • In terms of PD use, the expiration cannot be specified because calculation is based on summing up transactions at the netting agreement unit. As such, the 1-year PD corresponding to the credit rating of the counterparty is used from among PDs calculated by the holding company. • 45% is used for LGD (Loss Given Default). • When the CRA amount calculated per netting agreement is allocated to individual transactions, it is based on the BIS Current Exposure's add-on amount ratio.

[1)] Level 3 assets and liabilities: Assets and bonds whose values are determined according to the company's subjective judgment because value measurement is difficult due to extremely low liquidity or the absence of a vitalized market of the product

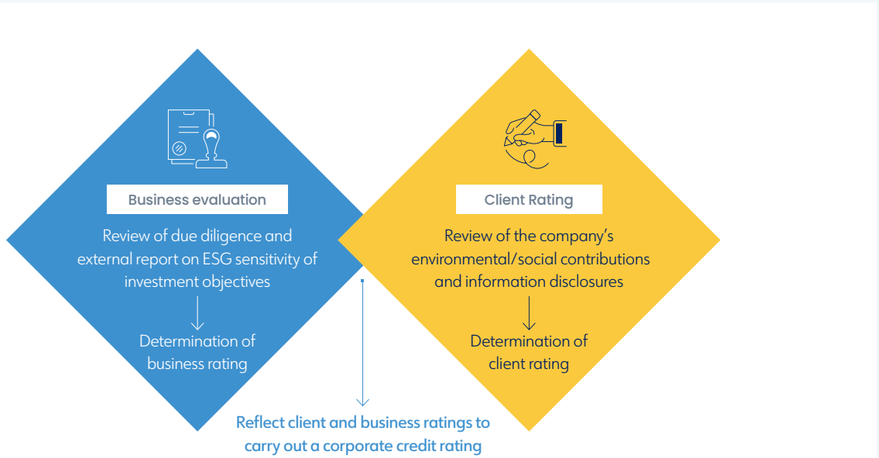
[2)] Trading position: Refers to the positions of financial products owned with a trading intent or for other trading position hedging

TCFD

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

The TCFD (Task Force on Climate-related Financial Disclosures) is an initiative developed in 2015 by the Financial Stability Board (FSB) which was delegated by the finance ministers of G20 and the presidents of central banks. The goal of the initiative is to encourage corporations to disclose their climate-related information. In June 2017, a recommendation was announced to promote the release of financial impact in relation to climate changes. In response, we disclose this information in accordance with TCFD guidelines and the interests of our stakeholders.

