2025 INTEGRATED REPORT

NHIS 2GETHER WITH YOU

About This Report

NH Investment & Securities (NHIS) began publishing Sustainibility Reports in 2018 and since 2021 has issued Integrated Reports that combine both the Annual Report and Sustainability Report to communicate more closely with stakeholders. These reports present NHIS' key activities, achievements, and plans for the future.

2025 NH Investment & Securities Integrated Report

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Reporting Standards

This report was prepared in accordance with the Global Reporting Initiative (GRI) Standards. To incorporate key issues associated with specific industry characteristics, this report discloses sustainability issues that may bring financial impact on NHIS' operations in line with the disclosure topics of the Investment Banking & Brokerage and Securities industries laid out by the SASB (Sustainability According Standards Board) as well as TCFD (Task Force on Climate-related Financial Disclosures) recommendations and in reference to the IR Framework of the IIRC (International Integrated Reporting Council).

Reporting Period and Boundary

This report spans the period between January 1, and December 31 of 2024, and this extends to the first quarter of 2025 for certain performance data. While this report covers NHIS' domestic operations including the head office and branches, it also reports on its subsidiaries - NH Futures and NH Hedge Asset Management – for such material topics as responding to climate change, reinforcing digital finance and platforms, protecting the rights and interests of financial consumers, and enhancing information security. The scope of environmental performance data is limited to the head office, covering branches and overseas operations when deemed necessary to report their activities and achievements.

Independent Assurance

This report was reviewed by the Board of Directors, and was assured by DNV, an independent third-party assurance provider to establish the credibility and completeness of the reporting process and the data contained. For specifics on the assurance engagement and assurance findings, see page 149-150 of this report.

Forward-looking Statements

This report may contain forward-looking statements relating to future situations as well as present and past perspectives. Investors should be aware that actual outcomes may differ materially from the explicit or implicit content of such statements and are advised not to excessively rely on this information. Unless required by applicable laws and regulations, NHIS assumes no obligation to update any forward-looking statements based on new information, future developments or other events.



COVER STORY

NH Investment & Securities is committed to delivering a reliable investment experience and transparent management that customers can trust. This message is visually expressed through the contrast between the corporate color and gray tones, with quadrant-based layouts conveying a sense of upward momentum and the company's commitment to continuous growth. In addition, the highlighted '2' in '2GETHER' on the cover symbolizes the pursuit of mutual growth alongside customers.

INTERACTIVE USER GUIDE

This report has been published in interactive PDF format with navigation features allowing users to move to relevant pages.

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A Dialogue with CEO



Dear Stakeholders,
Welcome to NH Investment & Securities' 2025 Integrated Report.

The global and domestic business environment in 2025 is expected to face heightened uncertainty, driven by complex economic and political conditions. In this challenging context, NHIS remains firmly committed to achieving sustainable growth by leveraging our core strengths and a long-term perspective.

We are moving beyond short-term gains to fulfill our role as a responsible financial institution and create long-term value in partnership with our stakeholders. By embedding sustainability into every aspect of our business, we are strengthening our management foundation and advancing our position as a trusted partner in capital markets.

June 2025

Yoon Byoung Un

President & CEO, NH Investment & Securities

Q Could you share NHIS' key management achievements and performance by business division in 2024?

Despite a challenging domestic and global environment, NHIS delivered strong performance in 2024, exceeding its business targets. These results reflect our commitment to strategic management focused on building a foundation for sustainable mid- to long-term growth and strengthening internal capabilities, rather than prioritizing short-term gains. As part of this commitment, we announced our Value-up Program, aiming to achieve a 12% return on equity (ROE) by 2028. To realize this goal, we are optimizing our business portfolio, reinforcing our organizational foundation, enhancing core capabilities. We are also accelerating our transition toward a sustainable business structure, driven by the strength of our core businesses in investment banking and wealth management.

Q Beyond profitability, what internal values does NHIS prioritize, and how is the company putting them into practice?

NHIS believes that a strong organizational culture and sense of community are core pillars of sustainability management, alongside financial performance. Internal harmony and collaboration are considered just as essential as performance-driven management in strengthening our overall competitiveness, and we focus on concrete initiatives to enhance employee satisfaction and engagement.

We are committed to fostering an open and inclusive communication culture and a collaborative environment rooted in mutual respect. To that end, we operate a range of internal systems and communication channels that embed a culture of trust and respect into everyday work. We also place strong emphasis on sound labor-management relations, maintaining active dialogue with the labor union to cultivate a healthy and cooperative workplace. Furthermore, we continue to expand employee support across key areas such as health, well-being, and working conditions, enabling our people to thrive and reach their full potential in an environment that supports growth and resilience.

Q What strategic areas is NHIS focusing on to advance sustainability management?

Guided by sustainability as a core management principle, NHIS is focusing on three strategic areas to drive long-term value creation.

First, we are taking a structured approach to addressing climate change and advancing the low-carbon transition.

We have measured our carbon emissions and used the results to set reduction targets and a roadmap toward net zero by 2050. We are also expanding our commitment to green finance through increased investments in green bonds, sustainability bonds, and eco-friendly projects. In parallel, we assess the impact of climate change on our business and incorporate those insights into our strategies and risk management systems, strengthening our ability to assess and manage climate-related risks.

Second, we are promoting financial accessibility to advance inclusive finance.

We offer tailored consultations and products designed for youth, seniors, and persons with disabilities, while creating a more accessible service environment. To ensure that no one is left behind, we are improving our systems and service channels to ensure easy access to essential financial services for all.

Third, we are strengthening the execution of sustainability management through responsible decision-making.

Led by the ESG Committee under the Board of Directors, we regularly review strategies and key sustainability issues. We also established a governance structure with clearly defined roles for management and business units, helping drive more effective and accountable implementation. These efforts ensure that sustainability is embedded in day-to-day decision-making, moving beyond one-off initiatives.

Q What are NHIS' top business priorities for 2025, and what is its mid-to long-term vision?

In 2025, NHIS will pursue both profitability and long-term sustainability in a balanced and integrated manner by strengthening the core capabilities of each business division and enhancing organizational synergy through strategic collaboration.

The retail division will strengthen in-person services for ultra-high-net-worth clients while advancing digital channels, with the goal of becoming a truly client-centric investment platform. The investment banking (IB) division will enhance its capabilities in global sales and structured finance, expand infrastructure expertise, and strengthen market leadership to drive profit-oriented growth. The investment division will work closely with sales organization to expand assets under management and establish a stable and efficient investment management framework. The wholesale division will enhance its ability to deliver customized investment solutions for institutional clients, while the OCIO division will focus on acquiring new institutional clients to expand its business base and improve profitability.

Through these strategies, NHIS will remain agile in responding to market dynamics and reinforce trusted relationships with a diverse group of stakeholders.

Q Finally, is there a message you would like to leave with all NHIS stakeholders as we look ahead?

To Our Valued Stakeholders,
Even amid a rapidly evolving business environment, NHIS places the utmost importance on earning and upholding trust with our clients, shareholders, employees, and local communities.

We believe that sustainability is no longer a choice, but a fundamental responsibility for companies today. We are committed to fulfilling our responsibilities in terms of both financial performance and the creation of non-financial value. Going forward, we will enhance the sustainability of finance by executing responsibly, communicating transparently, and taking a long-term perspective.

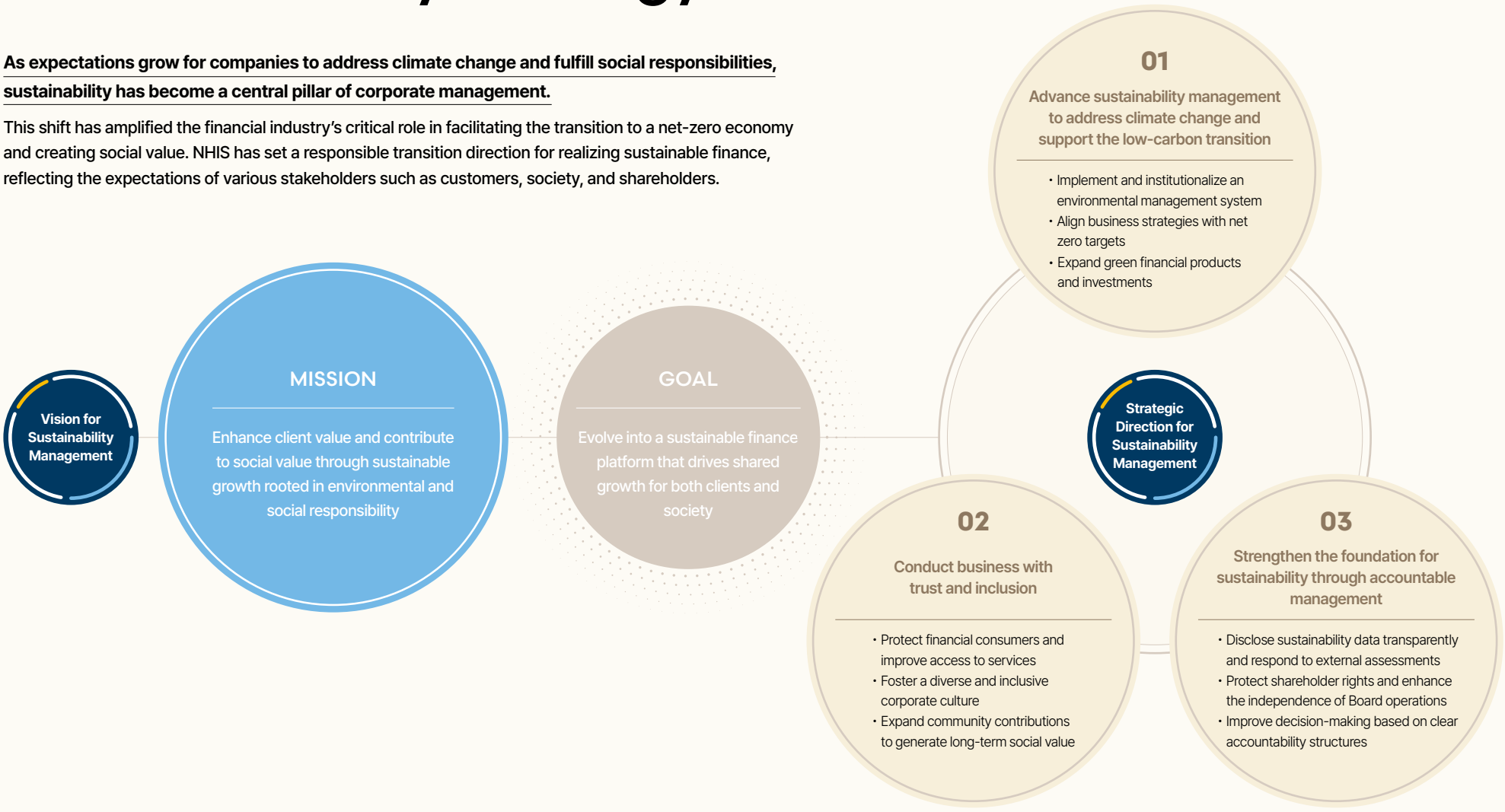
By building trust with our stakeholders, we will achieve sustainable growth and continue our sustainable management journey with the active participation of all members. We hope you will accompany us on our journey towards a sustainable future.

Part 1. Defining NHIS' Approach to Sustainability

Sustainability Strategy

As expectations grow for companies to address climate change and fulfill social responsibilities, sustainability has become a central pillar of corporate management.

This shift has amplified the financial industry's critical role in facilitating the transition to a net-zero economy and creating social value. NHIS has set a responsible transition direction for realizing sustainable finance, reflecting the expectations of various stakeholders such as customers, society, and shareholders.



Part 1. Defining NHIS' Approach to Sustainability

Sustainability Journey

**Since its founding in 1969, NH Investment & Securities has remained steadfast in its commitment to sustainable innovation and client-centered value creation, leading a paradigm shift in the financial industry.
Looking ahead, we will continue to respond proactively to the evolving landscape,
grow together with all our stakeholders, and conduct business responsibly.**

2010~2020

2011 Joined the UN Global Compact
2018 Published the inaugural sustainability report
2019 Published an ESG report as the first Korean securities firm
2020 Developed the MK-iSelect AI ESG Index

2021

- Launched the ESG Team
- Established the Sustainability Council
- Published an integrated report
- Achieved ISO 37001 for anti-corruption management and ISO 37301 for compliance management
- Issued KRW-denominated ESG bonds as the first Korean securities firm
- Developed the Win-Win Bond Trust System
- Obtained Personal Information and Information Security Management System (ISMS-P) certification

2022

- Promoted the ESG Team to the ESG Department
- Launched the ESG Committee
- Declared our endorsement for the TCFD
- Certified to the ISO 14001 environmental management system standard and the ISO/IEC 27001 information security management system standard
- Contributed to the NongHyup ag-tech Inclusive Innovation Fund
- Recognized for excellence in achieving work-life balance by the Ministry of Employment and Labor
- Developed the iSelect-WG Green Energy ESG Index and the iSelect-WG Net Zero ESG Index

2023

- Established key ESG policies
- Created the Carbon Finance Department
- Joined K-RE100
- Signed an REC purchase agreement
- Certified to the ISO 45001 health and safety management system standard and the ISO/IEC 27701 privacy information management system standard
- Named a family-friendly business by the Ministry of Gender Equality and Family
- Engaged with 4EN to acquire carbon credits through biochar production
- Engaged with SK forest to reduce GHG emissions through the distribution of high-efficiency cook stoves in East Timor
- Made equity investments in standard workplaces for the disabled: Bravo, beaver Gyeonggi and Bravo, beaver Incheon

2024

- Established the ESG Group
- Selected as a market-maker for the Korean Emissions Trading System by the Ministry of Environment
- Selected as the exclusive participant in the emissions trading brokerage system pilot project by the Ministry of Environment
- Joined the CoREi (Corporate Renewable Energy Initiative)
- Donated products manufactured by standard workplaces for the disabled to vulnerable groups
- Supported cultural and arts education for a high school located in Jakarta, Indonesia
- Recognized as UNGC LEAD
- Made equity investments in Bravo, beaver Busan, a standard workplace for the disabled
- Purchased RECs and green premiums
- Developed the iSelect AI Electric Power Core Facilities Index and the iSelect US AI Electric Power Core Infrastructure Index
- Listed the N2 Electric Power Top5 ETN
- Received the Autism Friendly Award by the Autism Society of Korea
- Received the RDA Administrator Award at the 2024 Korea Agrifood ESG Management Awards
- Received the Grand Prize in the environment category at the 2024 ESG Awards
- Announced the corporate Value-Up Program
- Retired treasury shares
- Selected as an UN Green Climate Fund manager as the first in Asia
- Achieved APEC CBPR global privacy certification as the first in the securities industry
- Invested in the Hope Agriculture Innovation Fund

2025

- Made equity investment in Heart to Heart Art and Culture, a standard workplace for the disabled
- Invested in low-carbon brick manufacturing to acquire carbon credits
- Established the Internal Control Committee

Part 1. Defining NHIS' Approach to Sustainability

Measuring and Creating Social Value

For the first time, NHIS quantitatively assessed the social value generated through NHIS' sustainability management activities carried in 2023. Social Value (SV) refers to monetary estimation of the net impact our business operation and activities have in addressing key social issues.

The results serve as an objective basis for setting strategic goals, allocating resources more effectively, and informing future strategies and investment decisions aimed at sustainable growth.

Principles of Social Value Measurement

NHIS adheres to five key principles to ensure objectivity, balance, and consistency in measuring social value. We take care to prevent overvaluation, and apply a differentiated model developed by NongHyup Financial Group to reflect the unique "agricultural value" aligned with our founding purpose. This enables a transparent and structured evaluation of our sustainability performance.

1 Objective Measurement

Apply standards and methodologies that can be independently verified from a third-party perspective

2 Focus on Annual Outcomes

Allocate direct and indirect outcomes based on activity periods, and measure only those attributable to the relevant year

3 Exclusion of Duplicate Compensation

Exclude outcomes that have already been compensated through market mechanisms

4 Balanced Measurement

Evaluate both the positive and negative impacts of activities

5 Separate Measurement of Agricultural Value

Isolate and assess the value of activities that specifically contribute to agriculture

Overall Results of Social Value Measurement

Through sustainability management activities carried out in 2023, NHIS generated approximately KRW 336.8 billion in social value. This is categorized into the four areas of Environment, Society, Agriculture, and Governance.

The Environmental area covers eco-friendly finance and initiatives, and the Society area consists of technology finance investments, CSR programs, financial consumer protection activities, and employee welfare & benefits. The Agriculture area encompasses expenditures for agricultural support and rural community support projects while the Governance area includes dividend payouts.

KRW **336.8** billion

Total

GOVERNANCE

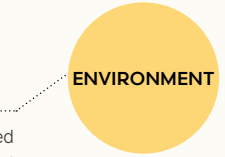
The social value generated in the governance area was measured based on dividend payouts to non-controlling interests.

dividend payouts

KRW **121.3** billion

GOVERNANCE

KRW **121.3** billion



ENVIRONMENT

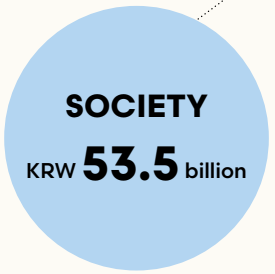
The social value generated from eco-friendly finance was measured based on our investments in renewable energy and upcycling-related projects. Eco-friendly activities included reforestation efforts in wildfire-affected areas of Gangwon-do and seedling donations to support the creation of ecological forests in Seoul. NHIS also undertook various initiatives to promote sustainability within the organization and established an eco-friendly workplace environment.

eco-friendly activities
KRW **1.3** billion

eco-friendly finance
KRW **700** million

(example)

Step 1	**Measure the social value of renewable energy investments** Total social value generated over the entire period = Total electricity generation × (Standard carbon emission factor - Carbon emission factor by power type)[1] × Social cost of carbon[2]
Step 2	**Allocate value based on contribution** Social value generated through NHIS' contribution = Total social value generated over the entire period x NHIS' contribution ratio ÷ Performance allocation period



SOCIETY

NHIS' investments in emerging technologies and high-growth industries contributed to measurable social value in the area of technology finance. Employee welfare & benefits covered medical expenses, tuition support, and health check-up programs for employees and their families. CSR programs generated value through structured support for socially vulnerable groups and, separately, through volunteer activities led by 37 in-house teams. NHIS also implemented system for information security and financial consumer protection, along with employee training to strengthen these efforts. Through these combined efforts, NHIS generated social value in the society area.

technology finance investments
KRW **13.4** billion

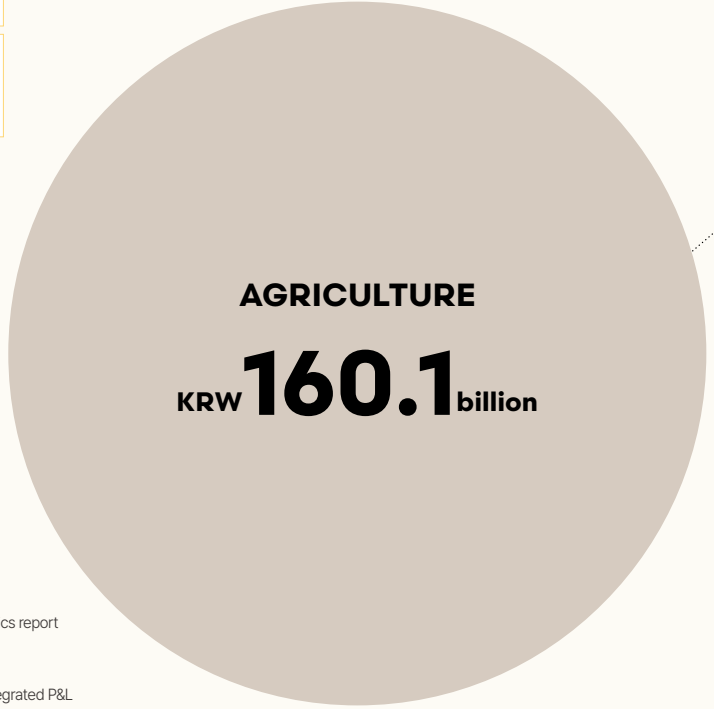
employee welfare & benefits
KRW **23.4** billion

CSR programs
KRW **3.5** billion

financial consumer protection
KRW **13.2** billion

(example)

Social value measurement in the society area
① Added value generated from R&D investments (loans)
= Industry-specific investments executed in 2023 × R&D contribution rate[3] × Value-added inducement coefficient[4] × Commercialization success rate[5]
② Social value generated through CSR programs = Volunteer hours x 2023 minimum wage



AGRICULTURE

Agricultural support expenditures generated indirect social value by contributing to the revitalization of rural economies. Rural community support projects included initiatives to improve living conditions in farming regions, such as infrastructure and welfare assistance. In addition, other agriculture-related efforts contributed to social value through support for socially vulnerable groups in rural communities and investments in ag-tech startups that promote sustainable innovation in agriculture.

(example)

Social value measurement in the agriculture area
Social value generated from community development through agricultural support expenditures = Agricultural support expenditures x Item-specific proxy[6])

other activities
KRW **2.3** billion

agricultural support expenditures
KRW **153.3** billion
Farming support expenses, cooperative development expenses

supporting rural communities
KRW **4.4** billion
Education expenses, promotional expenses, survey and research expenses

1) Energy GHG Total Information Platform Service
2) EPA Report on the Social Cost of Greenhouse Gases: Estimate Incorporating Recent Scientific Advances
3) R&D investment's contributions to economic growth, Ministry of Science and ICT
4) Industry-specific added-value inducement coefficient from Bank of Korea's statistics report
5) Commercialization success rate from the Ministry of SMEs and Startups
6) Community development/other projects multiplier, G.Psacharopoulos and H.A. Patrinos, Returns to investment in educations: a further update (2004), Holcim integrated P&L

Part 1. Defining NHIS' Approach to Sustainability

Moving towards Net Zero Emissions

Supporting Carbon Reduction by Scaling Up Climate Finance

NHIS is committed to advancing the role of finance in its collective journey towards net zero, and is strengthening execution across the entire climate finance value chain, covering emissions trading, investments in reduction projects, and partnerships with international organizations. We are laying the groundwork for the Korea Emissions Trading System (K-ETS) as a pilot operator for entrusted emissions trading, while investing in climate-tech companies and undertaking biochar-based emissions reduction projects. These efforts have yielded substantial outcomes in mitigating GHG emissions. Furthermore, we are partnering with the UN Green Climate Fund (GCF) to expand the role of responsible finance in the global net zero transition market.

Carbon Finance Implementation System

NHIS takes a proactive approach to building the critical financial foundation to combat climate change and achieve net zero emissions. The Carbon Finance TF, launched in 2022, was reorganized into the Carbon Finance Department under the Investment Division in 2023, positioning carbon finance at the core of our future business strategy. Presently, our carbon finance operations are structured around three key areas. These include emissions trading, carbon reduction projects, and partnerships with international organizations. We are actively conducting business across both domestic and international markets. We are building platforms to support emissions trading, investing in low-carbon technologies, and engaging in joint programs with global climate institutions. Through these efforts, NHIS is establishing a balanced framework for net zero finance that integrates policy, markets, and international collaboration.

Milestones of the Carbon Finance Department

2022

- **May.** Launched the Carbon Finance TF
- **Dec.** Established the Carbon Finance Team

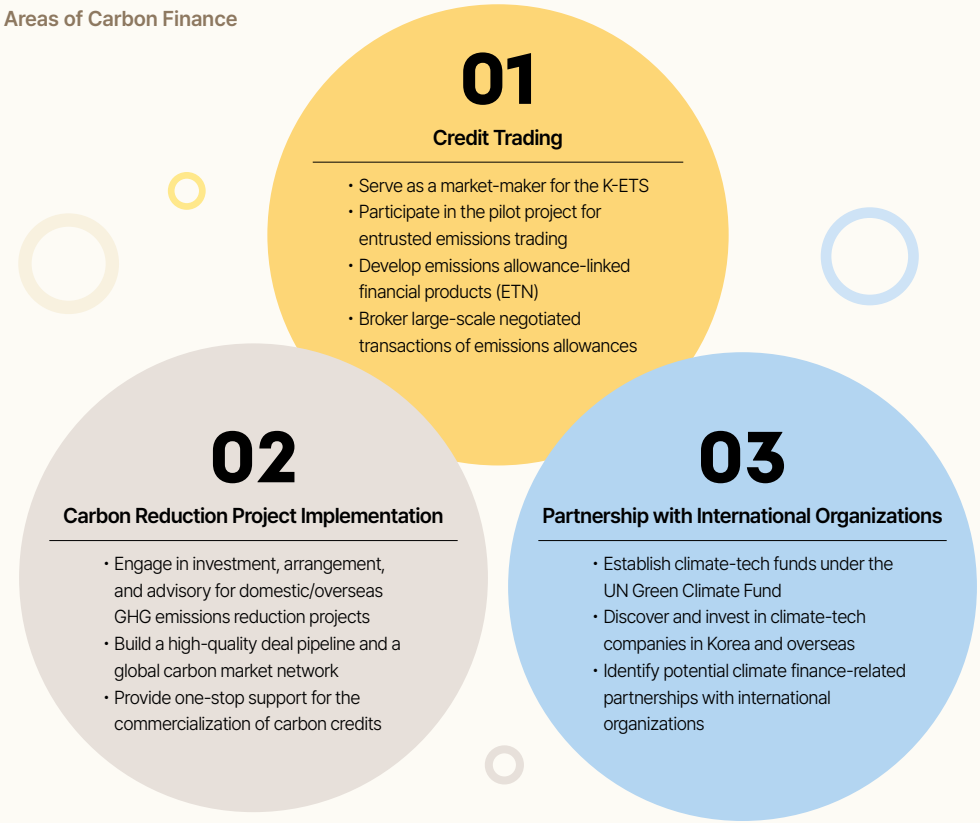
2023

- **Feb.** Defined R&Rs for the Carbon Finance Team
- **Jul.** Promoted the Team to the Carbon Finance Department
- **Nov.** Selected as a market-maker for the K-ETS

2024

- **Mar.** Selected as a pilot broker for entrusted trading under the K-ETS
- **Jul.** Selected as GCF's Climate Technopreneurship Fund manager

Key Areas of Carbon Finance



Our Achievements in Emissions Trading

Selected as Pilot Operator for K-ETS Entrusted Trading

Leveraging the proven network and expertise in emissions trading schemes, NHIS provides clients with tailored emissions trading services. In 2024, we were selected by the Ministry of Environment as the sole pilot operator for K-ETS entrusted trading system and have since been participating in a two-year pilot project to build a carbon emissions brokerage system.

We plan to launch Korea's first entrusted trading platform in the second half of 2025, supporting financial institutions such as funds, banks, and insurers in participating in the K-ETS. The platform will integrate client brokerage services and investment-related information, including research, news, and market data, to enhance transactional convenience and accessibility.

1) K-ETS (Korea Emission Trading System): GHG allowances are allocated and traded under the leadership of the government to achieve net zero emissions.

Designated as Korea's Sole Pilot Operator for Emissions Trading

Our Achievements in Carbon Reduction Project Implementation

Investing in an eco-friendly brick manufacturer

In January 2025, we made a strategic equity investment in InnoCSR, a Nepal-based low-carbon brick manufacturer, to strengthen our carbon finance business strategy. InnoCSR possesses non-sintered brick production technology that eliminates the need for kiln firing, and promotes 'Good Bricks' as a low-carbon brick production solution for developing countries.

This strategic equity investment enables NHIS to identify low-carbon business opportunities with immense growth potential and gain early access to the carbon credit market. By supporting InnoCSR to expand its low-carbon brick production solution, we are exploring ways to supply the carbon credits secured in Nepal, Pakistan, and India to corporate clients.

Secured Early Access to the Carbon Credit Market

Biochar-based Carbon Credit Platform Business

Biochar, a compound of the words 'biomass' and 'charcoal', is known to facilitate the growth of crops when used as fertilizer and also help reduce GHG emissions by sequestering atmospheric carbon in the soil. Owing to such characteristics, biochar is gaining recognition as a tool for GHG emissions reduction. NHIS became the first securities firm in Korea to advance into the biochar-based carbon credit business.

Case 1

In May 2024, we signed a carbon credit investment contract with Yeongdeok-Uljin Livestock Cooperative in North Gyeongsang Province, and supported the completion of a biochar production facility using livestock manure. This farm-type biochar facility is specialized in the Cooperative's cattle business, and is capable of producing nearly two tons of biochar per day by processing 10 tons of manure from Korean beef cattle on average. This project not only reduces environmental pollution caused by livestock manure treatment, but also helps increase income for cattle farmers and crop growers.

Case 2

In November 2024, we signed a contract with Uno Energy, a domestic biochar producer, for the issuance and management of biochar-based carbon credits. The company has completed a livestock waste-based biochar production facility with an annual capacity of 2,000 tons at a joint site turning livestock waste into resources operated by the Dangjin Dairy Livestock Cooperative. The biochar produced here will be supplied to nearby farms and agricultural organizations through the Dangjin Natural World Farming Association. Through this contract with Uno Energy, we issue carbon credits totally 3,000 tons per year, and plan to distribute them across overseas carbon markets, scaling up the issuance of high-quality carbon removal credits using domestically-produced biochar.

First Securities Firm in Korea to Invest in Biochar-Based Carbon Credit Projects

Our Achievements in Partnership with International Organizations

Forming climate finance partnerships with international organizations

In 2024, NH Investment & Securities became the first in Asia to be selected as a manager for the Climate Technopreneurship Fund by the UN Green Climate Fund. This initiative was designed to assist green technology companies in the areas of renewable energy, low-carbon transport, and sustainable agriculture across five Southeast Asian countries including Vietnam, Indonesia, the Philippines, Cambodia, and Lao PDR.

NHIS is participating in this initiative with its Singapore subsidiary NH Absolute Return Partners (NHARP) playing a pivotal role, in conjunction with the Global Green Growth Institute and Korea Development Bank. We plan to raise up to KRW 280 billion in climate tech funds and provide financial support to climate-tech companies.

This broadens NHIS' presence as a climate finance partner beyond Korea and into the wider global market. Going forward, we will continue to collaborate with diverse international organizations to help build a sustainable global ecosystem.

First in Asia Selected to Manage the Climate Technopreneurship Fund

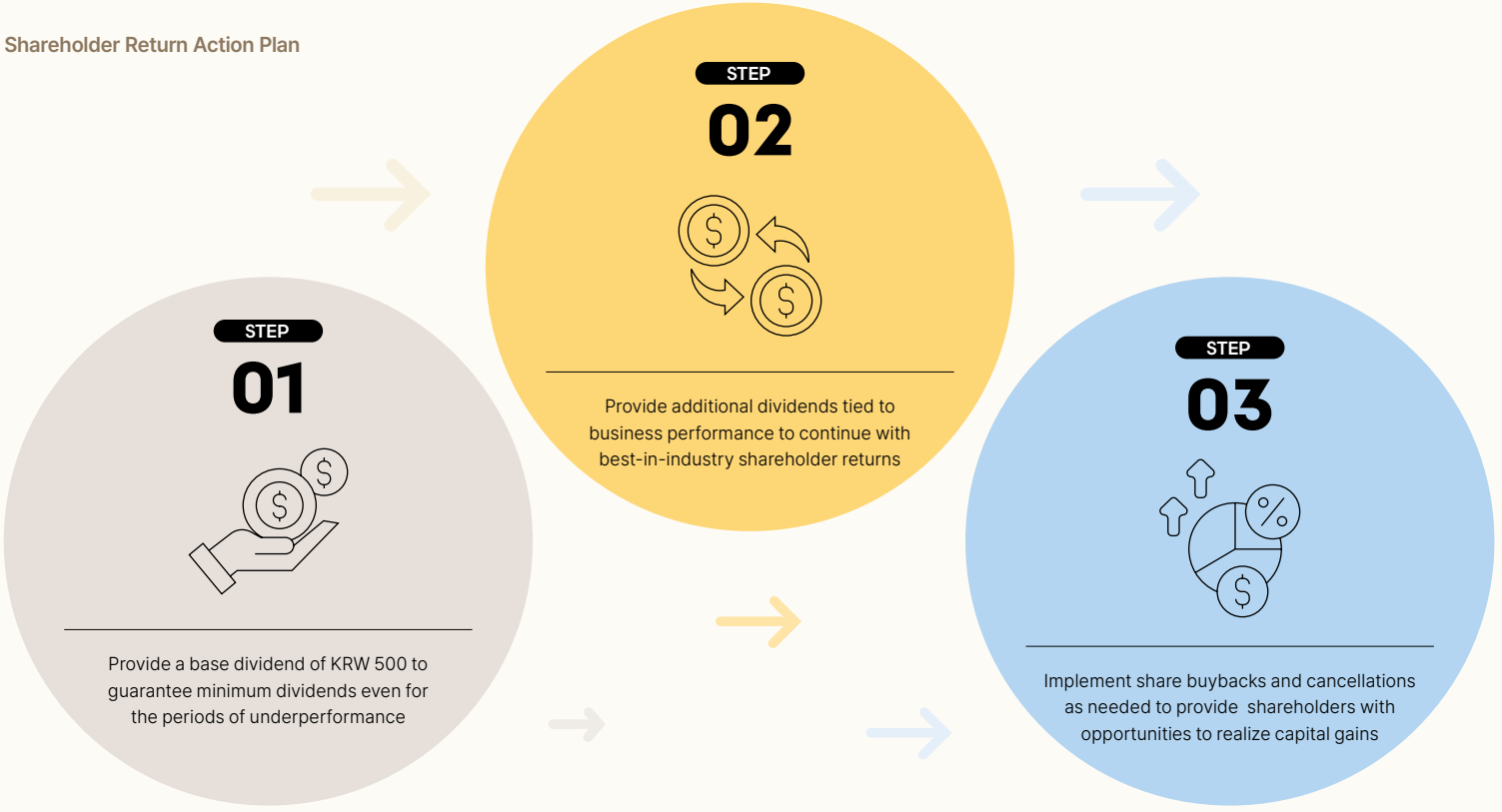
Part 1. Defining NHIS' Approach to Sustainability

Enhancing Corporate Value through Shareholder Returns

Delivering Sustainable Profitability and Trust-Based Shareholder Returns

NHIS is strengthening its approach to sustainable financial performance and greater shareholder returns with a focus on capital efficiency and shareholder value improvement. We are targeting a 12% ROE by realigning our business structure around core businesses, implementing a predictable dividend policy, and improving procedures to determine the dividend amount before setting the record date, thereby strengthening communication and trust with shareholders. By ensuring transparent disclosures and adopting electronic voting, we assist all our shareholders in participating in corporate governance and exercising their rights equitably.

Shareholder Return Action Plan



Predictable Shareholder Return Policy

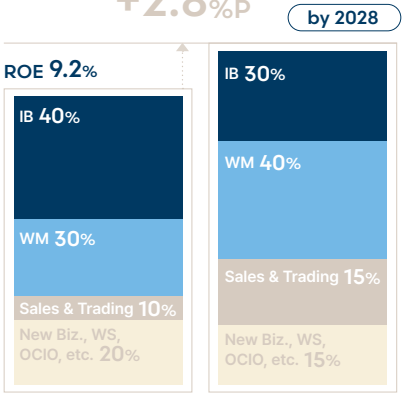
To improve shareholder value, NHIS has maintained industry-leading dividend payout ratios and dividend yields. In December 2024, we announced our corporate Value-up Program which guarantees a minimum dividend of KRW 500 per share along with additional dividends tied to business performance, continuing our industry-leading shareholder return policy. This will be paired with share buybacks and cancellations when deemed necessary for optimal capital efficiency.

Corporate Value-up Program
Achieve PBR of 1 by 2028

Achieving a Sustainable ROE

In December 2024, NHIS announced its Value-up Program and realigned its business portfolio to achieve a sustainable Return on Equity (ROE) of 12%. This strategy involves shifting our portfolio toward core businesses such as investment banking and wealth management to meet the market-expected ROE level (10% COE), while pursuing a 12% ROE target by 2028 through profit contributions from existing businesses (wholesale, OCIO, and subsidiaries) as well as new business areas.

Business Portfolio Restructuring Plan



Targeting a 12% ROE by 2028

Shareholder-Friendly Dividend Policies and Procedures

Typically, companies confirm shareholders eligible for dividends by setting the record date at the fiscal year end in December, and only determine the dividend amount at the general shareholder meeting the following March. NHIS has sought to improve this conventional process by addressing the uncertainty it creates for investors. To enable investors to make informed investment decisions based on prior knowledge of dividend amounts and yields, NHIS adopted an improved dividend procedure of determining the dividend amount before setting the record date. This was made possible by amending our Articles of Incorporation to align our dividend practices with global standards.

Before the Change — **Record Date Set First, Dividend Amount Finalized Later**

Trading of shares takes place before the final dividend is confirmed

End of Dec.	Feb. ~ Mar.	Mar.	Apr.
Record Date (Shareholders Confirmed)	Board Resolution	Dividend Finalized (at Shareholders' Meeting)	Dividend Payment

After the Change — **Dividend Amount Finalized First, Record Date Set Later**

Investors can decide based on confirmed dividend information

Feb. ~ Mar.	Mar.	Mar. ~ Early Apr.	Apr.
Board Resolution	Dividend Finalized (at Shareholders' Meeting)	Record Date (Shareholders Confirmed)	Dividend Payment

Dividend Amount Finalized First, Record Date Set Later

Implementing Electronic Voting

NHIS supports shareholders in making informed decisions by providing sufficient information ahead of the annual general meeting of shareholders (AGM).

To this end, we electronically notify shareholders of the AGM purpose and items at least two weeks in advance, allowing them to review NHIS' business performance and key agenda items beforehand.

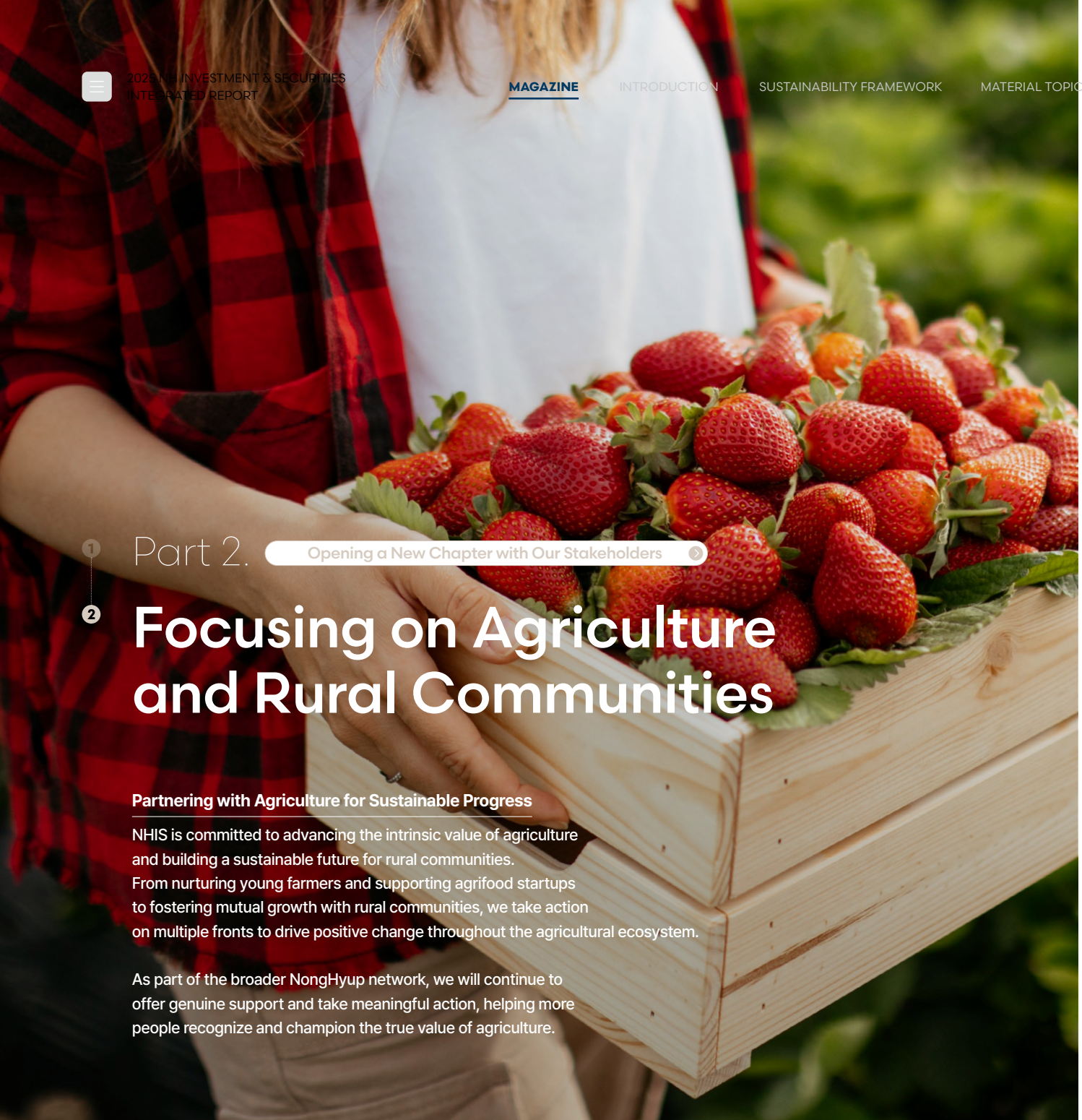
We adopted electronic voting and proxy systems at the extraordinary general meeting in 2015 to uphold shareholder rights. For shareholders unable to attend the AGM in person, we support active exercise of their voting rights through various available channels.

Establishing a Transparent Disclosure Implementation System

Pursuant to Article 42 of the KOSPI Market Disclosure Regulations, NHIS has established disclosure management regulations to ensure the centralized management of internal information and appropriate disclosure practices.

The CEO assumes responsibility for overseeing disclosure control systems, while the disclosure manager leads their design and implementation.

Disclosure personnel provide training to employees across business departments on disclosure-related tasks. This ensures that employees are informed of newly established or revised disclosure mandates and systems, supporting accurate and timely disclosures.



Part 2. Opening a New Chapter with Our Stakeholders

Focusing on Agriculture and Rural Communities

Partnering with Agriculture for Sustainable Progress

NHIS is committed to advancing the intrinsic value of agriculture and building a sustainable future for rural communities. From nurturing young farmers and supporting agrifood startups to fostering mutual growth with rural communities, we take action on multiple fronts to drive positive change throughout the agricultural ecosystem.

As part of the broader NongHyup network, we will continue to offer genuine support and take meaningful action, helping more people recognize and champion the true value of agriculture.

Hope Agricultural Innovation Fund

KRW 51.1 billion
Jointly Formed

Rice Support for Rural Communities

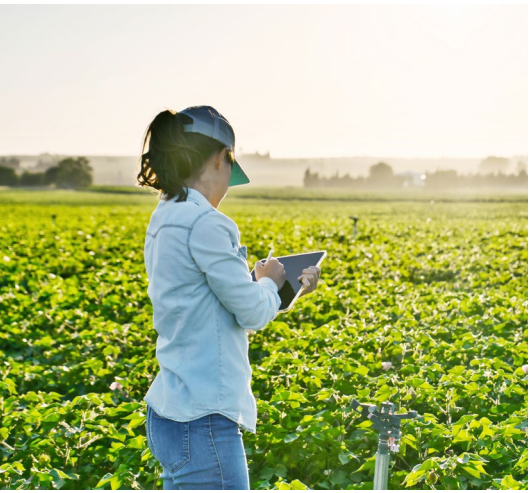
KRW 3 billion
Worth Purchased and Donated

❶ Supporting the NongHyup Young Farmers' Academy

Since 2018, we have supported the NongHyup Young Farmers' Academy to foster the next generation of farmers. We provide follow-up programs that help graduates transition from preparing to start a farm to successfully settling into their farming careers. In 2024, we gifted tool sets to nearly 100 graduates in celebration of their graduation and sponsored a best practice competition, encouraging them to share their farming experiences and insights.

❷ Live Commerce for Agrifood Products

We help graduates of the NongHyup Young Farmers' Academy promote their agrifood products through live commerce broadcasts. In 2024, 12 farming households participated in three live commerce sessions. This enables real-time interaction between farmers and consumers, aligning with the growing trend of contactless consumption. As an effective sales channel streamlining complicated distribution processes, live commerce contributes to boosting income for farming households through tapping into direct sales routes while assisting young farmers in building stable, long-term farming careers.