TCFD Recommendation		NHIS Disclosures	Alignment with CDP
Governance	Describe the board's oversight of climate-related risks and opportunities	At NHIS, the BOD sufficiently recognizes the need for top management-level climate change response and discusses sustainable management strategies and major matters related to overall ESG, including climate change. It continually discusses coal-free and new & renewable energy investment plans and increases the investment size every year. To manage climate change, NHIS established the Sustainability Council, which is an executive consultative body, and the ESG Department as a division dedicated to ESG. We established the ESG Committee (March 31, 2022) as a BOD sub-committee. We are also considering the establishment of an ESG advisory group and adopting related operational measures. In addition, we included ESG factors in the key performance index of the CEO, BOD, and relevant divisions and thus strengthened the roles of each employee towards the matter of climate change.	CDP_C1.1a, C1.1b
	Describe management's role in assessing and managing climate-related risks and opportunities		CDP_C1.2, C1.2a
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	NHIS recognizes climate change as a critical risk to the company. In response to growing interests and concerns toward the environment around the world, more stringent environmental regulations are being implemented. Failure in meeting this trend will be likely to lead to violations of environmental regulations, followed by the degradation of corporate reputation. Recognizing this as a short-term risk, we pursue eco-friendly management in our business activities and working environment through various efforts including monitoring of GHG emissions. From a long-term perspective, we are taking part in international drive to limit global warming to 2° Celsius. We established business strategies that are in line with Nonghyup Financial Group's "ESG Transformation 2025" and increased its investment in renewable energy and low-carbon industries. In particular, we declared coal-free operation and ban any loans and/or investments in the coal industry. Instead, we aim to invest KRW 1 trillion in the low-carbon green industry as one of our mid- to long -term goals. NHIS will spare no efforts to reduce environmental impact, and strive for environment-friendly business opportunities.	CDP_C2.3, C2.3a, C2.4, C2.4a
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.		CDP_C3.1, C3.1a, C3.3, C3.4
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		CDP_C3.2, C3.2b
Risk Management	Describe the organization's processes for identifying and assessing climate-related risks.	NHIS' risk management organizations and bodies categorize and manage all forms of risks that may arise in the process of carrying out business activities in accordance with their characteristics and types. All risk management items, including climate change, are discussed with risk management decision-making bodies, including an organization dedicated to risk management that is under direct control of the CEO and the Risk Management Committee under the oversight of the BOD. Details on management and supervision are reported to top management on a regular basis. To raise understanding and awareness of climate change among all employees, we refine our internal policies and regulations while organizing various training programs for employees. Climate change risks are integrated into our risk management system and are taken into account when making critical decisions. In particular, we set limits on loans and investments in specific industries and/or corporations with environmental impacts. We adopted ESG criteria in our business and client evaluations, and thoroughly examine the level of ESG sensitivity and their disclosure while reflecting the results in corporate credit ratings. In addition, we adopted ESG criteria for CEO and relevant division evaluations and reflect them in performance evaluations to raise company-wide awareness of climate change risks.	CDP_C2.1, C2.2
	Describe the organization's processes for managing climate-related risks.		CDP_C2.1, C2.2
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		CDP_C-FS3.6, C-FS3.6b
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	NHIS has set targets to reduce GHG emissions and increased the size of investments in eco-friendly industries as key climate changes responsive initiatives. We are continually monitoring GHG emissions through a GHG management system, and engage in various activities to strengthen execution, such as operating digital counters, purchasing high-efficiency/eco-friendly products, and purchasing electric vehicles. We set GHG reduction goals that can make social contributions to support the government's carbon-neutral policy, and plan to replace all our business vehicles with electric vehicles. Aligned with business activities, investments in eco-friendly industries are increasing, with eco-friendly industry investments being adopted a basis for performance assessment. NHIS has raised more capital than expected i ESG bond issuance and investment in renewable energy thereby building its success stories in the area.	CDP_C4.3, C4.5, C4.5a
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		CDP_C5.1, C5.2, C6.2
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		CDP_C4.1, C4.1a, C4.2



(Unit: tCO_2eq)

Category	2021
Scope 1	731.4
Scope 2	2,278.0
Scope 3	301.0
YoY reduction of GHG emissions	689.5

Third-Party Assurance Statement

To readers of NH INVESTMENT & SECURITIES integrated Sustainability Report 2022

Introduction

Korea Management Registrar (KMR) was commissioned by NH INVESTMENT & SECURITIES to conduct an independent assurance of its Sustainability Report 2022 (the "Report"). The data and its presentation in the Report is the sole responsibility of the management of NH INVESTMENT & SECURITIES. KMR's responsibility is to perform an assurance engagement as agreed upon in our agreement with NH INVESTMENT & SECURITIES and issue an assurance statement.

Scope and Standards

NH INVESTMENT & SECURITIES described its sustainability performance and activities in the Report. Our Assurance Team carried out an assurance engagement in accordance with the AA1000AS v3 and KMR's assurance standard SRV1000. We are providing a Type 2, moderate level assurance. We evaluated the adherence to the AA1000AP (2018) principles of inclusivity, materiality, responsiveness and impact, and the reliability of the information and data provided using the Global Reporting Initiative (GRI) Index provided below. The opinion expressed in the Assurance Statement has been formed at the materiality of the professional judgment of our Assurance Team.

Confirmation that the Report was prepared in accordance with the Core Options of the GRI standards was included in the scope of the assurance. We have reviewed the topic-specific disclosures of standards which were identified in the materiality assessment process.

- GRI Sustainability Reporting Standards
- Universal standards
- Topic specific standards
  - Management approach of Topic Specific Standards
  - GRI 201: Economic Performance
  - GRI 205: Anti-Corruption
  - GRI 404: Training and Education
  - GRI 413: Local Communities
  - GRI 418: Customer Privacy

As for the reporting boundary, the engagement excludes the data and information of NH INVESTMENT & SECURITIES' partners, suppliers and any third parties.

KMR's Approach

To perform an assurance engagement within an agreed scope of assessment using the standards outlined above, our Assurance Team undertook the following activities as part of the engagement:

- reviewed the overall Report;
- reviewed materiality assessment methodology and the assessment report;
- evaluated sustainability strategies, performance data management system, and processes;
- interviewed people in charge of preparing the Report;
- reviewed the reliability of the Report's performance data and conducted data sampling;
- assessed the reliability of information using independent external sources such as Financial Supervisory Service's DART and public databases.