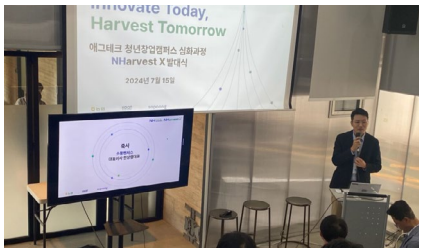
❸ Crowdfunding Support to Nurture Young Farmers

We support crowdfunding for agrifood products in partnership with the NongHyup Start-up Agriculture Support Center, helping young farmers access markets while offering consumers agricultural products in return for their investment. Since 2017, a total of 198 farming households and 37,821 consumers have participated, with cumulative funds raised reaching KRW 1.345 billion as of 2024.

We continue to expand support to enable young farmers to promote their farm products online, raise funding, and increase their income through new distribution channels. Through crowdfunding, farming households gain access to new sales channels, while consumers are provided with healthy, locally sourced food.







▲ NHarvestX education session

▲ Agri & Food Tech Startup Rising Expo

❹ Ag-tech Youth Startup Campus

To build a sustainable agricultural ecosystem, NHIS nurtures startups in advanced agricultural technology through the Ag-tech[1] Youth Startup Campus initiative.

In 2024, we operated NHarvestX as an advanced program in partnership with the National Agricultural Cooperative Federation, providing tailored consulting to 11 startups in the agrifood sector. In 2025, we plan to expand participation to 30 companies and broaden the scope of support to accelerate the commercialization of innovative agri-tech solutions.

1) The word Ag-tech, created by combining agriculture and technology, represents advanced agricultural technology that integrates bioengineering, artificial intelligence, robotic automation and other diverse modern technologies with the traditional agricultural industry.

❺ Agri & Food Tech Startup Rising Expo

In 2024, NHIS jointly hosted the Agri & Food Tech Startup Rising Expo (AFRO) 2024 with the Ministry of Agriculture, Food and Rural Affairs and NongHyup Bank, introducing startups in agri & food and offering networking opportunities. Designed to lay the groundwork for a sustainable future agriculture, the AFRO brought together 250 startups in ag-tech, food-tech, green bio and other varying sectors. NHIS supported the operation of the 'Young Farmers Booth' to foster interactions among participating startups.

In 2025, we will continue to fully support the development of an agri & food investment ecosystem by expanding participation from large businesses, public agencies, and investment institutions with a focus on AI and automation technology.

❻ NongHyup ag-tech Inclusive Innovation Fund

NHIS, in partnership with the National Agricultural Cooperative Federation and NongHyup Bank, established the 'NongHyup ag-tech Inclusive Innovation Fund', with a total investment target of KRW 53 billion in advanced agricultural technology (ag-tech). Through this fund, we identify and invest in ag-tech startups specializing in technologies such as AI-based crop sorters and autonomous agricultural machinery. Moving forward, we will continue to invest in companies developing labor-saving agricultural technologies to provide practical benefits to farming communities.

❼ Joint Establishment of the Hope Agricultural Innovation Fund

Amid growing global concerns over the climate crisis and food security, the agriculture sector is shifting toward a sustainable and future-oriented high-tech industry. In April 2024, leveraging synergies with NongHyup Bank and other affiliates of NongHyup Financial group, NHIS jointly established the 'Hope Agricultural Innovation Fund' totaling KRW 51.1 billion. Of this, NHIS contributed KRW 15.1 billion. The fund is designed to invest in companies with innovative agricultural technologies that can be readily applied in farming environments, including AI and robotics.





▲ Volunteering at a grape farm in Gimpo



❽ NongHyup-wide Rural Volunteer Project

As a member of the broader NongHyup network, NHIS actively carries out CSR initiatives to support agriculture as a vital national industry and to enhance the well-being of farmers. Since 2024, our Social Contribution Group has operated under the ESG Group for better coordination, with 37 in-house volunteer teams actively engaged in various fields.

NHIS also joined the 'NongHyup Day of One Heart Rural Volunteering', an initiative led by the National Agricultural Cooperative Federation. In June 2024, our employees assisted a grape farm in Gimpo during the peak farming season. A total of 1,081 employees supported 31 partner villages, contributing to essential agricultural work. In addition, we continue to pursue a wide range of social contribution efforts including direct produce markets, community development support, farming assistance, and scholarship programs.



❾ Supporting Rural Village Communities

To help improve living conditions in rural communities facing population aging and the risk extinction, NHIS has provided essential household appliances such as electric ranges and refrigerators since 2019. In 2024, we supplied refrigerators to communities in six counties, delivering direct support totaling approximately KRW 4.5 billion. We also donated 1,570 refrigerators to farming households in flood-affected regions to help with recovery efforts. In 2025, we plan to extend our support to village communities in eight counties.

❿ Taking Action to Increase Rice Consumption

NHIS is participating in the NongHyup-wide 'Let's Eat Rice for Breakfast' campaign to promote rice consumption and is actively carrying out initiatives to encourage the use of home-grown rice. In October 2024, we hosted the 'Sharing Home-grown Rice' event, distributing meal kit made with Korean rice to employees at our head office and tenant companies in Parc 1 Yeouido. This provided an opportunity to incorporate rice into daily eating habits.

In March 2025, we signed an MOU with CJ Freshway to introduce a convenient breakfast services at our headquarters using NongHyup rice. The service is designed to both promote rice consumption and support employee nutrition in the morning. Ready-to-eat meals are made available for direct purchase at the office and should be consumed within five hours of preparation and delivery to ensure hygiene and freshness.





▲ Sharing Home-grown Rice



▲ Donating Rice to the Community Chest of Korea

⓫ Supporting Farmers and Giving Back to Society through Rice Donation

NHIS launched a CSR initiative to donate rice as part of its commitment to expanding rice consumption and enhancing income stability for farming households. Promoting the consumption of home-grown rice not only helps stabilize prices but also improves the overall business environment for rice producers.

In 2024, NHIS directly purchased domestically-produced rice worth nearly KRW 3 billion and donated it to social welfare organizations such as the Community Chest of Korea and Korea Welfare Services. The donated rice was delivered to socially vulnerable groups, including seniors living alone, the homeless, and children in welfare facilities, helping support their nutritional well-being.

The rice donation initiative served as a practical means of securing sales channels for farmers while encouraging broader rice consumption. It also reflects NHIS' ongoing commitment to contributing to local communities through tangible and meaningful support. We will continue expanding such initiatives that make a real difference in people's lives.

Part 2. Opening a New Chapter with Our Stakeholders

Fostering an Inclusive Investment Culture

Fostering an Investment Culture through Expanded Client Experience and Enriched Communication

Under the slogan 'Your Investment, Your Culture', NHIS is cultivating an inclusive environment where anyone can engage in investing with ease and confidence. We aim to foster positive investing experiences through brand campaigns and digital content, while enhancing accessibility and understanding via data-driven, personalized services and insights.

Our commitment to client-centric service innovation spans a range of investment areas, including pensions and global equities, with the goal of embedding investing into everyday life. NHIS will continue to create an open and welcoming investment environment, building a culture of investing that grows in step with our clients.

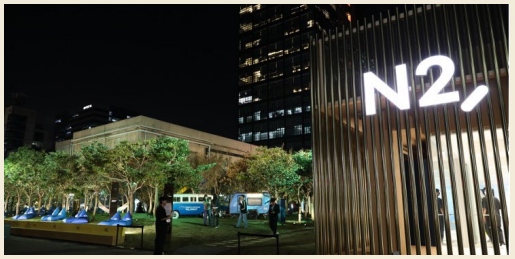
Brand pop-up 'N2, NIGHT'

Visited by
45,510 persons

Published by KMAC

Topped the Korea Brand Recommendation Index





▲ View of the brand pop-up store

❶ Deepening Communication with Millennials and Gen Z through Brand Pop-Ups

In April 2024, NHIS launched a brand pop-up store titled 'Time for Your Own Growth, Invest at Night' in Seongsu-dong, Seoul. The event was part of a brand campaign aimed at lowering psychological barriers to finance and expanding engagement with millennials and Gen Z audiences.

The pop-up attracted a total of 45,510 visitors, with people in their 20s accounting for 43% of total attendance. A survey conducted on-site showed an average satisfaction score of 4.71 out of 5, a 92% increase in brand favorability compared to pre-event levels, and a 91% intent to transact with NHIS in the future.

Visitors were offered diverse self-growth experiences, including body type assessments, F&B offerings, singing ball and aroma meditation sessions, and live music concerts. Of particular note was the 'Growing Night' program, which received strong positive feedback for combining financial content with lifestyle elements, such as asset allocation lectures by finance YouTubers and special talks on investment and the humanities.



▲ Dessert collaboration with 'Aufglet'



▲ Growing Night program led by YouTuber 'Park Gomhee'



▲ Night Running program

❷ NHIS' Official YouTube Channel Honored with the Grand Prize

In 2024, our official YouTube channel 'Investment Log-in by NHIS' received the Financial Innovation Grand Prize at the Social i-Awards hosted by the Korea Internet Professional Association. As the nation's largest social internet service event, the i-Awards recognize innovative internet brands and information service channels leveraging social networks and digital media platforms.

Our YouTube channel, conceptualized around 'Potential Up+Life', was praised for lowering barriers for novice investors to make financial content more approachable. We will continue to deliver creative content to reach closer to millennials and Gen Z - our future clients.

❸ Service and Education to Provide Investment Information

We provide clients with a breadth of investment information on the strength of our investment asset analysis capabilities and insights. Our coverage continues to expand, from global investment strategies, high-potential global equities, and analysis of global bonds and alternative investment assets to emerging industries such as AI, quantum computing, settlement business, aerospace and defense, as well as structural transformations. We play a growing role in delivering tailored investment information that meets diverse client needs in rapidly evolving financial landscape, while offering both online and offline services such as investment seminars and in-person consultations to enhance engagement.

❹ Launching the Chart Analysis AI Service 'ChaBoon-i'

As the first in the financial industry, NHIS launched 'ChaBoon-i', a chart analysis service powered by generative AI with image recognition capabilities. Backed by OpenAI's ChatGPT, ChaBoon-i completed its patent application in August 2024. This service automatically analyzes the charts chosen by clients and provides easy-to-understand explanations of complex financial information. Available through our mobile trading system NAMUH Securities, ChaBoon-i recorded nearly 200,000 views on the first day of its beta launch.

❺ Launching Monthly NAMUH

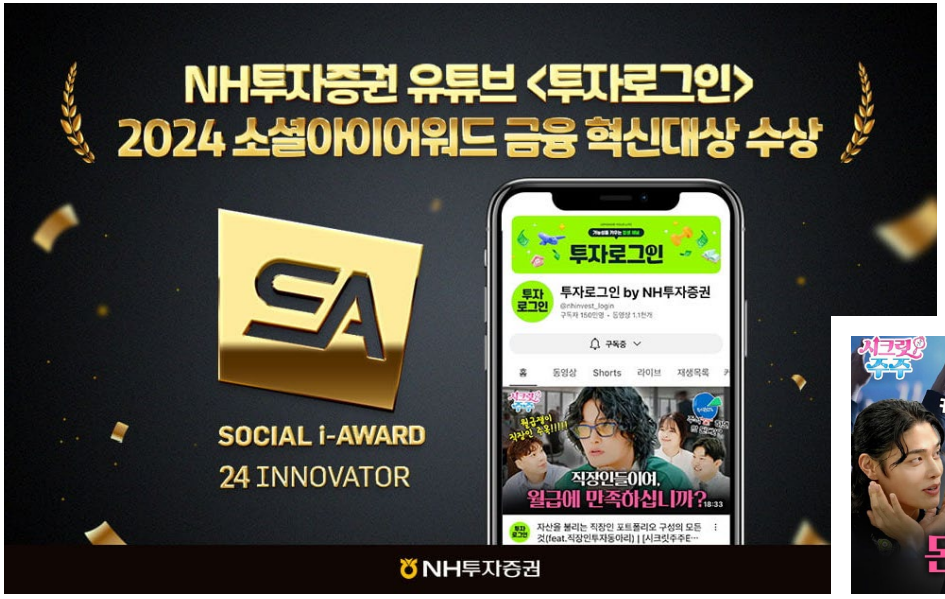
We offer Monthly NAMUH as a service enabling clients to reflect on their monthly investment activities along with music. By visualizing the client's investment data and analyzing market conditions during the relevant period using AI, Monthly NAMUH presents the content in combination with music. This transforms investing from a mere profit-making activity into a more meaningful and enjoyable experience. Fully incorporating user feedback, we will continue to refine our use of data and service offerings, delivering even more positive investment experiences for our clients.

❻ Portfolios of Wall Street Investment Gurus Made Accessible with Master's Pick Service

We provide the 'Master's Pick' service through our mobile trading system to strengthen our global equity offerings. Based on the stock ownership reports (13F filings) submitted by hedge funds managed by five Wall Street investment gurus, this service visualizes their portfolio data.

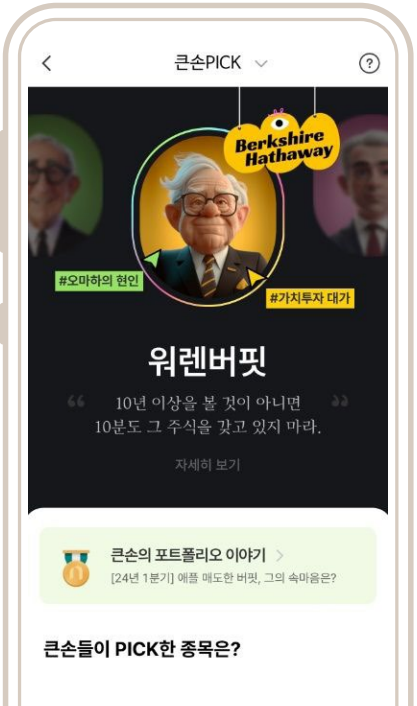
This allows our clients to easily grasp key quarterly holdings and their portfolio weightings chosen by these renowned investors, alongside content explaining the rational behind the portfolio composition as well as stock purchases and sales, which helps users gain valuable investment insights with ease. Going forward, we will expand our institutional investor data sources to deliver differentiated services in terms of investment analysis and the discovery of stock opportunities.

▼ NHIS' YouTube channel honored with the 'Financial Innovation Grand Prize'





▼ Master's Pick Service Interface

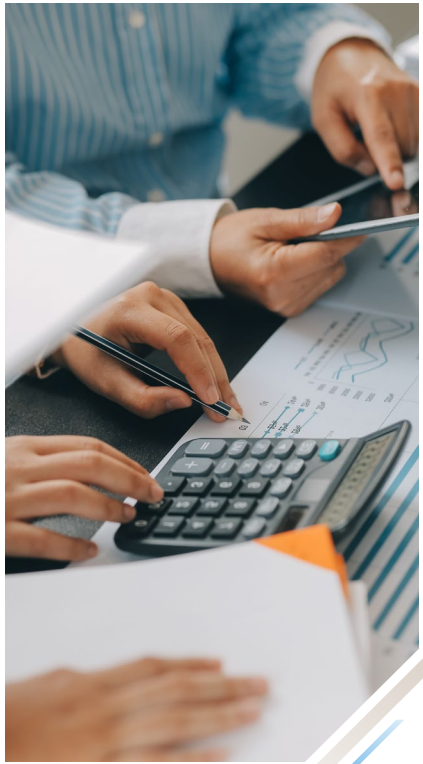


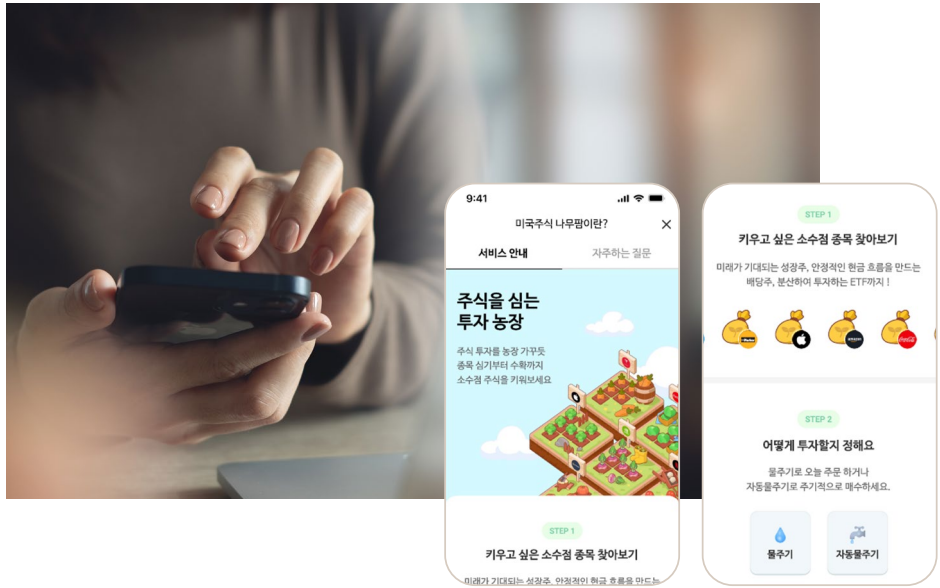
❼ My Asset Diagnostics Service

My Asset Diagnostics is NHIS' asset analysis service leveraging the power of MyData. By linking accounts from other companies to the client's NHIS account as the base, this service provides an at-a-glance view of the client's overall asset allocation and detailed information about their holdings. Four types of services are available – NH account analysis, comparative analysis of investment returns, asset allocation analysis, and financial product analysis.

My Asset Diagnostics Service: Type and Description

NH account analysis	Analyzes asset changes such as investment returns, transaction history, and dividend or interest income, and provides this data by account and time period
Comparative analysis of investment returns	Generates personalized indices based on past return of client's holdings and provides simulations that compare these to various stock indices, stocks, and financial products
Asset allocation analysis	Offers multi-angle analysis of the client's asset allocation using MyData, covering both NHIS and external accounts
Financial product analysis	Provides detailed analysis of client's domestic and overseas stock holdings, along with an overview of their entire investment portfolio

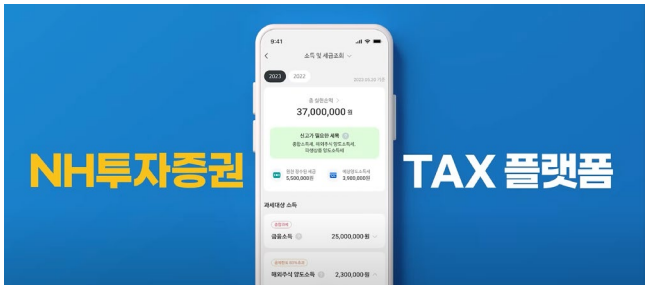




▲ Namuh Farm Service for U.S. Stock Investing



▲ NHIS NAMUH and QV Service



▲ NHIS Tax Platform Service

❽ Tax Platform Service

NHIS launched the industry's first Tax Platform service to support client tax management. This service expands the scope of our wealth management offerings from investment-focused support to comprehensive tax service. It enables clients to view their income and taxes in one place, facilitates connections to tax reporting agents, and provides access to tax advisory services.

Clients can conveniently track key tax-related information, including financial income, capital gains, and pension income, as well as their participation in tax-saving products, the resulting benefits, and the latest tax-saving content. By digitizing tax services traditionally tailored to high-net-worth individuals, NHIS has made proactive tax management accessible to a broader range of clients, including those using non-face-to-face channels.

❾ Namuh Farm Service for U.S. Stock Investing

To support clients who may find overseas investing difficult, NHIS launched 'Namuh Farm', a U.S. stock investment service inspired by the concept of cultivating one's own farm. The service allows for small-scale investing with simplified currency exchange and minimal time constraints, lowering entry barriers for investors. Clients can choose from a variety of stocks such as high-growth innovation stocks or stable dividend-paying stocks and 'plant' them in their personalized Namuh Farm. With both app-based orders and systematic investment plans available, the platform encourages users to form regular investment habits. All investment process, from order placement to dividend collection, balance checks, and asset transfers, can be managed conveniently through Namuh Farm, enhancing both user experience and engagement.

⑩ Launching Automated Trading for Overseas Stocks

Our automated trading for overseas stocks service executes orders when the price of the chosen overseas stocks meets the set conditions. Users can register their preferred monitoring and order conditions, and trades are executed automatically when price conditions are satisfied. Currently available for the US, China, Hong Kong, and Japan, this service provides a range of functionalities, such as monitoring other stocks, adding new stocks, and placing simultaneous buy & sell orders as well as executing buy and sell orders, and the monitoring period can be set for up to 30 days.

Enhancing convenience for clients who find it challenging to monitor overseas stock prices due to time zone differences and delivering services that meet the diverse needs of clients, NHIS will further sharpen the competitive edge of its overseas stock platforms.

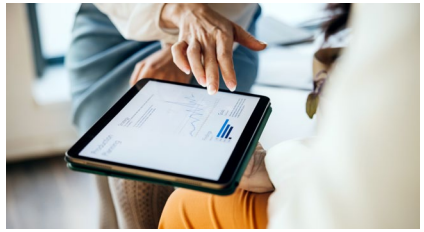
⑪ Launching the Pension Goal Monitoring Service

Our pension goal monitoring service allows clients to set their desired retirement fund amount and supports their goal attainment through continuous monitoring and tailored solution offerings. Through pension preparedness assessment, users can identify any shortfall relative to their target pension assets by the expected retirement date while tracking their cumulative annual contributions and investment return status. This is paired with personalized solutions to help clients reach their retirement savings goals.

NHIS Pension Goal Monitoring Service ▶







⑫ Industry's First Virtual Pension Withdrawal Simulation Service

In 2024, NHIS became the first in the industry to launch a virtual 'pension withdrawal simulation' service. This recommends pension withdrawal methods by taking into account tax saving effects for all our clients' pension accounts, suggesting optimal pension initiation strategies and tax-saving options available at the time of pension withdrawal.

⑬ Security Tokens

Following the Financial Services Commission's announcement of the 'Security Token Issuance/Distribution Guidelines', competition is intensifying among securities firms to build dominance in the security token market. NHIS launched the STO Vision Group in 2023 to help build a sound security token ecosystem. The group consists of financial institutions, fractional ownership firm, blockchain companies, and asset valuation providers.

The STO Vision Group started with eight companies and has grown to include 14 members, collecting diverse industry feedback and assuming a leader role for security token systems and their operation. Furthermore, we became the first securities firm supporting KRW-denominated payments for investment contract securities through dedicated accounts for fractional investing, with an aim to ensure the competitive edge of security tokens when they become part of the established capital market. In so doing, we facilitated the issuance of investment contract securities backed by artworks on six occasions.



Part 2. Opening a New Chapter with Our Stakeholders

Facilitating Dialogue between Businesses and Markets

Enhancing Trust in Businesses and Investor Understanding through Communication-Driven IR Efforts

NHIS operates a wide array of IR (Investor Relations) programs to reinforce trust between market participants and businesses while creating a transparent and efficient capital market. These programs allow businesses to effectively communicate their business strategies by directly interacting with investors and offer investors the opportunity to gain in-depth insights into corporate value.

By hosting regular IR events connecting institutional investors in Korea and abroad and arranging customized presentations for small/mid-sized companies and forums aimed at sharing strategies between management and investors, NHIS plays a key role in enhancing market access for businesses and fostering a healthy investment ecosystem.

60 % increase
in The C Forum participation

22 IR Sessions
Held for SMEs

❶ IR Support for Listed and Non-listed Companies

NHIS provides systematic IR programs for both listed and non-listed companies, enabling these companies at various stages of their growth cycle to effectively communicate with market participants. Our flagship IR event NH Corporate Day brings together nearly 80 companies and offers each the opportunity to directly connect with investors, strengthening the foundation for dialogue within the capital market.

Our IR events help listed companies to articulate their management strategies and build a stable shareholder base. For non-listed companies, these events help them gain practical opportunities to prepare for their IPOs and attract strategic investments. In particular, non-listed companies are supported in establishing touchpoints with investors, enhancing market recognition for their corporate value and building a deeper understanding of the upcoming listing process.

In step with the size of business and their growth stage, NHIS provides strategic support for market communication. In designing IR events, we prioritize both corporate sustainability and the promotion of investor understanding. Moving forward, we will expand effective IR opportunities tailored to different business characteristics while contributing to the development of a sound capital market ecosystem.



▲ THE C FORUM



▲ NHIS Korea Corporate Day

❷ Connecting SMEs with Investment Opportunities

For SMEs with limited access to IR opportunities, NHIS organizes customized IR events to bridge the information asymmetry and expand access to investment. These IR events specifically focus on small-cap[1] companies to support them in directly engaging with investors. In 2024 alone, we hosted a total of 22 IR events for SMEs.

Participating companies were chosen for their growth potential across varying industries, covering healthcare and wearable robotics. They were given the opportunity to directly present their strategies and visions for retail investors as well as institutional investors. In selecting participants, we comprehensively considered industry growth prospects, competitive advantages, and the information gap in the market to prioritize those companies in need of substantial support within the market.

We plan to provide companies lacking investor touchpoints with effective communication opportunities while continuously expanding IR activities connecting their growth potential with markets. In so doing, we aim to help these companies gain increased recognition and propose more diverse investment options for investors, playing a role in fostering a balanced flow of information across the capital market.

1) Small cap is short for small capital and refers to small-sized companies with a relatively small market capitalization.

❸ Business-Investor Communication Centered around Long-Term Strategy

Moving beyond short-term information exchanges between businesses and investors, NHIS promotes advanced communication anchored in mid- to long-term strategy and vision. As part of such efforts, we host the C Forum to bring together C-level executives from major Korean companies and investment institutions in Korea and abroad to deepen mutual understanding of corporate sustainability and future growth strategies.

The second C Forum held in May 2024 welcomed a broader group of key institutional investors from sovereign wealth funds from the Middle East and Asia as well as global pension funds, with the number of participants increasing by more than 60% year on year. This served to empower investors to refine their investment decision-making based on deeper understanding on businesses' long-term strategies.

The C Forum has been continuously organized since 2023, reinforcing strategy-driven communication between businesses and investors. NHIS provides businesses with the opportunity to clearly deliver their messages and offers investors an advanced, trust-based communication environment, helping to foster an investment culture that values long-term perspectives.

❹ Expanding IR Events for Overseas Institutional Investors

To provide Korean companies with a broader investor base, we remain committed to strengthening communication with overseas institutional investors. In February 2025, we organized NHIS Korea Corporate Day in Singapore and Hong Kong, offering nine major listed companies in Korea the opportunity to connect with nearly 40 investment institutions in Asia.

This event served to directly present Korean companies' strategies and growth potential for investors in the Asian region while expanding connections with the global capital market. Participating companies were able to engage in effective communication with overseas investors, encouraging these investors to consider mid- to long-term investments and enhancing their corporate recognition and credibility.

Going forward, NHIS will continue to expand our IR activities across key global financial hubs, building strategic ties between Korean companies and overseas capital. This will sharpen the competitive edge of the Korean capital market and solidify the foundation for Korean companies to advance into global markets.

▼ THE C FORUM





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Company Profile

Profile of NHIS

Since our foundation in 1969, NHIS has grown alongside our clients for over 50 years. By prioritizing client value through client-centric management, we have established ourselves as Korea's leading comprehensive financial investment firm with a strong competitive edge across all business areas. As we navigate the fast-changing financial landscape, we remain committed to delivering differentiated services and comprehensive portfolios to lead the capital market as a premier financial investment institution.

Shareholders

* As of the end of Dec. 2024



AT A GLANCE

* As of end of Dec. 2024



Jan. 1969
Date of establishment

3,128 persons
Number of employees



57 sites
(including 4 separate sub-branches)
Number of domestic branches

KRW 62.4 trillion
Total assets

KRW 8.1 trillion
Total equity



AA+ in Korea
S&P A-
Moody's A3
Credit ratings

8 sites
(including 1 representative office)
Number of overseas locations



KRW 901.1 billion
Operating income

KRW 686.6 billion
Net income

Company Profile

History

1969-2000

Jan. 1969
- Established Hanbo Securities

Jul. 1975
- Merged with Sengbo Securities, renamed into Daebo Securities

Nov. 1983
- Merged with Lucky Securities, renamed into Lucky Securities

Mar. 1995
- Renamed into LG Securities

Oct. 1999
- Merged with LG Merchant Bank, renamed into LG Investment & Securities

2001-2019

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

Apr. 2005
- Merged with Woori Securities, renamed into 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 the Nh Investment & Securities Vision

May 2015
- Completed IT integration with Woori Investment & Securities

Dec. 2015
- Achieved ISMS (Information Security Management System) certification

Jan. 2016
- Launched QV as a multifaceted wealth management service'

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

Jul. 2016
- Acquired a 10% stake in K-bank, an online bank

Aug. 2016
- Launched the industry's first hedge fund in Korea (NH Absolute Return 1)

Dec. 2016
- Became the first securities firm to achieve CCM (Consumer Centered Management) certification

Aug. 2017
- Named Good Securities Firm by Consumers (Korea Finance Consumer Federation)
- Launched NAMUH (industry's first mobile-based wealth management brand) and provided a lifetime free trading offer

Nov. 2017
- Named a mega-sized IB (KRW 4 trillion and more in shareholders' equity)

Jan. 2018
- Acquired a 100% stake in the Vietnamese subsidiary

Jun. 2018
- Obtained a license by FSC to run a short-term financing business

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

May. 2019
- Declared a new brand vision Investment Culture Creator

Oct. 2019
- Became the first Korean securities firm to publish an ESG report

Nov. 2019
- Ranked 1st in the securities category of the KCSI Survey

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

2020-2025

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

Apr. 2020
- Established the UX Design Lab Center with KAIST

May. 2020
- Opened Culture Salon as a multi-cultural space embodying our brand vision

Jul. 2020
- Signed an MOU to conduct joint research on MyData use with the graduate School of Data Science, Seoul National University

Aug. 2020
- Introduced Kakao Pay Certification

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

Dec. 2020
- Launched Open Banking Service

Mar. 2021
- Opened NH Super Stock Market as a pop-up store for millennial/Gen Z clients

May. 2021
- Achieved ISMS-P (Personal Information and Information Security Management System) certification

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
- Achieved KRW 1 trillion in annual operating income

Apr. 2022
- Established NHIS Europe as a subsidiary in London

May. 2022
- Re-selected as the 3rd-time OCIO for the National Housing and Urban Fund by the Ministry of Land, Infrastructure and Transport
- Established the ESG Committee

Jul. 2022
- Achieved ISO 14001 for environmental management

Aug. 2022
- Launched the Tax Center

Oct. 2022
- Commenced fund custody business

Dec. 2022
- Launched NH All-One Account as an integrated wealth management platform
- Achieved ISO/IEC 27001 for information security

Feb. 2023
- Launched STO Vision Group as an inter-company security token council
- Became the industry's first to pursue voluntary biochar-based carbon credit business
- Became the industry's 1st to provide 24/7 UIS stock trading services
- Became the industry's first to launch the Direct Indexing service

Mar. 2023
- Signed an MOU with SK forest to jointly pursue global GHG emissions reduction business SK

Apr. 2023
- Opened Seed as an app tech investing service as the industry's first to do so

Aug. 2023
- Launched Investment Contract Securities All-in-One Service to support fractional investment businesses
- Achieved ISO 45001 for health and safety management

Sep. 2023
- Signed an MOU with Instinet Europe, a global securities brokerage firm
- Formed a consortium for security token offerings

Oct. 2023
- Achieved ISO/IEC 27701 for data privacy

Nov. 2023
- Opened non-listed stock trading services
- Joined K-RE100
- Became the industry's first to open the 'TAX Platform'

Dec. 2023
- Changed the dividend record date (determine dividend amounts first before setting the record date)

Feb. 2024
- Launched NHSV Pro as a new MTS at the Vietnamese subsidiary
- Joined the Corporate Renewable Energy Initiative (CoREi)

Mar. 2024
- Selected as the exclusive pilot project operator for emissions trading brokerage system introduction by the Ministry of Environment
- Became the first in the securities industry to achieve APEC CBPR global data privacy certification

Apr. 2024
- Launched N2, Night as a brand pop-up store

Jun. 2024
- Launched the Master's Pick Service

Jul. 2024
- Selected a fund manager for the UN Green Climate Fund as the first in Asia
- Received the Financial Innovation Grand Prize with our YouTube channel Investment Log-in at the 2024 Social i-Awards

Sep. 2024
- Launched ChaBoon-i as the financial industry's first chart analysis service powered by generative AI

Oct. 2024
- Became the industry's first to become a member of Alta Exchange, Southeast Asia's largest digital securities exchange for alternative investments

Nov. 2024
- Honored with the Excellence Prize in the finance category at the Korean Readers Choice Awards

Dec. 2024
- Announced Value-up Program plan
- Became the industry's first to sign an MOU to establish an AI industry-academia cooperation center

Feb. 2025
- Signed an MOU with Perplexity, an AI company, to introduce investment information services

Mar. 2025
- Became the industry's first to launch Client Choice for Capital Gains Tax Reduction for Overseas Stock Investments

Company Profile

Vision & Core Values

In April 2015, a year after the merger to become NHIS, we announced our core value 'ORIGIN' along with our new vision 'Beyond the First New History, We are NHIS'. ORIGIN is the acronym derived by combining the English initials for Orientation, Responsibility, Innovation, Global, Intelligence, and Networks, embodying the commitment of each and every one at NHIS to defining new norms in their given roles and serving as the benchmark in the capital market.

Our goal at NHIS is to gain the trust of clients through responsible business conduct, deliver satisfaction to clients through creative innovation and unrivaled financial expertise, and continue with business expansion to create greater values and open a new chapter in history.



Vision

Beyond the First

New History We are NHIS

Core Values

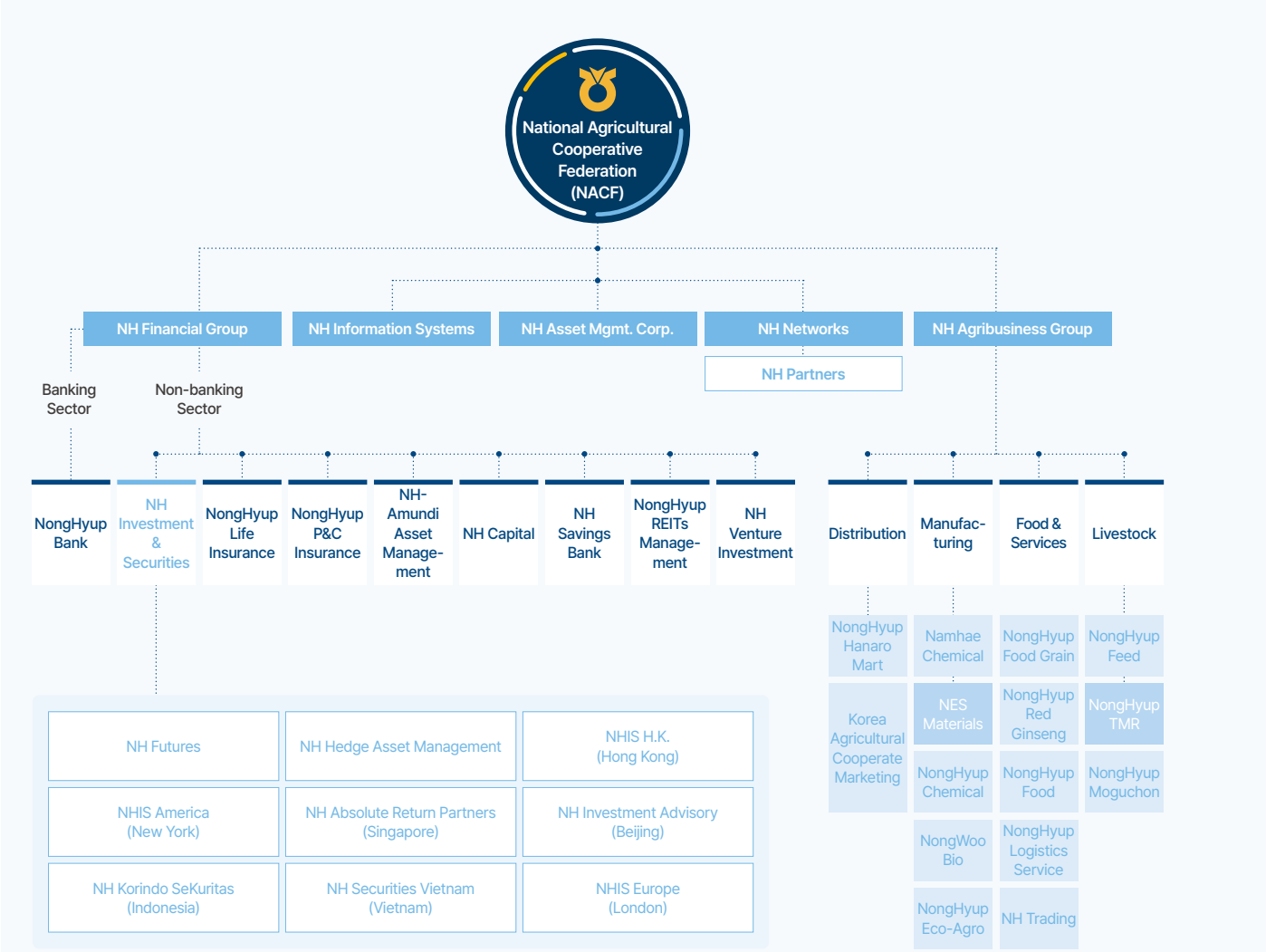
O	R	I	G	I	N
Orientation	**Responsibility**	**Innovation**	**Global**	**Intelligence**	**Networks**
Our clients' interests always come first	We build trust through strong responsibility	We innovate through creative thinking	We create opportunities through global perspective	We provide financial solutions based on superior expertise	We work together to generate synergy

Company Profile

Overview of NH Financial Group

As Korea's representative cooperative led by farmers, NongHyup has continuously refined its organization and business operations since its foundation to contribute to the advancement of the nation's agricultural industry and community. In March 2012, the National Agricultural Cooperative Federation separated its credit and economic operations to restructure the business and create subsidiaries including NH Financial Group and NH Agribusiness Group.

NH Agribusiness Group supports a wide array of economic activities from production and distribution to processing and consumption to ensure farmers can fully focus on their farming work, while NH Financial Group has positioned itself as Korea's leading financial institution offering a broad range of financial services in addition to securing the funds and profits necessary to fulfill NH's inherent roles.



Company Profile

NHIS Organization



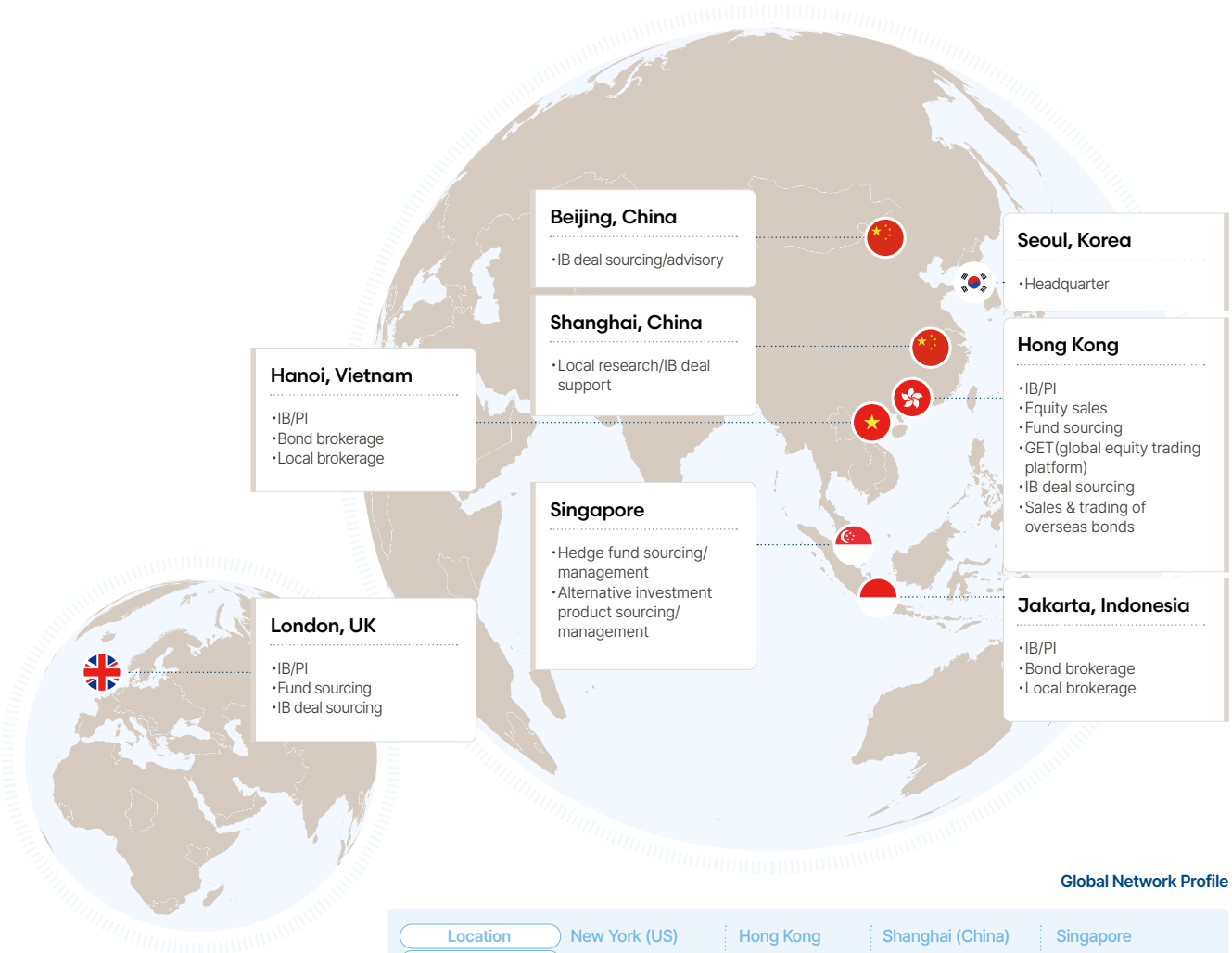
Company Profile

Global Network

Since establishing our presence in New York in 1992, NHIS has built a global network of eight locations as of the end of 2024. Initially focused on equity brokerage, our international operations have since evolved into a diversified global business portfolio encompassing IB, overseas bonds, global product sourcing, and international equity through close collaboration with our headquarters.

Leveraging our digital capabilities, we have expanded our footprint across Southeast Asia, including Vietnam and Indonesia. In July 2024, our Singapore subsidiary (NHARP) was selected by the UN Green Climate Fund (GCF) as the first institution in Asia authorized for the establishment and management of GCF funds, making a major milestone in the expansion of our global fund operations. Looking ahead to 2025, we aim to accelerate both quantitative and qualitative growth in our international business, further reinforcing our position as a top-tier Korean securities firm with a leading global presence.





Global Network Profile

Location	New York (US)	Hong Kong	Shanghai (China)	Singapore
Establishment	1992	1994	1996	2008
Type of Business	Local subsidiary	Local subsidiary	Representative office	Asset management company (subsidiary)
Location	Jakarta (Indonesia)	Hanoi (Vietnam)	Beijing (China)	London (UK)
Establishment	2009	2009	2011	2022
Type of Business	Joint venture	Local subsidiary	Local subsidiary	Local subsidiary

Business Overview

Wealth Management Division

Business Overview

The Wealth Management (WM) Division provides wealth management solutions to retail high-net-worth (HNW)[1] clients, with a focus on personalized services offered by financial advisors. To support this, the division operates five head offices and 53 branches, including four regional head offices dedicated to HNW client wealth management and the Premier Blue Head Office specializing in ultra-high-net-worth (UHNW)[2] clients. To enhance client satisfaction, we classify our in-person service channels into 'large-scale financial centers' and 'regional hub centers', delivering tailored services based on each client's wealth level and investment style.

Large-scale financial centers offer highly specialized and personalized services such as Family Office services designed for HNW individuals. These services not only support traditional wealth management but also provide IB-linked advisory solutions and address the non-financial needs of families from a generational perspective, targeting clients whose assets under custody exceed KRW 10 billion. Notably, the number of families using our Family Office services, first launched in October 2021, increased by 77 in 2024, bringing the total to 141 families.