Limitations and Recommendations

KMR's assurance engagement is based on the assumption that the data and information provided by NH INVESTMENT & SECURITIES to us as part of our review are provided in good faith. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied. To address this, we referred to independent external sources such as DART and National Greenhouse Gas Management System (NGMS) and public databases to challenge the quality and reliability of the information provided.

Conclusion and Opinion

Based on the document reviews and interviews, we had several discussions with NH INVESTMENT & SECURITIES on the revision of the Report. We reviewed the Report's final version in order to make sure that our recommendations for improvement and revision have been reflected. Based on the work performed, it is our opinion that the Report applied the Core Option of the GRI Standards. Nothing comes to our attention to suggest that the Report was not prepared in accordance with the AA1000AP (2018) principles.

INCLUSIVITY NH INVESTMENT & SECURITIES has developed and maintained different stakeholder communication channels at all levels to announce and fulfill its responsibilities to the stakeholders. Nothing comes to our attention to suggest that there is a key stakeholder group left out in the process. The organization makes efforts to properly reflect opinions and expectations into its strategies.

MATERIALITY NH INVESTMENT & SECURITIES has a unique materiality assessment process to decide the impact of issues identified on its sustainability performance. We have not found any material topics left out in the process.

RESPONSIVENESS NH INVESTMENT & SECURITIES prioritized material issues to provide a comprehensive, balanced report of performance, responses, and future plans regarding them.

IMPACT NH INVESTMENT & SECURITIES identifies and monitors the direct and indirect impacts of material topics found through the materiality assessment, and quantifies such impacts as much as possible.

Reliability of Specific Sustainability Performance Information

In addition to the adherence to AA1000AP (2018) principles, we have assessed the reliability of economic, environmental, and social performance data related to sustainability performance. We interviewed the in-charge persons and reviewed information on a sampling basis and supporting documents as well as external sources and public databases to confirm that the disclosed data is reliable. Any intentional error or misstatement is not noted from the data and information disclosed in the Report.

Competence and Independence

KMR maintains a comprehensive system of quality control including documented policies and procedures in accordance with ISO/IEC 17021-2015 - Requirements for bodies providing audit and certification of management systems. This engagement was carried out by an independent team of sustainability assurance professionals. KMR has no other contract with NH INVESTMENT & SECURITIES and did not provide any services to NH INVESTMENT & SECURITIES that could compromise the independence of our work.

May 2022 Seoul, Korea

CEO E. J Hwang

SRV1000 Sustainability Committee Assurance

AA1000 Licensed Report 000-129/V3-ARQRD

Greenhouse Gas Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by NH INVESTMENT & SECURITIES CO., LTD ("NHIS") to verify the NHIS's Greenhouse Gas Inventory Report ("the report") in the calendar year 2021, based upon a limited level of assurance. NHIS is responsible for the preparation of the GHG emissions data on the basis set out within the 'ISO 14064-1:2018 (Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals), WRI/WBCSD GHG Protocol:2004', 'Corporate Value Chain (Scope 3) Accounting Standard Accounting and Reporting Standard' and '2006 IPCC Guidelines for National Greenhouse Gas Inventories'. Our responsibility in performing this work is to the management of NHIS only and in accordance with terms of reference agreed with them. DNV expressly disclaims any liability or responsibility for any decisions, whether investment or otherwise, based upon this assurance statement.

Scope of Assurance

The reported emissions cover Direct emissions (Scope 1), Indirect emissions (Scope 2) and Other indirect emissions (Scope 3) from NHIS boundary of the report;

- Organizational and operational Boundary: Headquarters (Scope 1(Stationary and Mobile emissions), Scope 2 (Emissions from Consumption of Electricity and Steam), Scope 3 (Purchased goods & services (Water Use), Domestic business travel, Overseas air travel)), Others (Scope 3(Purchased goods & services and Capital goods (Office paper, Issuing Bankbooks and Debit Cards))

Verification Approach

The verification has been conducted by DNV from 25th April to 4th May 2022 and performed in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019 (Greenhouse gases - Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions)'. We planned and performed our work to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion, concerning the completeness of the emission inventory as well as the reported emission figures in ton CO_2 equivalent. As part of the verification process;

- We have reviewed and verified the NHIS' GHG inventory report (Excel based tool)
- We have reviewed and verified the process to generate, aggregate and report the emissions data

Conclusions

Based on the above verification of core elements, it is the DNV's opinion that nothing comes to our attention to suggest that GHG Emissions are not properly calculated, and a significant uncertainty and error are included in the GHG Emissions of NHIS in the year 2021 below.

Greenhouse Gas Emissions of NHIS for Yr 2021

(Unit: ton CO_2 equivalent)

	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Other indirect emissions (Scope 3)	Total emissions
NHIS	731	2,278	301	3,310

※ In order to report the GHG emissions as an integer, the rounded number on the statement might be different from the number on the system with ± 1 tCO_2-eq
※ Total emissions = Direct emissions(Scope 1) + Energy indirect emissions(Scope 2) + Other indirect emissions(Scope 3)

09 May 2022
Seoul, Korea

Jang-Sub Lee
Country Manager
DNV Business Assurance Korea Ltd

This Assurance Statement is valid as of the date of the issuance 09 May 2022. Please note that this Assurance statement would be revised if any material discrepancy which may impact on the Greenhouse Gas Emissions of NHIS is subsequently brought to our attention.

UNGC Compliance

In September 2011, NHIS joined the United Nations Global Compact (UNGC) to support and ensure compliance with the Ten Principles set in four areas: human rights, labour, environment, and anti-corruption. The activities we engaged in for each principle are disclosed in the pages below.

Area	Ten Principles		Reporting Boundary	Page
Human Rights	Principle 1:	Businesses should support and respect the protection of internationally proclaimed human rights; and	Social Part	43-44
	Principle 2:	make sure that they are not complicit in human rights abuses.	Social Part	
Labour Standards	Principle 3:	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Social Part	
	Principle 4:	the elimination of all forms of forced and compulsory labour;	Social Part	
	Principle 5:	the effective abolition of child labour; and	Social Part	
	Principle 6:	the elimination of discrimination in respect of employment and occupation.	Social Part	
Environment	Principle 7:	Businesses should support a precautionary approach to environmental challenges;	Environmental Part	51
	Principle 8:	undertake initiatives to promote greater environmental responsibility; and	Environmental Part	36-38
	Principle 9:	encourage the development and diffusion of environmentally friendly technologies.	Environmental Part	38
Anti-corruption	Principle 10:	Businesses should work against corruption in all its forms, including extortion and bribery.	Social Part	48

UN SDGs

NHIS is committed to sustainable development of the global community by aligning its business operation with the UN SDGs (Sustainable Development Goals).

Category	Principles	NHIS Activities	Page
Goal 2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	• Contribution to local communities (Building Community Town) • Fostering small- to mid-sized farms	39-41
Goal 4	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Educational scholarship system	39-41
Goal 5	Achieve gender equality and empower all women and girls	• Employee recruitment and evaluation	76
Goal 7	Ensure access to affordable, reliable, sustainable and modern energy	• Investments in new & renewable energy and eco-friendly technologies • Reducing energy use	101
Goal 8	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Employee recruitment and evaluation	76
Goal 9	Build resilient foundation, promote inclusive and sustainable industrialization, and foster innovation	• Expanding the digital finance foundation • Inclusive finance	42, 60-64
Goal 10	Reduce inequality within and among countries	• Fair recruitment and evaluation • Inclusive finance	42, 76
Goal 12	Ensure sustainable consumption and production patterns	• Reducing use of disposables, including paper cups, through eco-friendly campaigns • Issuing the Integrated Report	36-38 About This Report
Goal 13	Take urgent action to combat climate change and its impacts	• Declaration of coal-free finance • Practicing environmental management	36-38
Goal 16	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable, and inclusive institutions at all levels.	• Business ethics and compliance • Status of joining associations and global initiatives	45-49, 101-107, 111-112