Regional hub centers contribute to shared growth with local communities under NHIS' slogan 'Your Investment, Your Culture'. We make investing more accessible for novice investors through on-site local seminars and lifelong financial education programs, 'Longevity Academy – Special Lectures by Opinion Leaders', continuing our efforts to grow in tandem with the communities we serve.

Business Approach

To expand the business base with a focus on corporate owners and strengthen our Family Office offerings, we plan to integrate the Premier Blue Head Office and the WM Corporate Sales Head Office to enhance our capabilities in serving UHNW clients. By collaborating with NHIS' key business divisions including IB and OCIO[3], we aim to provide PIB[4] wealth management services at an institutional level, including corporate financing, investment through institutional-grade IB products, and OCIO services. We will also establish tailored solution frameworks addressing the distinct needs of both corporations and their owners. This includes advisory services on succession planning, education programs for next-generation CEOs and philanthropic strategies, including donation and the establishment of family foundations, to enhance overall client satisfaction.

To strengthen our retail advisory capabilities, we are developing an integrated collaboration system across business units to deliver comprehensive solutions for HNW clients. The Advisory Solution Team (AST), which provides investment information support, focuses on a wide range of financial products including funds, ELSs, bonds, wraps, and tax strategies, and market insights. AST will also reinforce its equity consulting functions and broaden its advisory services into areas such as real estate, tax-saving, and retirement pensions. Through differentiated in-person consultation, NHIS will provide clear and actionable investment recommendations, and meet ultra-personalized client needs with timely proposals and tailored content. Furthermore, consulting accessibility will be improved through virtual consultation systems and 'Focus Day' sessions at regional hub centers, staffed with full-time AST consultants, making services available regardless of time or location.

* As of the end of Dec. 2024

Family Office services cumulatively provided to
141 families

Total client assets
KRW 168.1 trillion
* Including entrusted assets and financial product assets

Clients with KRW 100 million and more
209,010 persons

Digital Division

Business Overview

The Digital Division operates the Digital Platform Group and the Digital Wealth Management Group to navigate the market shift toward digital channels. The Digital Platform Group is responsible for service planning, UI/UX enhancement, and content development tailored to platform users. Its core mission is to develop client-facing services through agile development practices. The Digital Wealth Management Group provides professional investment consultations catering to diverse client needs, with its functions divided between the acquisition of clients with wealth management needs and the delivery of wealth management services. Under the direct control of the Digital Division, the Digital Sales Promotion Department and the AI Solution Department were established to expand the client base in line with client strategies and mid- to long-term business roadmaps. These two departments also serve as a control tower for the development and implementation of generative AI services.

The Digital Division offers innovative digital services, ranging from 'ChaBoon-i', which interprets complex chart images using generative AI, 'Master's Pick', which provides portfolios of renowned global investors, 'Namuh Farm', which integrates gamification elements to boost engagement in financial activities, and the MTS[5], which supports everyday financial lifestyles. Through these services, the Digital Division continues to enhance global investment support, integrate financial services into daily life, and advance AI-based services, thereby transforming clients' investment experience and financial lifestyles.

Business Approach

In response to the shifting external landscape characterized by expanding global market investments and evolving regulatory frameworks as well as increasingly diverse client needs, the Digital Division will prioritize the following three initiatives.

First, the Division will restructure its Global Brokerage[6] business covering both domestic and international equities, expand partnerships with global players, improve the MTS UX, and build hybrid services combining digital platforms with human advisors to accelerate growth in global brokerage.

Second, the Division will strengthen its 'lock-in' pension business model focusing on pension and tax-benefit products, expand external distribution channels, and improve the pension-related user experience to boost investment in low-volatility pension and ISA products. This will further establish pension products as anchor assets that facilitate cross-selling.

Third, the Division will implement a phased client expansion strategy based on four key stages: Acquisition, by acquiring external clients through alliances with domestic and international third-party channels; Activation, by lowering entry barriers and helping prospective clients transition into committed, active investors through tailored, segment-specific services; Retention, by promoting systematic and regular investments and enhancing AI-based wealth management offerings to strengthen client retention; and Revenue, by growing the base of digitally engaged HNW clients through hybrid services.

* As of the end of Dec. 2024

Number of digital clients
5,238,665 persons
* Cumulative number of non-face-to-face accounts for NAMUH/QV

Percentage of NAMUH MTS clients in their 20s and 30s
47.2 %

CHECK

1) High Net Worth (HNW) individuals refer to those who maintain liquid assets above a certain threshold as defined in the financial services industry
2) Ultra High Net Worth (UHNW) individuals refer to those who possess investable financial assets worth at least KRW 3 billion
3) OCIO (Outsourced Chief Investment Officer) services refer to services in which professionals efficiently manage the client's assets on their behalf
4) PIB is a word made through the combination of Private Banking (PB) and Investment Banking (IB), offering comprehensive wealth management services to entrepreneurs and high net worth individuals
5) MTS (Mobile Trading System) refers to a mobile platform used for financial investment
6) Global Brokerage (GBK) refers to a method of investing directly in specific global company stocks

Business Overview

Investment Banking Division 1/2

Business Overview

The Investment Banking (IB) Division 1 provides a range of comprehensive corporate financing solutions, including corporate advisory, acquisition financing, and capital raising in the direct financing market. As of the end of 2024, the Division retained its top-tier position in both the Debt Capital Market (DCM) and Equity Capital Market (ECM) league tables, establishing itself as a trusted partner for domestic and global companies based on its accumulated know-how and robust client network.

The IB Division 2 leverages its expertise in alternative asset sourcing to reinforce its leadership as a recognized player in both domestic and global alternative investment markets. Despite the sustained downturn in the real estate sector in 2024, the Division developed a broad-based portfolio spanning residential and non-residential sectors and delivered total market solutions across the full spectrum of real estate finance, demonstrating its differentiated competitive edge. As part of efforts to scale up investments in net-zero technologies, the Division invested in Aphae Offshore Wind Farm and acquired equity in the 4th Chungcheong Ziegler Sorting Facility involved in resource circulation, thereby expanding the foundation of green finance. The Division has also initiated the operation of domestic real estate blind funds as a General Partner (GP), further diversifying its business and deepening its alternative investment capabilities.

Business Approach

In 2025, the IB Division 1 plans to extend beyond traditional IB areas to broaden its market influence. The Division will enhance syndication capabilities for ECM products including IPOs, capital increases, block deals, and equity-linked bonds, while taking full charge of DCM operations involving foreign currency bonds and offshore foreign currency financing for Korean companies, thereby improving client access to non-KRW capital markets. It also intends to source and distribute high-quality deals to internal teams and NongHyup affiliates, offering attractive investment opportunities and contributing to overall profitability.

In response to the persistent high interest rates and concerns over real estate PF defaults in 2024, the IB Division 2 intensified monitoring of held assets and market trends, increased provisioning for credit losses, and continued its participation in real estate PF ABCP[1] purchase programs, thereby reinforcing its risk management. Moving forward, the Division will conduct selective deal underwriting under strict risk control, and actively pursue secondary distribution (sell-downs) of underwritten deals to ensure sustainable profit growth. By offering comprehensive financial and advisory services across all stages of alternative asset investments, including real estate, the IB Division 2 will further solidify its position as a total service provider leading the industry.

* As of the end of Dec. 2024

Ranking in lead arrangement for financial bonds
29.8% (market share) **No.1**

Ranking in lead arrangement for corporate bonds SB
19.9% (market share) **No.2**
* Excluding ABS and FB

Ranking in rights offering lead underwriting
15.9% (market share) **No.2**

Ranking in IPO arrangement
12.0% (market share) **No.4**

Investment Division

Business Overview

The Investment Division offers optimal products to clients by leveraging its strong trading capabilities. It is composed of three groups: the Global Fixed Income (FI) Trading Group, the Client Solution Group, and the Strategic Trading Group.

The Global FI Trading Group handles bond-related businesses such as bond trading and brokerage. To align with fund objectives, the Group has reorganized its structure into dedicated departments for client-oriented and proprietary trading, ensuring stable and specialized execution tailored to the characteristics of each fund.

The Client Solution Group focuses on businesses centered around derivative-linked securities such as ELS[2] and DLS[3], as well as over-the-counter derivatives like swaps[4]. It oversees the entire lifecycle of these products, from structuring and pricing to client distribution and the execution of structure-specific pay-off strategies.

The Strategic Trading Group invests in a broad spectrum of financial products, including equities and mezzanine instruments, through proprietary accounts. The Group proactively responds to changes in the economic and financial environment by utilizing its market networks and implements differentiated strategies to identify promising opportunities. In addition to new investments, the Group also executes effective exit strategies to maintain a stable trading cycle.

Business Approach

By delivering competitive products that support client asset growth and relying on its proven trading expertise, the Investment Division aims to strengthen its market position and establish a sustainable, mutually beneficial business model. The Division plans to generate performance that exceeds benchmarks while rigorously assessing the quality of excess returns to build a stable and predictable trading system. To ensure long-term performance stability, the Division will increase participation in internal funding policies, further enhancing the sustainability of its business operations.

Through participation in carbon credit trading market, the Division aims to invigorate the market and generate returns, thereby securing competitiveness in emerging sectors. Leveraging its expertise in structuring and executing derivative-linked instruments across various structures, the Division will continue to deliver competitive products and maintain industry leadership.

Furthermore, the Division plans to foster FX-related businesses, including currency exchange services, by serving as NHIS' unified FX[5] service hub. By acquiring a general currency exchange license, the Division will reinforce its presence in the FX market through transaction-based services and broaden its offerings, including night-time FX services. These initiatives will make 2025 a pivotal year for entering a full-scale growth trajectory through expanded client flows.

* As of the end of Dec. 2024

Sales and trading of fixed income
KRW 16.4 trillion

Brokerage of KRW-denominated bonds for foreign investors
KRW 12.5 trillion
Nearly 300% y-o-y increase from 2023

FX/CRS[6]/IRS[7] trading balance
KRW 5.7 trillion
Nearly 100% y-o-y increase from 2023

CHECK

1) ABCP stands for Asset Backed Commercial Paper, referring to a type of commercial paper issued with underlying assets as collateral
2) ELS (Equity Linked Securities): Returns are determined based on fluctuations of equity indices or stock prices
3) DLS (Derivative Linked Securities): Returns are determined based on fluctuations of underlying assets such as interest rates, exchange rates, gold or crude oil
4) Swap: A type of over-the-counter derivative product traded directly between two parties without going through an exchange
5) FX (Foreign Exchange): Financial instruments based on foreign currencies
6) CRS (Currency Rate Swap): A contract where two parties exchange cash flows in different currencies
7) IRS (Interest Rate Swap): A contract where two parties exchange fixed and floating interest rate payments based on a notional principal amount in the same currency

Business Overview

Wholesale Division

Business Overview

The Wholesale Division engages in global operations supported by a robust network that includes major public and private asset management firms in Korea, pension funds such as the National Pension Service and Teachers' Pension, and other institutional investors including insurers, banks, long funds, hedge funds, and global IB.

The Institutional Coverage Group is responsible for institutional sales targeting both domestic and international institutional clients. With a foundation of long-term partnerships, it has built a strong global network and delivers consistent performance, aiming to secure the top spot in domestic institutional sales each year.

The Passive Solution Group provides a diverse range of passive investment solutions, building on its index investment brokerage business. Notably, it operates as a liquidity provider (LP) in the expanding ETF market.

The Prime Brokerage Group delivers tailored services for private equity funds and professional institutional investors. These services include exclusive PBS[1] contracts, entrusted sales, credit extension, swap transactions, and securities lending and borrowing brokerage.

Business Approach

The Wholesale Division maintains a leading position in key business areas by leveraging its best-in-class client network, optimized systems, long-accumulated references, and specialized solution capabilities. While solidifying its leadership in institutional brokerage, the Division seeks sustainable growth by stabilizing new businesses and exploring additional opportunities.

In 2024, the full suspension of short-selling in the domestic equity market posed significant challenges, especially in areas such as securities lending solutions[2] and swaps. During this period, the Division overhauled internal controls and systems in line with the restructured short-selling framework. Looking ahead to the scheduled resumption of short-selling in Q2 2025, the Division is preparing to normalize operations and expand collaboration with global IBs.

In response to intensified competition in ETF LP and market-making operations, the Division is upgrading NHIS' LP system and processes to enhance competitiveness. In 2025, the Division will focus on strengthening relationships with core clients rather than pursuing short-term gains, aiming to broaden its revenue base and reinforce its wholesale platform for sustainable, long-term growth.

* As of the end of Dec. 2024

Assets in custody

KRW 15 trillion

3X growth compared to 2023

PBS hedge fund AUM[3] ranking

No. 1

2X growth compared to 2022

OCIO Division

Business Overview

The OCIO (Outsourced Chief Investment Officer) Division is exclusively responsible for managing and servicing client assets. It consists of two functions: discretionary portfolio management, which directly oversees investment execution, and marketing, which focuses on acquiring new clients and delivering tailored client services. Leveraging a broad range of investment capabilities and extensive experience across diverse asset classes, the Division provides stable OCIO services to a wide range of clients, including major government funds such as the National Housing and Urban Fund, public institutions, mutual aid associations, general corporations, and family offices.

Beyond large-scale mandates, the Division offers customized solutions that address the investment needs of small and mid-sized businesses, family offices, and HNW individuals. As a leading platform player in the OCIO space, the Division will continue to provide differentiated investment solutions tailored to client needs, further reinforcing its position as a first-tier platform provider in the capital market.

Business Approach

In line with the expanding OCIO market, NHIS is committed to strengthening its marketing and investment execution capabilities, creating opportunities to reshape the asset management firm-dominated OCIO industry landscape. In 2024, the Division won four out of five competitive bids, gaining client recognition for its portfolio stability, strong performance, and excellence in advisory services. Notably, it was selected as the sole OCIO provider by the Korea Financial Investment Association and the Community Chest of Korea, demonstrating its competitiveness against traditional asset managers.

Going forward, NHIS will expand its AUM, enhance its discretionary investment capabilities, and maximize internal synergies to build a foundation for long-term profit generation and value-driven growth. In 2025, the Division aims to reinforce marketing efforts for fund-type OCIO clients and broaden outreach to general-type OCIO clients to accelerate AUM growth. It also plans to expand into new segments such as general corporations and HNW individuals, whose investment needs differ from those of public institutions and large funds. By optimizing asset allocation to maximize excess returns and swiftly responding to market volatility, NHIS will continue to deliver stable and competitive investment outcomes, maintaining a clear edge over traditional asset management firms.

* As of the end of Dec. 2024

Value of our OCIO portfolio

KRW 6.6 trillion

CHECK

1) PBS (Prime Brokerage Service): Financial services provided by securities firms to support their clients' investments
2) A business that borrows stocks or bonds from lenders and brokers them to borrowers
3) AUM (Assets Under Management): Value of all financial assets managed by a financial institution on behalf of its clients

Value Chain

NHIS conducts business with a commitment to creating value for stakeholders across all operations, while acting responsibly to generate positive impact on society, the environment, and the broader world.

INPUT		OUTPUT	
Financial Capital			
KRW 62.4271 trillion Total assets	KRW 8.1194 trillion Shareholders' equity	KRW 686.6 billion Net income	KRW 686.7 billion Controlling shareholders' net income
KRW 8.1144 trillion Controlling shareholders' equity		KRW 329.3 billion Dividends paid to shareholders	KRW 938.7 billion Interests paid to clients
		KRW 238.2 billion Corporate taxes paid	
Human Capital			
3,128 persons Number of employees	272 persons New hires	81 hours Average training hours per employee	43.1 % Percentage of women employees
		33.9 % Percentage of women managers	
Intellectual Capital			
KRW 25.1 billion Investment in digital innovation	6 cases Securing external digital capabilities (industry-academia cooperation, MOU)	7 services[1] Launching services powered by big data, AI and mobile platforms	Operating the NH Tech Board to strengthen internal digital capabilities (ChatGPT)
Social Capital			
6,426 persons Participants in CSR social initiatives	24 farms Crowdfunding to nurture small/mid-sized farms	KRW 6.6 billion CSR expenses	KRW 146 million Contribution to the Angel Fund
3 occasions Live commerce events organized for small/mid-sized farms	Supported village communities in 6 counties Rural community support project	KRW 214 million Crowdfunding raised to nurture small/mid-sized farms	KRW 18 million Value of live commerce organized to nurture small/mid-sized farms
		KRW 450 million Value created through rural community support projects	
Natural Capital			
Strengthening sustainability management governance by operating the ESG Committee and promoting the Carbon Finance Team to the Carbon Finance Department	Implementing sustainability-driven investment principles	KRW 1.318 trillion Investments in green finance	Designation as a market-maker for the K-ETS (Korea Emissions Trading System)
		Investing in a biochar-based carbon credit project as the first securities firm	
Manufactured Capital			
57 locations (including 4 sub-branches) Domestic branches	8 local subsidiaries (including 1 representative office) Overseas subsidiaries	KRW 7.6 trillion in 2023 → KRW 8.1 trillion in 2024 Capital expansion	15 in 2023 → 16 in 2024 Opening financial centers

1) Dividend Service, Promissory Note Investment Tool, Namuh AI for Dividend Stocks, Capital Gains Tax Radar for U.S. Stocks, Namuh Farm, IPO Insights World Cup, ChaBoon-i (AI Chart Analysis Tool)



SUSTAINABILITY FRAMEWORK

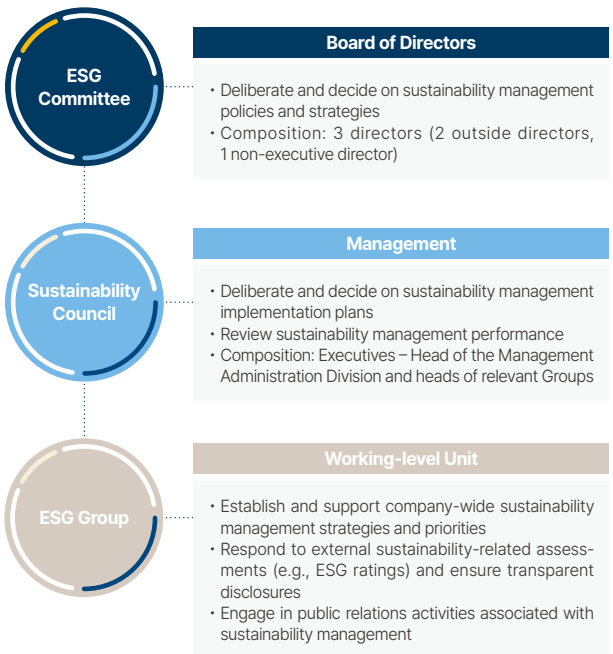
Sustainability Management 36
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Sustainability Highlights 39

Sustainability Management

Sustainability Governance

NHIS operates the ESG Committee under the Board of Directors to review and guide the implementation of sustainability policies, while enhancing the Board's oversight and accountability. The Sustainability Council serves as a working-level body to discuss implementation plans for sustainability priorities and review their progress and key issues. The ESG Group and its ESG Department play a role as working-level units to effectively manage the implementation of key priorities associated with sustainability management.

Sustainability Governance Structure * As of the end of Mar. 2025



ESG Committee

The ESG Committee sets strategies and their direction for sustainability management and fulfills management and oversight roles for relevant policies. The Committee is regularly briefed by the Sustainability Council on key sustainability activities and their progress. Key issues discussed at the ESG Committee are reported to the Board of Directors and integrated into our overall operations. As of 2024, the ESG Committee comprises four members chosen for their understanding and experience on sustainability issues. The Committee reinforces its responsibilities by reviewing and deliberating a wide range of issues, including sustainability activities, materiality assessment results, and net-zero initiatives. In 2024 the Committee convened three times, with the average attendance rate of 92%.

ESG Committee Meetings Held in 2024

Date of Meeting	Agenda
Apr. 19, 2024	• Review of ESG materiality assessment results • Net-zero implementation initiatives
Jul. 18, 2024	• 2024 Integrated Report publication
Nov. 22, 2024	• Carbon finance business overview • Climate scenario analysis plans • Plans for the 2025 Integrated Report

Sustainability Council

The Sustainability Council consists of the Head of the Management Administration Division and executives at group head level. External members are appointed for their expertise in sustainability and finance to enhance the quality and diversity of our policies and their implementation. In 2024, the Council met three times to share the progress and achievements of our sustainable management and discuss key issues.

ESG Group

In 2024, NHIS established the ESG Group under the Management Administration Division and reorganized the structure to enhance the implementation of its sustainability initiatives. Under the ESG Group are the ESG Department and the Public Relations Office to strengthen external communications, and the Social Contribution Group was incorporated to drive company-wide corporate social responsibility initiatives.

Sustainable Finance

Sustainability-driven Investment Principles

NHIS prioritizes environmental and social impacts in its investment and business operations, incorporating sustainability considerations into every stage of the decision-making process. In accordance with our Environmental and Social Investment Policy, we proactively assess potential investments for risks such as environmental pollution or human rights violation, and for opportunities to create positive impacts on society and the border markets.

Aligned with the UN Sustainable Development Goals (SDGs), we evaluate whether investments support the UN SDGs and contribute to environmental and social value. We also ensure they address key sustainability areas, including human rights protection, workplace safety, climate change response, and sound governance. In 2024, we identified 32 investments as aligned with the UN SDGs. A total of 128 investments underwent preliminary and material issue reviews, with 14 of those involving controversial issues subject to in-depth assessments.

Our oversight continues beyond the point of investment. We monitor core activities of investee companies and provide guidance for improvement when necessary, placing strong emphasis on ongoing management. NHIS will continue advancing sustainable finance by balancing social responsibility with financial return, building stronger trust with stakeholders.