2020-2021 Key Awards

Date	Awards
Jan. 2020	• IB Grand Prize at the 9th Yonhap Informax Finance Awards • 2020 Korea Capital Markets the bell League Table Awards – Best Equity House, Best Bond Deal (SB), Best Rights Offering, Best Rights Offering House, Best IPO House, and No. 1 ranking in other many IB categories
Feb. 2020	• FnGuide Best Analyst Awards 2019 Best Research Securities Firm named by Chosun Ilbo • The Best Management Firm of the Year at the 17th Money Today Korea IB Awards
Apr. 2020	• Comprehensive Grand Prize at the 11th Korea IB Awards chosen by Hankyung • Grand Prize in the category of securities at 2020 Maekyung Securities Awards • Grand Prize at 2020 Herald Business Capital Markets Awards • Ranked 1st in the securities category (excellent PD) at the 2019 2H Best Government Bond Dealer Awards of the Ministry of Economy and Finance
Jun. 2020	• The 11th MTN Best Analyst Grand Prize hosted by Money Today (FnGuide)
Jul. 2020	• Grand Prize for best securities companies at 2020 1H Hankyung Business Best Securities Firm Awards
Sep. 2020	• Excellence Prize in the securities sector at the 10th Best MTS Awards hosted by Money Today in 2020
Oct. 2020	• Asia Economy Grand Prize at the 2020 Asia Smart Trading System Awards in Client-Friendly category • Ranked 1st in the securities category (excellent PD) at the 2020 1H Best Government Bond Dealer Awards of the Ministry of Economy and Finance • Grand Prize in the research sector at the 2020 Herald Business Investment Awards
Nov. 2020	• Grand Prize in the category of trading at the 8th Best MTS Awards hosted by Money Today
Dec. 2020	• Grand Prize in the category of DC (defined contribution) at the 2020 Asia Capital Investment Awards by Asia Economy • Excellence Award in the sector of IB at the 10th Market Leader of the Year by E-Today
Jan. 2021	• Grand Prize for best securities companies at 2020 2H Hankyung Business Best Securities Firm Awards • The Best ECM Management Firm of the Year at the 18th Money Today Korea IB Awards • 2021 Korea Capital Markets the bell League Table Awards – Best Alternative Investment Deal, Issuer's Favorite House, Best Rights Offering, Best IPO, Best Equity Linked Bond, Best Equity Deal • IB Grand Prize Best Deal at the 10th Yonhap Informax Finance Awards (SK Biopharmaceuticals IPO) • FnGuide Outstanding ESG Research Securities Firm named by Chosun Ilbo
Feb. 2021	• The 12th Korea IB Awards by Hankung – IPO category
Mar. 2021	• Gold Prize in the category of securities issuance at 2021 Maekyung Securities Awards
Apr. 2021	• 2021 iF Design Award of Germany - Gold Award: Service Design category – ALINE - Main Award: Service Design category – PINTO - Main Award: User Interface category – ALINE, PINTO, AQUA - Main Award: Communication category – STOCKBOX • Grand Prize in the Investment Bank (IB) category at 2021 edaily Financial Investment Awards • Ranked 1st in the securities category at the 2020 2H Best Government Bond Dealer Awards of the Ministry of Economy and Finance
May 2021	• Special Award at the 7th Maekyung Media Group FnGuide Korea Retirement Pension Awards
Jun. 2021	• The 12th MTN Best Analyst hosted by Money Today (FnGuide) • 2nd place in Comprehensive Grand Prize, 1st place in Individual Stock Accuracy category, Special Award (ESG Research)
Jul. 2021	• 2021 1H Best Corporate Business named by Hankyung Business
Sep. 2021	• Research Award in securities category at 2021 Asia Today Financial Awards
Oct. 2021	• MTS Innovation Grand Prize at 2021 Asia Economy Asia Smart Trading System Awards
Nov. 2021	• 2021 Korea Financial Investment Association Chairman Award • Excellence Prize in the means of certification/simple log-in category at the 9th Best MTS Awards hosted by Money Today
Dec. 2021	• Comprehensive Grand Prize at the 21st Korea Digital Management Innovation Awards of the Ministry of Science and ICT·Korea Bigdata Society·National IT Industry Promotion Agency • Grand Prize in the IB category at the 2021 Asia Capital Investment Awards of Asia Economy • Excellence Award in the IB category at the 11th Market Leader of the Year by E-Today • Grand Prize in the IB category at 2021 Money Today Korea Securities Awards • Grand Prize in the asset management category at 2021 Aju Business Daily Finance Stock Awards

Association and Global Initiative Membership

Korea Chamber of Commerce and Industry	Seoul IB Forum	FOREX CLUB Member Firm	Korea Employers Federation
Baby Bond Members Council	Securities Friday Group	Korea Listed Companies Association	The Federation of Korean Industries
Listed Company Audit Association	Compliance Council	The Institute of Internal Auditors	UN Global Compact
Seoul FX Market Operation Council	PEF Council	Korea Exchange	Korea Venture Capital Association
Retirement Pension Development Council	Korean Pension Association	Korea Securities Law Association	Korea Developer Association
Global Finance Society	Capital Market Institute	Korea Investor Relations Service	Seoul Economist Club
Korea Association of Real Estate Investment Trusts	Korea Capital Market Institute	Seoul Finance Forum	

NH INVESTMENT & SECURITIES