Negative Screening Strategy

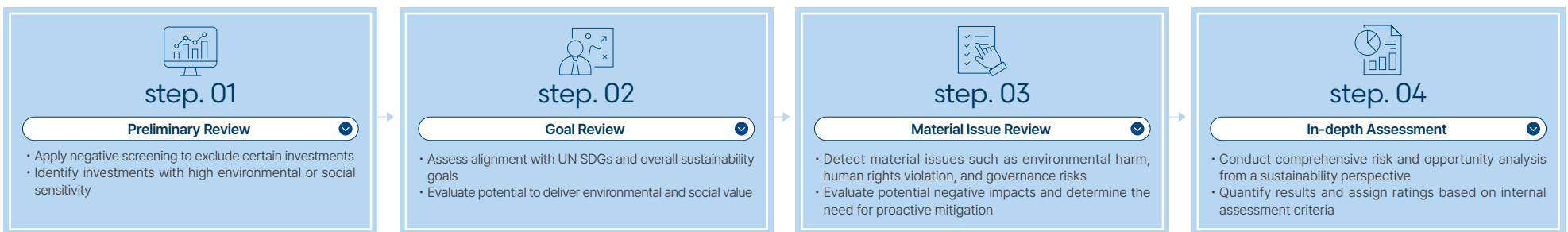
To reflect our commitment to sustainability and social responsibility, NHIS has established investment restriction criteria that apply to specific industries and business activities. These criteria are designed to exclude or phase out investments in sectors with potentially adverse impacts on human health, ecosystem conservation, human rights or ethics.

Investment exclusion criteria are classified based on the severity of impact and level of social sensitivity. Businesses involved in the manufacture of weapons for inhumane purposes, new coal-fired power plants, and activities with high risks of ecosystem destruction are subject to immediate exclusion. Meanwhile, sectors such as tobacco, gambling, animal testing, and human rights violations are subject to gradual divestment, depending on their level of sales exposure or degree of involvement.

Negative Screening Criteria

Category	Description	Risk Management
Weaponry	• Businesses producing, selling, or purchasing equipment intended for the purpose of capital punishment, torture, or other inhuman or cruel punishment or acts as specified in the EU Regulations on the List of Prohibited Exports	Immediate exclusion
Coal	• Projects related to the construction of new coal-fired power plants	
Risk of ecosystem degradation	• Acts that seriously affect the terrestrial ecosystem, such as illegal logging, illegal wildlife trafficking, and the development of national wildlife zones • Destruction of marine ecosystems such as fishing activities using dynamites and chemicals	
Tobacco and gambling	• Businesses linked to tobacco, gambling, and adult entertainment	Gradual exclusion
Animal testing	• Investments and businesses associated with animal testing and export of live animals	
Human rights violation	• Investments and businesses involving potential risk of modern slavery and child labor	

Sustainability-driven Investment Screening



Sustainable Finance

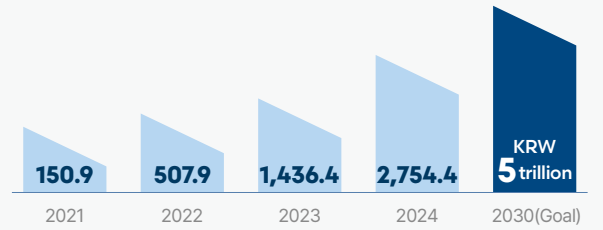
Fostering Green Finance

To respond to climate change and to promote sustainable industrial transformation, NHIS actively pursues green finance initiatives. We are applying K-Taxonomy as the classification standard for green finance, and are implementing substantive green finance by accumulating acquisition, arrangement, and project financing (PF) performance for green projects that align with the six environmental objectives of K-Taxonomy. We have set a target to provide KRW 5 trillion in green finance between 2021 and 2030, and we continue to expand our support for projects aligned with net zero goals such as renewable energy, green infrastructure, and energy efficiency improvements.

Green finance is a strategic financial lever that reflects both our climate commitment and the growth potential of emerging green sectors. NHIS is expanding green finance beyond conceptual commitment into tangible investment and financing activities, thereby facilitating market development. Looking ahead, we will enhance financial accessibility for green industries and faithfully fulfill our role as a financial institution supporting climate resilience and the transition to a net zero society.

Green Finance Outcomes and Goal

Based on cumulative performance
(Unit: KRW billion)



CASE

Support for Rooftop Solar Power Generation

In December 2024, NHIS signed an MOU with GS Energy to promote rooftop solar power generation in pursuit of net zero and energy transition goals. Under this MOU, we successfully arranged project financing for an 18MW power purchase agreement (PPA) project led by Next Renewables Solution (NRS), a GS Energy subsidiary. Building on this success, we plan to continue collaboration in the rooftop solar sector and actively pursue further financing opportunities that contribute to the growth of the carbon finance market.

Sustainable Bond Underwriting and Investment

NHIS established a sustainable bond management system in 2021 and became the first securities firm to issue KRW-denominated sustainability bonds worth KRW 110 billion. The proceeds were allocated to environmental initiatives such as renewable energy and green buildings, as well as to social impact projects like job creation. NHIS has continued to expand underwriting and investment in sustainable bonds (green/social/sustainability bonds), contributing to efforts to combat climate change and address social challenges.

In 2024, NHIS invested KRW 987.1 billion in sustainable bonds and underwrote KRW 1.095 trillion worth. Going forward, NHIS remains committed to fostering the sustainable bond market to drive the growth of sustainable finance and support a virtuous market cycle.

Sustainable Bond Underwriting in 2024

Unit: KRW billion

Bond	Type of Bond	Date of Issuance	Acquisition
LG Energy Solution 3-1	Green bond	16.Feb.2024	80
LG Energy Solution 3-2	Green bond	16.Feb.2024	15
LG Energy Solution 3-4	Green bond	16.Feb.2024	10
SK On 5-2	Green bond	7.Mar.2024	15
Hanwha Aerospace 128-1	Green bond	26.Jun.2024	15
POSCO FUTURE M 22-1	Green bond	24.Jul.2024	220
SK geo centric 22	Green bond	31.Jul.2024	40
Korea Housing & Urban Guarantee Corporation 1	Social bond	26.Nov.2024	700

Sustainable Bond Investment in 2024

Unit: Cases, KRW billion

Type of Bond	Number of Trades	Trading Amount
Green bonds	24	270
Social bonds	36	647
Sustainability bonds	6	70
Total	66	987

Development of Sustainability-themed Indices

Leveraging its in-depth research expertise, NHIS is integrating sustainability considerations into asset management and trading. As the first in the industry to publish non-financial performance analysis reports on 15 major Korean companies, NHIS is actively developing innovative indices and financial products that promote sustainability-oriented investment. Key achievements include the creation of the 'iSelect ESG Holding Company Index' and launch of the 'iSelect-WG Green Energy ESG ETN', expanding the foundation for sustainability-focused financial markets.

In 2024, NHIS developed new indices featuring companies with strong potential for improving energy efficiency and introduced indices tracking companies likely to return value to investors and shareholders from a social and governance perspective. Amid rising GHG emissions driven by the power demands of AI technologies, companies are expected to improve energy efficiency to meet the goals of the Paris Agreement. NHIS responded by developing indices that include companies relevant technologies, providing the basis for exchange-traded products such as the 'KODEX AI Electric Power Core Facilities ETF', the 'KODEX US AI Power Core Infra ETF', and the 'N2 Electric Power TOP5 ETN'. Additional indices target undervalued premium companies and firms enhancing shareholder value through dividends or buybacks, including the 'HANARO Shareholder Value Growth Active ETF', for which NHIS also provides underlying indices.

NHIS will continue to support investors by delivering high-quality, professional sustainability analysis and contribute to the creation of a sustainable investment ecosystem through the development of sustainability-themed indices and investment products.

Sustainability Highlights

2024 Green Finance Investments

KRW 2.7544 trillion

(Accumulated investment from 2021)

Cumulative Green Finance Investment Goal by 2030

KRW 5 trillion

Financed Emissions Calculated

1.7 million tCO_2eq

(as of 2024)

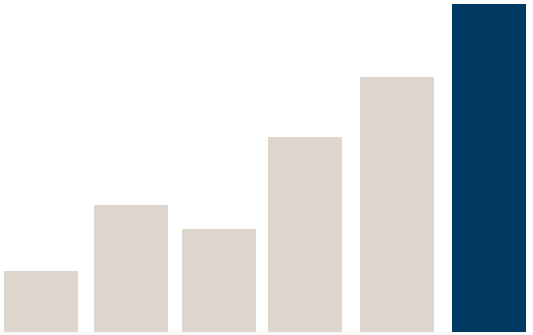
Most Recommended Brand by Consumer

NO.1

for 3 Consecutive Years

Social Value Created and Reported

KRW 336.8 billion



First in the Securities Industry to Obtain Global Data Privacy Certification

APEC CBPR

Financed Emissions Reduction Target

31.1%

reduction by 2030

(Baseline: 2023)

by the Carbon Disclosure Project

A-

(Leadership Level)

by Korea Institute of Corporate Governance and Sustainability

A

ESG Integrated Rating

MATERIAL TOPICS

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Materiality Assessment

NHIS conducts double materiality assessments to identify issues that significantly impact both our corporate sustainability and business operations. These assessments consider two critical dimensions: impact materiality, which examines the environmental and social effects of our business activities, and financial materiality, which evaluates how these issues influence our financial performance. To understand how NHIS affects society, the environment and our stakeholders —as well as how external factors create financial risks and opportunities for our organization—we conducted IRO (Impact, Risk, Opportunity) analysis involving both internal and external stakeholders based on the material issues we identified. Through this process, we identified four key material issues that are central to our sustainability strategy. These key material issues are fully integrated into our organizational risk management framework and disclosed transparently to stakeholders in the integrated report.

Double Materiality Assessment Process



step. 01

Forming an issue pool

Form a pool of material issues (Long-list) based on global standards and previous year's material issues

Collecting Issue Information

- Review standards and guidelines of sustainability; GRI, DJSI, MSCI, SASB and so on
- Analysis of material issues form the previous year

A pool of **32** material issues



step. 02

Identify material issues

Conduct materiality assessments by considering internal strategies and external factors and prioritize material issues (Short-list)

Conduct materiality tests

- Internal sustainability strategy analysis
- Media analysis
- Peer group benchmarking
- Sustainability standards and assessment indicators
- Relevant laws and regulations

10 material issues



step. 03

Identify and assess impacts

Identify impact materiality and financial materiality and analyze IROs

Identify impacts of each issue

- Identify the characteristics of impacts (positive/negative, actual/potential), scope, and impact timeline

Assess impacts

- Impact Materiality
  - Likelihood and severity of potential impacts
- Financial Materiality
  - Financial Impacts on corporate value



step. 04

Determine and disclose key material issues

Identify key material issues reflecting priorities and sustainability-related impacts

Analyze the impacts

- Quantify and comprehensively analyze potential impacts
- Identify scale and priority of the impacts
- Review of the top impacts in environmental, social, and governance areas

4 key material issues

Materiality Assessment

The materiality assessments we conducted in 2024 resulted in a short list of 10 material issues. Each of these issues was evaluated for both impact materiality and financial materiality, leading to the selection of four key material issues that scored high in both dimensions. These four issues are Climate Change Response, Digital Finance and Platform Strategy, Financial Consumer Protection, and Information Security and Client Data Privacy.

NHIS has identified Information Security and Client Data Privacy has the greatest environmental and social impact, while Financial Consumer Protection has the greatest financial impact. By regularly conducting materiality assessments, NHIS captures sustainability factors and their magnitude of impact while actively managing selected key material issues and transparently communicating its performance to stakeholders.

2024 Materiality Assessment Results

	Key Material Issues	GRI Index	Page
Environmental	Climate Change Response	201-2 / 302-1 / 302-3~4 / 305-1~5	49-62p
Business	Digital Finance and Platform Strategy	Non-GRI	65-67p
Social	Financial Consumer Protection	Non-GRI	70-73p
Social	Information Security and Client Data Privacy	418-1	74-77p

	Reporting Issues	GRI Index	Page
Social	Employee Competency Enhancement and Training	404-1~2	79-80p
Social	Improvement of Client Satisfaction	Non-GRI	68-69p
Governance	Compliance	205-2~3	89-90p
Governance	Integrated Risk Management	Non-GRI	91-92p
Governance	Sound Governance	Non-GRI	36p, 86-88p
Business	Green Finance Business	Non-GRI	37-38p

Magnitude of impact : ●●● High ●● Medium ● Low

Issue	Environmental and Social Impact	Description	Impact Materiality					Financial Risk and Opportunity	Description	Financial Materiality		
			Magnitude	Actual/ Potential	Positive/ Negative	Scope	Impact Timeline			Magnitude	Risk/ Opportunity	Impact Timeline
Climate Change Response	Accelerating climate change resulting from continued investment in high-carbon assets	Financial institutions may finance high-carbon sectors through their investment activities, indirectly supporting their expansion and contributing to national GHG emissions. Such investments risk accelerating climate change.	●●	Potential	Negative	Shareholders and investors Clients Local Communities	Mid-term	Investor withdrawal due to inadequate climate change action	Amid growing calls for strong climate action, investors are increasingly divesting from companies that remain involved in high-carbon sectors. Financial institutions must respond by enhancing climate-related investment criteria and actively managing financed emissions.	●●	Risk	Long-term
	Contributing to climate action through expanded low-carbon investments and financed emissions management	By reducing financed emissions and directing capital toward low-carbon industries and green projects, financial institutions can meaningfully contribute to national GHG reduction targets and long-term climate mitigation.	●●	Actual	Positive	Clients Governments and related agencies	-	Securing long-term returns through the transition to low-carbon portfolios	Shifting investment portfolios from high- to low-carbon assets enables financial institutions to preempt climate risks and secure long-term profitability through early positioning in sectors with faster decarbonization trajectories.	●●	Opportunity	Long-term

Materiality Assessment

Issue	Environmental and Social Impact	Description	Impact Materiality					Financial Risk and Opportunity	Description	Financial Materiality		
			Magnitude	Actual/ Potential	Positive/ Negative	Scope	Impact Timeline			Magnitude	Risk/ Opportunity	Impact Timeline
Information Security and Client Data Privacy	Preventing security risks through enhanced information protection and certification	As custodians of sensitive financial data, financial institutions must strengthen their cybersecurity frameworks. Upgrading systems and acquiring relevant certifications are key to safeguarding clients and maintaining institutional credibility.	●●●	Potential	Positive	Clients	Short-term	Preventing financial losses through regulatory compliance and enhanced risk management	Building systems aligned with information security laws and supervisory standards minimizes legal exposure and reduces the likelihood of financial losses from security breaches.	●●●	Opportunity	Mid-term
	Escalating client anxiety and social implications from data breaches	Client data breaches may cause secondary damages, heighten public concern, and severely undermine corporate trust. Such incidents often prompt scrutiny of the company's social responsibility.	●●●	Potential	Negative	Clients Local Communities	Short-term	Client attrition due to declining trust	Security vulnerabilities or system failures can erode brand trust and lead to client attrition, negatively impacting long-term financial performance.	●●●	Risk	Short-term
Financial Consumer Protection	Preventing financial losses through consumer protection systems	Delivering transparent and fair financial services protects consumer rights and enhances social trust in financial institutions. This also helps prevent financial losses and supports responsible finance.	●●●	Potential	Positive	Clients Local Communities	Short-term	Reducing legal risks through stronger regulatory compliance	Robust compliance and internal controls help minimize legal disputes and regulatory breaches. These efforts preserve customer confidence and reinforce financial system stability.	●●●	Opportunity	Short-term
	Financial damage to consumers caused by inadequate internal controls	Weak internal controls can result in improper transactions or mis-selling of high-risk products, harming consumers and damaging trust in the financial market. Continuous system monitoring and reinforcement are therefore essential.	●●	Potential	Negative	Clients	Short-term	Financial deterioration due to legal sanctions and reputational damage	Control failures can lead to regulatory sanctions, reputational damage, loss of clients and investors, ultimately weakening financial soundness and sustainability performance.	●●●	Risk	Short-term
Employee Competency Enhance-ment and Training	Contributing to industrial and economic development through workforce expertise	Job-specific and level-based training boosts employee competence, strengthening industry capacity and supporting broader economic development.	●●	Actual	Positive	Employees Clients Local Communities	-	Improving productivity and profitability through skills development	Investing in employee skills enhances operational efficiency, customer service, and problem-solving factors that drive long-term growth and profitability.	●●	Opportunity	Mid-term
	Strengthening business models to enhance sustainability	Sustainability-focused training fosters awareness of environmental and social issues, leading to the development of green products and inclusive finance. This contributes to a sustainable business model.	●●	Potential	Positive	Employees Local Communities	Mid-term	Reduced productivity due to ineffective training	Training conducted as a formality without strategic alignment may waste resources and lower organizational productivity, diminishing the overall impact of training investments.	●●	Risk	Short-term

Materiality Assessment

Issue	Environmental and Social Impact	Description	Impact Materiality					Financial Risk and Opportunity	Description	Financial Materiality		
			Magnitude	Actual/ Potential	Positive/ Negative	Scope	Impact Timeline			Magnitude	Risk/ Opportunity	Impact Timeline
Improvement of Client Satisfaction	Enhancing service quality through better communication with clients	Financial institutions are strengthening communication channels to increase client satisfaction by incorporating feedback into product and service improvements. These efforts also help build public trust and enhance client-centered, high-quality service delivery.	●●	Actual	Positive	Clients	-	Generating revenue by maximizing client value	High levels of client satisfaction strengthen brand loyalty and encourage continued service use. This fosters long-term client relationships and establishes a solid foundation for sustained revenue generation.	●●●	Opportunity	Mid-term
	Widening inequalities due to limited financial accessibility	Differentiated product strategies targeting specific client groups may limit access for information-vulnerable individuals, people with disabilities, or minorities, potentially hindering financial inclusion and increasing social inequality.	●	Potential	Negative	Clients	Mid-term	Rising operational expenses to maintain service quality	Meeting growing client expectations requires continuous investment in human resources, systems, and service operations. If not managed effectively, rising costs may negatively affect profitability and even lead to client attrition.	●	Risk	Mid-term
Compliance	Contributing to economic stability by preventing financial accidents	By establishing and strictly following a strong compliance framework, financial institutions can prevent crimes such as money laundering, insider trading, and market manipulation. These actions enhance the transparency of financial flows and support a sound and trustworthy economic environment.	●●●	Potential	Positive	Clients Employees Local Communities	Short-term	Safeguarding financial interests through reputation and trust management	Compliance plays a critical role in avoiding sanctions and reputational harm resulting from regulatory violations. It helps preserve client trust and brand value, ensuring long-term financial stability.	●●	Opportunity	Mid-term
	Enhancing social trust by promoting fair competition	Strong compliance contributes to a fairer competitive environment and establishes transparent business practices. This fosters greater trust across society and supports a sustainable economic system.	●●	Actual	Positive	Clients Local Communities	-	Decreased competitiveness due to growing regulatory burden	Excessive regulatory requirements may slow down strategic agility compared to more flexible competitors, leading to financial pressures such as declining market share and missed opportunities.	●	Risk	Mid-term
Sound Governance	Loss of stakeholder trust due to poor sustainability risks management	Inadequate handling of sustainability risks can damage perceptions of a company's accountability and transparency. This can result in reputational harm and the long-term breakdown of stakeholder relationships.	●●	Potential	Negative	Shareholders and investors Clients	Mid-term	Increasing financial burden from unresolved environmental and social issues	Failure to effectively respond to environmental or social challenges may lead to escalating costs related to negative publicity, boycotts, and regulatory penalties, ultimately harming profitability and brand value.	●●	Risk	Mid-term
	Protecting stakeholder rights through transparent sustainability disclosures	By clearly communicating sustainability strategies and achievements, companies ensure access to information and foster trust. Transparent reporting also strengthens alignment with stakeholder expectations and demonstrates responsible management.	●●	Actual	Positive	Shareholders and investors Clients Local Communities	-	Improving financial performance by attracting responsible investment	Companies that systematically disclose their sustainability performance tend to receive favorable evaluations from investors. This enhances capital access and supports improved long-term financial outcomes.	●	Opportunity	Mid-term

Materiality Assessment

Issue	Environmental and Social Impact	Description	Impact Materiality					Financial Risk and Opportunity	Description	Financial Materiality		
			Magnitude	Actual/ Potential	Positive/ Negative	Scope	Impact Timeline			Magnitude	Risk/ Opportunity	Impact Timeline
Integrated Risk Management	Fostering responsible investing through sustainable risk investment	Financial institutions can pave the way for responsible investment by comprehensively assessing and managing non-financial risks, including environmental and social factors. This approach supports both financial soundness and social value creation, contributing to a more sustainable financial ecosystem over the long term.	●●	Potential	Positive	Shareholders and investors Clients	Mid-term	Preventing financial losses through enhanced risk response capabilities	An integrated risk management system enables the proactive identification and mitigation of various risk types, helping minimize losses during crises. Strengthened responsiveness plays a crucial role in ensuring a company's financial stability and resilience.	●●	Opportunity	Long-term
	Industrial contraction caused by overly conservative risk approaches	Excessively risk-averse stances on certain sectors can restrict capital flow, hinder business activities, and negatively impact employment and local economies. This may ultimately impede balanced socioeconomic development.	●	Potential	Negative	Shareholders and investors Local Communities	Mid-term	Increased operational burden from advanced risk frameworks	As risk management evolves to include a broader array of risk factors, the complexity of systems increases. This can reduce operational efficiency, delay decision-making, and require greater human and physical resources—raising overall operational costs.	●	Risk	Mid-term
Digital Finance and Platform Strategy	Enhancing accessibility and efficiency in financial transactions	By advancing mobile and digital platform services, financial institutions can significantly improve user convenience. Services such as mobile trading, digital onboarding, and non-face-to-face investment options broaden financial participation across demographic groups.	●●●	Actual	Positive	Clients	-	Rising costs from upfront investment and system maintenance	Developing digital finance infrastructure requires initial investments in technologies, servers, and software. Ongoing operational costs for system upgrades, cybersecurity, and data management may impose financial burdens on institutions.	●●	Risk	Mid-term
	Widening digital divide and financial exclusion	A digital-first approach may marginalize seniors, low-income individuals, and people with disabilities who have limited access to digital tools. This can exacerbate financial inequality and hinder inclusive finance.	●	Actual	Negative	Clients Local Communities	-	Driving market growth through new digital service offerings	Emerging digital services—such as robo-advisors, AI analytics, and fintech collaborations—support innovation and revenue diversification. These offerings enable financial institutions to expand their markets and enhance competitiveness.	●●	Opportunity	Mid-term
Green Finance Business	Accelerating emissions reductions through carbon markets and trading	By participating in carbon credit markets, financial institutions improve liquidity and incentivize emissions reduction. These efforts play a pivotal role in supporting the transition to a low-carbon economy.	●●	Potential	Positive	Governments and related agencies Local Communities	Mid-term	Securing long-term profitability through green finance innovation	Entering new markets such as emissions trading and climate-related financial products allows institutions to diversify revenue streams and investment portfolios. Proactive adaptation to shifting policy landscapes also enhances financial stability over time.	●●	Opportunity	Mid-term
	Supporting eco-friendly companies through green indices and ETNs	Developing themed indices and ETNs linked to environmentally responsible companies promotes capital flow to sustainable industries. This can expand the eco-friendly industry and contribute to sustainable economic transition.	●	Actual	Positive	Shareholders and investors Clients Local Communities	-	Heightened risks due to weak demand and policy uncertainty	If demand for green finance underperforms or government policies shift abruptly, firms may face reduced profitability and strategic disruption. These uncertainties can elevate financial risks and undermine momentum in green investment.	●	Risk	Mid-term

Material Topics Analysis

NHIS identifies material issues affecting its corporate value and stakeholders. The key material issues that have been consistently recognized as material over the past three years include Climate Change Response, Information Security and Client Data Privacy, Financial Consumer Protection, Compliance, Sound Governance, Integrated Risk Management, and Digital Finance and Platform Strategy. These issues form the foundation of our sustainability strategy and risk management. Acknowledging their critical importance, we remain committed to systematically and proactively managing these issues.

Colored: Issues identified as material for 3 straight years

Area	2022	2023	2024
	10 material issues	12 material issues	10 material issues
Environ-mental	Climate Change Response	Climate Change Response	Climate Change Response
Social	Client Data Privacy	Client Data Privacy	Information Security and Client Data Privacy
	Protecting the Rights and Interests of Financial Consumers	Protecting the Rights and Interests of Financial Consumers	Financial Consumer Protection
	Ensuring Human Rights and Diversity of Employees	Ensuring Human Rights and Diversity of Employees	
		Competency Development and Training	Employee Competency Enhancement and Training
		Talent Recruitment and Turnover	
			Improvement of Client Satisfaction
Gover-nance	Ethics and Compliance	Ethics and Compliance	Compliance
	Ensuring Sound Governance	Ensuring Sound Governance	Sound Governance
	Integrated Risk Management	Integrated Risk Management	Integrated Risk Management
Business	Competitive Digital Finance and Platform	Competitive Digital Finance and Platform	Digital Finance and Platform Strategy
			Green Finance Business
	Responsible Investing	Responsible Investing	
	Economic Performance Generation	Economic Performance Generation	

Issue	Our Approach	NHIS Strategy	Key Performance	UN SDGs
Climate Change Response	To achieve carbon neutrality across all assets under management by 2050, NHIS is pursuing a phased carbon reduction strategy and developing low-carbon financial solutions. We have also built an internal climate risk management system based on the TCFD recommendations to proactively respond to climate change.	• Join K-RE100 for renewable energy transition • Reduce operational GHG emissions by 42% by 2030 • Reduce financed emissions by 31% by 2030	Category / Unit / 2022 / 2023 / 2024 Transition to renewable energy / % / - / 0.5 / 13.0 * Joined K-RE100 in Nov. 2023	13, 7
Information Security and Client Data Privacy	To create a secure investment environment for financial consumers, NHIS continuously advances its information security and data privacy frameworks. The Information Security Department operates directly under the CEO, and we strengthen our management capabilities through regular evaluations based on global information security certifications.	• Achieve APEC CBPR, an industry-standard data privacy certification • Provide information security awareness training to employees	Category / Unit / 2022 / 2023 / 2024 Personal data leaks / Cases / 0 / 0 / 0	9, 16
Financial Consumer Protection	NHIS operates a dedicated consumer protection organization and reinforces internal controls throughout the entire process from product development to sales. By implementing product deliberation process, convening the Product Approval Committee, operating a fraud detection system, NHIS seeks to prevent financial fraud and build client trust.	• Operate the FDS (Fraud Detection System) and upgrade the suspicious account detection functionality to prevent financial fraud • Prevented 25 cases of financial fraud in 2024	Category / Unit / 2022 / 2023 / 2024 Prevented financial fraud / KRW billion / 8.15 / 2.16 / 3.51	10, 8
Compliance	NHIS goes beyond legal obligations to fulfill ethical responsibilities expected by society. It has established an integrated ethical management system in alignment with NH Financial Group and practices transparent and accountable management. The Ethical Management Committee serves as the highest decision-making body, while the Ethical Management Secretariat supports execution at the operational level.	• Provide ethics training to employees • Operate internal/external whistleblowing mechanisms and anti-corruption programs	Category / Unit / 2022 / 2023 / 2024 Penalties from ethical misconduct / Cases / 1 / 3 / 4	17, 9
Sound Governance	Under the oversight of the ESG Committee of the Board of Directors, NHIS manages its sustainability-related policies and reviews the environmental and social impact of its investments, ensuring alignment with the UN Sustainable Development Goals (SDGs). In doing so, NHIS contributes to green finance by supporting climate action and the transition to a sustainable economy.	• Achieve an A-(Leadership) rating by the CDP • Gain recognition as UNGC LEAD • Implement sustainability-driven investment principles • Achieve KRW 5 trillion in green finance by 2030	Category / Unit / 2022 / 2023 / 2024 Green finance investments (cumulative) / KRW billion / 507.9 / 1,436.4 / 2,754.4	16, 17
Integrated Risk Management	NHIS identifies and manages risks in advance to ensure management stability and drive sustainable growth. Risks are clearly defined and managed by type, and key issues are reported to senior management on a regular basis.	• Designate a dedicated risk management organization reporting directly to the CEO as well as the Chief Risk Officer (CRO) • Establish and implement business continuity plans (BCP)	Category / Unit / 2022 / 2023 / 2024 Risk Management Committee meetings / Meetings held / 8 / 7 / 7	9, 8
Digital Finance and Platform Strategy	In response to the growing diversity of client investment needs and to enhance digital competitiveness, NHIS is advancing a platform-centered business model. By leveraging hyper-personalized technologies such as generative AI, NHIS continues to expand its range of tailored financial products and services.	• Analyze impacts, risks and opportunities associated with digital finance • Provide digital products, including subscription-based investment services	Category / Unit / 2022 / 2023 / 2024 Digital financial service users / Persons / 4,449,329 / 4,836,603 / 5,238,665	9, 10

Stakeholder Engagement

NHIS defines key stakeholders who directly/indirectly affect our business operations as shareholders & investors, employees, clients, local communities, and governments & related agencies. We arrange a host of channels to transparently communicate with stakeholders to heed their voice and fully reflect their feedback into our business operations. NHIS aims to build trust-based relationships with stakeholders to move towards sustainable development.

Stakeholders and Main Communication Channels

Category	Communication Channel and Response Activity	Cycle	Key Issue of Interest	Key Performance
Shareholders and investors	• General Shareholders' Meeting • Management disclosure • Seminars and presentations • IR activities • Website • Phone calls	Annual Quarterly As-needed Year-round Year-round Year-round	• Ensure sound governance • Integrated risk management • Ethics and compliance • Generating economic performance	• Introduced the advanced practice of determining dividend amounts first before setting the dividend record date • Implemented electronic voting • Operated the ESG Committee under the Board of Directors
Employees	• Management strategy meetings • Internal broadcasts • Intranet • Employee satisfaction survey • Labor-Management Council • Industrial Safety and Health Committee	Monthly Monthly Year-round Annual Quarterly Quarterly	• Fair performance assessment and compensation • Recruitment of top talent and competency development • Improving employee welfare and corporate culture • Occupational health and safety for employees • Ensuring human rights and diversity of employees	• Supported job creation for people with disabilities through equity investments • Certified as Best Family Friendly Management by the Ministry of Gender Equality and Family • Operated psychological and emotional health support programs for employees
Clients	• VOC, Chatbot Noah • Client satisfaction survey • NHIS branches • Seminars and presentations • Social media • Mobile applications	Year-round As-needed Year-round As-needed Year-round Year-round	• Data privacy for clients • Client communication • Protecting the rights and interests of financial consumers • Client relationships and satisfaction management	• Ranked 1st for 3 straight years in the securities firm category of the Korea Brand Recommendation Index published by the Korea Management Association Consultants (KMAC) • Won the Financial Innovation Grand Prize at the at the Social i-Awards hosted by the Korea Internet Professional Association • Implemented the stock manipulation risk alert system for high-risk investment stocks
Local communities	• Social Contribution Group • Website • Measurement of social contribution activity performance	Year-round Year-round Year-round	• Enhanced financial assistance for the general public and vulnerable populations • Advancing inclusive finance for SMEs and micro enterprises • Community involvement and social contribution	• Provided crowdfunding and live commerce support for farms to increase their income • Supported socially-underprivileged groups through the Angel Fund • Provided scholarships to teens from low-income families
Governments and related agencies	• Press releases • Public hearings • Seminars and meetings • Financial Supervisory Service	As-needed As-needed As-needed As-needed	• Fair trade • Response to changing government policies and regulations	• Conducted ethics and fair trade training for employees • Provided disclosure-related training to working-level personnel • Fulfilled tax-paying obligations • Participated in an UNGC sustainable finance working group

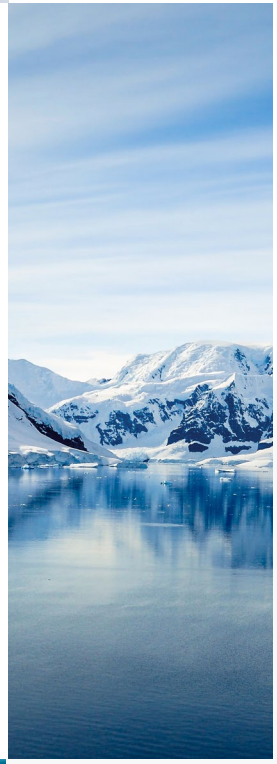


SUSTAINABILITY PERFORMANCE

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Climate Change Response



Impact Analysis

Continued investment by financial institutions in high-carbon assets can exacerbate climate change. As institutional and individual investors increasingly adopt environmental criteria in their investment decisions, companies investing in high-carbon industries are becoming more exposed to the risk of investor withdrawal. Accordingly, financial institutions are under growing pressure to reduce and systematically manage carbon emissions from their portfolios.

At the same time, the rise of low-carbon industries and increased capital inflows into these sectors offer opportunities to build climate-aligned portfolios that support future growth and enhance long-term financial performance.

NHIS is committed not only to addressing the climate crisis, but also to turning it into an opportunity for business transformation and value-driven growth. In line with NongHyup Financial Group's decarbonization strategy, NHIS is pursuing carbon neutrality (Net Zero) across all managed assets by 2050.

As a member of NH NongHyup Financial Group, we are systematically reducing our carbon emissions and forcing on developing solutions that empower clients to invest sustainably. We have also adopted the TCFD guidelines to establish a comprehensive climate response framework, including governance, strategy, risk management, and metrics and targets.

Governance

Organizational Structure for Climate Change Response

To strengthen governance for sustainability management, NHIS established the ESG Committee under the Board of Directors in 2022. The ESG Committee develops and oversees company-wide sustainability strategies, with a focus on addressing climate change and achieving net zero. In 2024, the Committee deliberated on key agenda items including net zero implementation, carbon finance business, and climate scenario analysis. It also plays a central role in identifying and managing climate-related risks and opportunities across the organization.

To support execution, NHIS operates the Sustainability Council, composed of executives at the group head level. The Council reviews climate-related matters across departments, sets strategic priorities, monitors implementation progress, and coordinates company-wide responses. Key issues discussed by the Council are reported to the ESG Committee.

Climate-related KPIs for Leadership

In line with NongHyup Financial Group's 2024 performance evaluation framework, NHIS incorporates climate-related sustainability performance into its leadership assessment. For 2024, integrating sustainability into business operations has been designated a key management goal, accounting for 5% of the total CEO performance evaluation. Key indicators reflected in leadership KPIs include social value creation, development of new sustainability-focused business areas, enhancement of employee competency in sustainability, and financed emissions management.

Climate Change Response

Strategy

Climate change poses diverse risks to the financial industry. Securities firms, depending on their business structure and investment portfolios, may be exposed to risks across multiple dimensions such as market, investment, and reputation. This highlights the importance of strategic approach that identifies climate-related risks and evaluates their financial impacts.

Climate-related Risk

NHIS classifies these risks into two categories:
- Transition risks: risk that may arise from regulatory, technological, or market changes during the net zero transition
- Physical risks: risks stemming from extreme weather events, natural disasters, and other environmental disruptions

We conduct scenario-based analyses to quantify the financial impacts of these risks and incorporate the insights into our business strategy and enterprise risk management system.

Risk Analysis for Climate Change Response Strategy Development

• Short-term : within 1 year • Medium-term : 1-5 years • Long-term : 5+ years

	Risk		Potential Financial Impact	Short-term	Mid-term	Long-term
Physical risk	Acute	• Increased abnormal climatic conditions and severity of extreme weather events	• Asset damages and declining collateral value resulting from climate disasters	●	●	●
	Chronic	• Average temperature and sea level rise • Increased abnormal climatic conditions and severity of extreme weather events	• Prolonged economic slowdown and decreasing profitability resulting from abnormal climatic conditions		●	●
Transition risk	Policy and legal	• Tightening carbon regulations and renewable energy systems, increasing carbon prices • Enhanced emissions-reporting obligations	• Increased financial burden resulting from increased procurement costs of carbon credits and renewable energy • Declining profitability of asset portfolios in the event of clients and investors falling short of carbon credits and exposure to environmental regulations	●	●	●
	Technology	• Incurring costs to transition to green, low-carbon technology • Substitution in technology investment to improve • energy efficiency and reduce emissions	• Change in financial performance resulting from investee companies introducing green/low-carbon technology • Increased risk from declining credibility over the mid/long-term for the lack of proper eco-conscious response on the part of investee companies		●	●
	Market	• Changing customer behavior • Increasing uncertainties resulting from changing market conditions	• Diminishing preference for traditional cash flow assets amid the increasing proportion of green portfolio assets • Changes in customer and investor preferences for securities services and financing due to environmentally sustainable management requirements		●	●
	Reputation	• Shift in client preferences • Negative feedback from stakeholders	• Degrading corporate reputation resulting from increased negative feedback from stakeholders • Declining external credibility and assessment ratings due to substandard sustainability management and green washing issues	●	●	●

Climate Change Response

Strategy

Efforts to mitigate and adapt to climate change also create new opportunities. Securities firms, by facilitating corporate financing and investments that support climate response, can expand into sustainable financial services and develop new business models.

Climate-related Opportunity

NHIS identifies climate-related opportunities across five categories: resource efficiency, energy source, products & services, markets, and resilience. In particular, we have explored growth potential in carbon-related businesses such as emissions trading systems and entrusted carbon trading. In 2024, we achieved notable milestones in both domestic and global carbon finance, including:
- Acting as a market-maker in the Korean emissions trading market
- Developing an entrusted trading system
- Being designated as an asset manager for the UN Green Climate Fund

For details, refer to the 'Moving Towards Net Zero Emissions' section on pages 10 to 11 of this report.

Opportunity Analysis for Climate Change Response Strategy Development

• Short-term : within 1 year • Medium-term : 1-5 years • Long-term : 5+ years

Opportunity		Potential Financial Impact	Short-term	Mid-term	Long-term
Resource efficiency	• Increased energy efficiency • Increased use of green transportation • Improvement in the circular economy management system	• Reduction in financial expenses resulting from increased energy efficiency • Increasing financing needs in line with improved resource efficiency and circular economy transition	●	●	●
Energy source	• Increased use of green/low-carbon energy sources • Participation in carbon market	• Increasing financing needs in line with renewable energy transition and increased use of renewable energy • Acquisition of new asset classes amid the growing carbon market	●	●	●
Products and services	• Expansion in green business strategy • Products and solutions developed for climate change adaptation	• Growing demand for green investment products • Increased delivery of client solutions for carbon reduction	●	●	●
Markets	• Expanding green finance market • Diversifying asset portfolios	• Increasing opportunities for climate change response, net zero implementation, and green business investment • Increased diversification of revenue streams through green asset portfolios	●	●	●
Resilience	• Increased renewable energy efficiency for climate change response • Asset portfolio engagement	• Increased revenue through financial products and financing related to ensuring resiliency • Supporting investee companies' sustainability management capabilities to enhance resilience		●	●

Climate Change Response

Strategy

Materiality Assessment for Climate Scenario Analysis

Prior to full-scale climate scenario analysis, NHIS conducted materiality assessments to proactively identify climate-related impacts. In line with the CPRS[1] classification, we focused on major climate-policy-relevant sectors among the assets subject to financed emissions measurement. Using the NACE Code[2] as reference, key variables (energy consumption and energy prices) were defined for each climate-policy-relevant sector. The analysis was then conducted under the NGFS[3] climate scenarios, assuming increased energy costs as stress conditions.

CHECK

Climate Scenario Analysis

Climate scenario analysis is defined as the process of setting climate-related impact pathways under various scenarios and analyzing a business' impacts under each scenario. This process involves ① developing climate scenarios, ② translating climate risks into financial risks, and ③ measuring potential losses for financial institutions.

Materiality Assessment Process

01. Data collection — Collect data on operational emissions and relevant external sources for the materiality assessment

02. Criteria application — Integrate scenario variables by mapping variables across the KSIC[4], NACE, CPRS and NGFS

03. Exposure share calculation — Calculate exposure shares of the CPRS and the expected level of its impact

Illustration of NACE – CPRS – NGFS Variable Mapping

NACE Code	CPRS Main	NGFS Variable
B.05.10 (Mining of hard coal)	1-fossil-fuel	Primary Energy Coal
D.35.11 (Production of electricity)	2-utility	Secondary Energy Electricity, Gas
C.24.51 (Casting of iron)	3-energy-intensive	Production Steel

Materiality Analysis Results

The materiality analysis showed that our impact could increase by up to 15.5 times by 2050 compared to the 2024 base year. This finding led NHIS to acknowledge the potential material implications of climate change on its operations and conduct in-depth scenario analyses.

CPRS	Baseline (Sept.2024)			2050 Impact		
	Balance	Balance Ratio	Emissions Share	Current Policies	Delayed Transition	Net Zero 2050
1-fossil-fuel	KRW 262.8 billion	1.6%	8.9%	0.8 times	0.6 times	0.6 times
2-utility	KRW 704.1 billion	4.4%	49.4%	1.3 times	15.7 times	10.4 times
3-energy-intensive	KRW 1.0362 trillion	6.4%	29.8%	3.8 times	25.3 times	15.2 times
4-buildings	KRW 1.2138 trillion	7.5%	2.7%	1.0 times	1.2 times	1.2 times
5-transportation	KRW 133 billion	0.8%	1.1%	2.8 times	5.4 times	5.3 times
Total	**KRW 3.3498 trillion**	**20.7%**	**91.9%**	**2.1 times**	**16.8 times**	**10.7 times**
N/A	KRW 12.8288 trillion	79.3%	8.1%	-	-	-
Total	**KRW 16.1787 trillion**	**100.0%**	**100.0%**	**2.0 times**	**15.5 times**	**9.9 times**

1) CPRS (Climate Policy Relevant Sectors): An industry classification code developed in 2017 for transition risk assessment, used to evaluate investor exposure to climate transition risks in Europe
2) NACE (Nomenclature statistique des Activités économiques dans la Communauté Européenne/Statistical classification of economic activities in the European Community): A system for classifying industries that standardizes and compares economic activities within the European Union is used to accurately classify companies' economic activities in climate transition risk assessments
3) NGFS (Network for Greening the Financial System): A global coalition of central banks and financial supervisors established to drive green finance
4) KSCI (Korea Standard Industry Code): Korea's official industrial classification system that systematically categorizes the key industrial activities conducted by business entities based on their similarities

Climate Change Response

Strategy

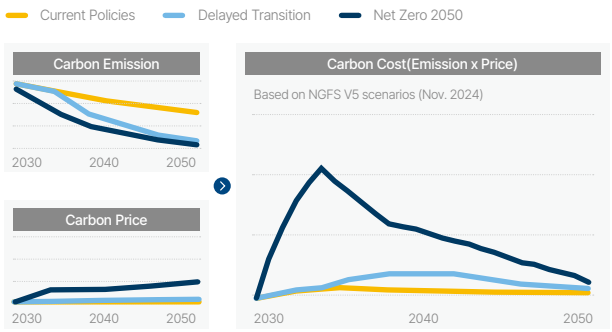
Climate Scenario Analysis Approach

To quantify the impacts of climate change on assets, NHIS conducts scenario-based analyses focusing on two categories: transition risks and physical risks. These analyses aim to systematically identify how climate-related risks affect financial performance, based on the level of exposure, and to inform the development of effective response strategies.

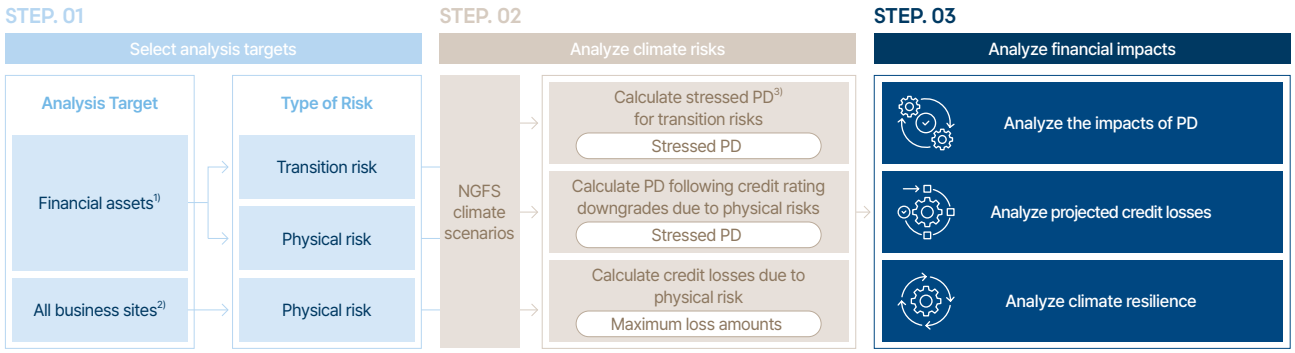
Our climate scenario analysis follows a three-step process. We begin by reviewing total assets to define the scope of climate risk exposure. As of the end of September 2024, approximately KRW 16.9 trillion (27.9% of total assets valued at KRW 60.8 trillion), along with our entire operations, was selected for analysis. Short-term assets such as treasury bonds and local government bonds were excluded.

Next, we conducted scenario analyses in accordance with industry standards, using climate scenario frameworks provided by the NGFS and core scenarios outlined in the Financial Supervisory Service's climate stress testing guidelines. The three scenarios applied were Current Policies, Delayed Transition, and Net Zero 2050. For each scenario, we calculated climate-adjusted stressed default probabilities in 10-year increments through 2050, and estimated projected credit losses and the magnitude of potential defaults. We also performed resilience assessments to evaluate the organization's capacity to respond to climate-related change and uncertainty, while maintaining operational continuity and financial stability.

Carbon Price Trends by NGFS Scenario



Climate Scenario Analysis Process



1) Excluding assets with high government or municipal exposure and high trading propensity
2) Including owned office buildings, the head office, branches, client support centers, in-house daycare centers, NH Leadership Academy, and IDC
3) PD: Probability of Default

Climate Scenario Analysis Criteria

NGFS Scenario						Scenarios Adopted by NHIS
Hot House World		Disorderly		Orderly		
Current Policies	NDC Scenario	Delayed Transition	Divergent Net Zero	Below 2°C	Net Zero 2050	Scenario: Current Policies, Net Zero 2050, Delayed Transition
Current policies remain in place	Not all nationally announced policies are implemented	No significant annual emissions reduction until 2030; stronger policies are introduced afterwards to limit global warming to below 2°C	Net zero is achieved around 2050, but inconsistent policy implementation leads to higher transition costs and a rapid phase-out of oil	Gradual strengthening of climate policies enable a 67% likelihood of limiting global warming to 2°C	Immediate implementation of ambitious climate policies and innovation to achieve net zero by 2050	Calculation Cycle: 2030, 2040, 2050

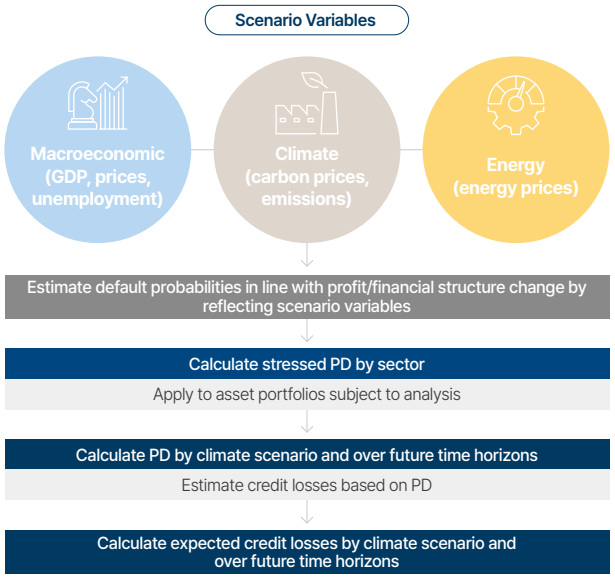
Climate Change Response

Strategy

Transition Risk Scenario Analysis Approach

To assess transition risks stemming from the shift to a low-carbon economy across both the real economy and the financial sector, NHIS adopted a default probability estimation method that incorporates projected changes in profitability and financial structure. Climate variables (carbon emissions and carbon prices), macroeconomic indicators (GDP, inflation, and unemployment), and energy prices (coal, gas, and oil) were drawn from NGFS scenarios to calculate sector-specific default probabilities. These probabilities were then applied to selected assets to estimate final default probabilities. Expected credit losses were calculated by combining assumed loss given default rates with the estimated default probabilities.

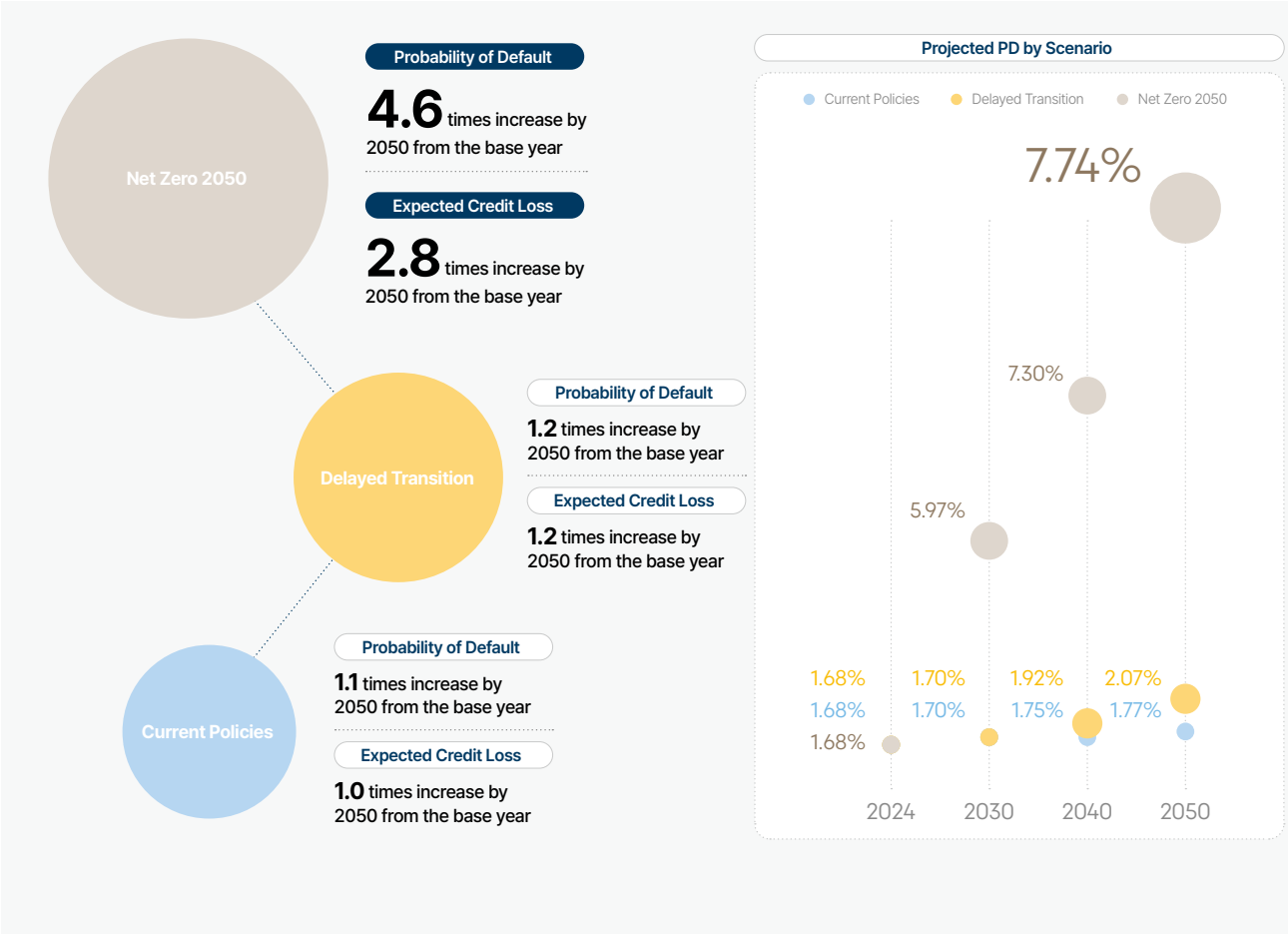
Transition Risk Scenario Analysis Process



Transition Risk Scenario Analysis Results

Among the scenarios analyzed, the Net Zero by 2050 (NZ) scenario produced the highest increase in default probabilities, followed by the Delayed Transition (DT) and Current Policies (CP) scenarios. Under the NZ by 2050 scenario, default probabilities in 2050 are projected to increase by up to 4.6 times compared to 2024.

Similarly, expected credit losses due to transition risks were the highest under the NZ scenario. Compared to projection based on default probabilities from the base year, cumulative credit losses in 2050 are estimated to rise by up to 2.8 times.



Climate Change Response

Strategy

Physical Risk Scenario Analysis Approach

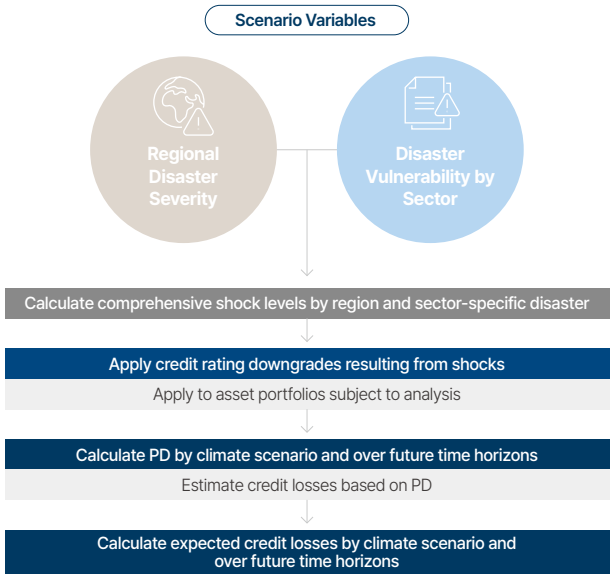
To assess the impact of physical risks resulting from climate change, such as rising temperatures, extreme weather events and natural disasters, on the real economy and the financial sector, we estimated expected credit losses based on default probabilities using scenario variables. Leveraging NGFS scenario-based data on regional disaster severity and sector-specific vulnerability to climate hazards, we calculated credit rating downgrades and adjusted default probabilities. These were combined with assumed loss given default rates to estimate projected credit losses.

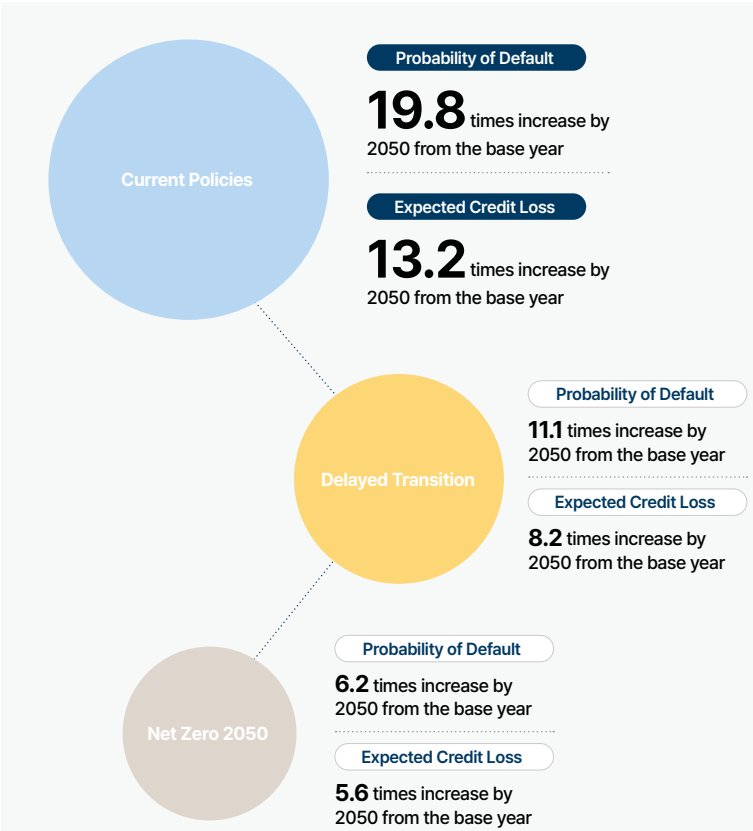
Physical Risk Scenario Analysis Results

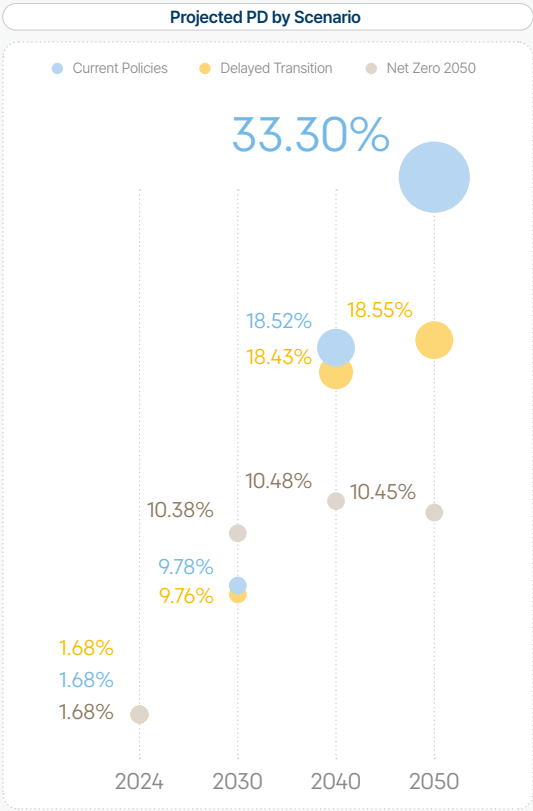
The increase in PD due to physical risks was highest under the CP scenario, followed by the DT and NZ scenarios. Notably, under the CP scenario, in 2050 surged by up to 19.8 times compared to the 2024 baseline.

Expected credit losses due to physical risks were the highest under the CP scenario. Cumulative credit losses in 2050 rose by up to 13.2 times compared to losses estimated using 2024 base-year PD.

Physical Risk Scenario Analysis Process





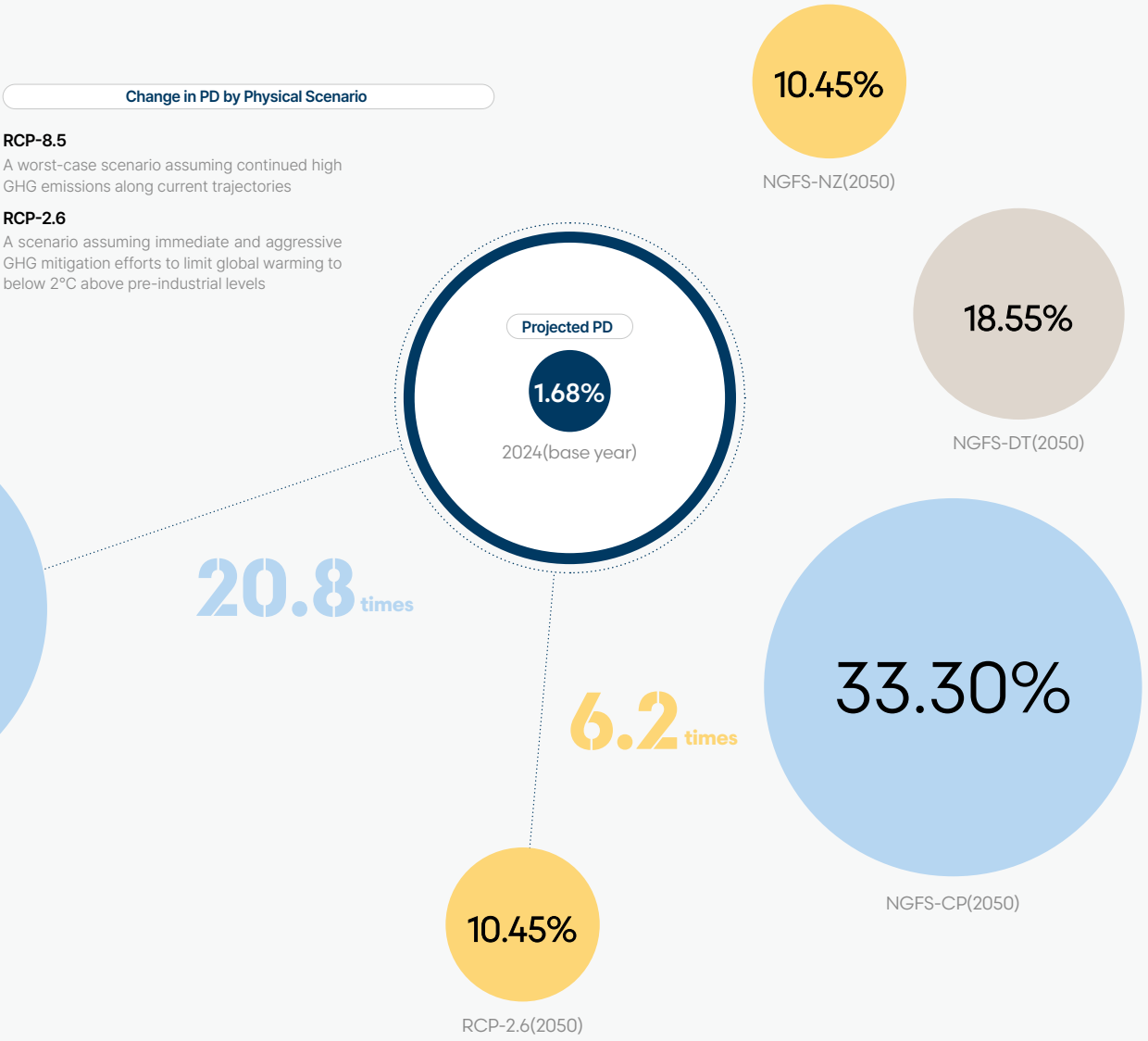


Climate Change Response

Strategy

Additional Physical Risk Analysis Using RCPs

To enhance the credibility of our NGFS scenario-based analysis and to quantify physical risks under a broader range of climate conditions, we additionally conducted scenario analysis using Representative Concentration Pathways (RCPs) developed by the Intergovernmental Panel on Climate Change (IPCC). Two scenarios were applied: RCP-8.5, which assumes high-risk and high greenhouse gas (GHG) emissions, and RCP-2.6, which assumes strong emissions reduction. The analysis showed that the PD under the RCP-8.5 was comparable to that of the CP scenario under the NGFS framework, which exhibited the highest impact among the NGFS scenarios. This allowed for a more comprehensive quantification of financial impacts associated with physical risks under extreme climate conditions.



CHECK

RCPs (Representative Concentration Pathways)

Representative Concentration Pathways (RCPs) are scenarios categorized by GHG concentration trajectories and primarily used to assess the impacts of physical climate risks. The term 'Representative' reflects a range of possible economic and social developments, while 'pathway' refers to projected changes in GHG emissions over time. The numeric values assigned to each RCP scenario indicate the level of additional radiative forcing (in watts per square meter) caused by GHG concentrations.

Climate Change Response

Strategy

Physical Risk Analysis Covering all Business Sites[1)]

To assess the impact of climate-induced natural disasters such as typhoons and floods on our business sites, we conducted a physical risk analysis covering all sites under our operation, including owned office buildings and leased branches. This analysis was based on the NZ, DT, and CP scenarios provide by the NGFS framework. It calculated the maximum potential losses under each scenario by considering the geographic distribution of our business sites.

1) Including owned office buildings, the head office, branches, client support centers, in-house daycare centers, the NH Leadership Academy, and IDC

Physical Risk Analysis Results Across all Business Sites

The analysis revealed that the greatest damage could occur under the CP scenario, with maximum potential losses estimated at approximately KRW 3.74 billion. This suggests that significant asset damage could arise from physical risks under a scenario where climate action is delayed and GHG emissions continue on a business-as-usual path. However, NHIS has secured comprehensive property insurance for all owned and leased buildings to mitigate direct losses from natural disasters. As a result, the actual financial impact is expected to be limited. We will continue to review and strengthen our physical risk response measures.

Physical Risk Analysis Process Covering all Business Sites

Collect statistical data on natural disaster damage from the Ministry of the Interior and Safety

Apply physical risk analysis models

01

Estimate average damage values and VaR[2)] by region

- Normalize average damage values by region through simulation

02

Calculate regional sensitivity under each scenario

- Estimate the degree of increased sensitivity to future natural disasters
- Estimate sensitivity levels under each scenario

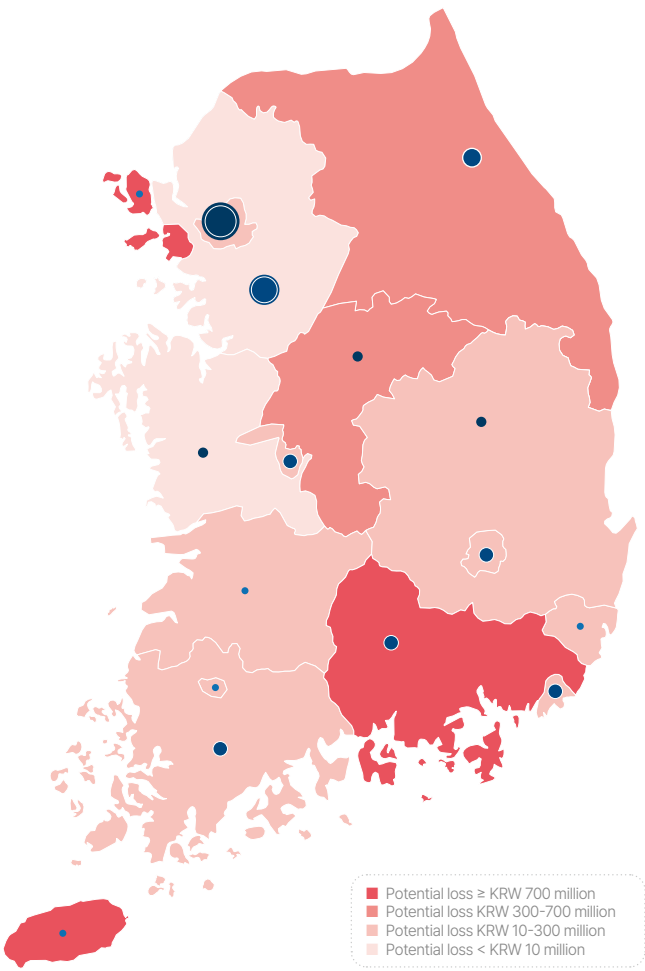
03

Calculate potential losses across all business sites

- Estimate maximum potential losses by applying regional sensitivity levels

2) VaR(Value at Risk): Statistical measures that estimate maximum potential losses over a specific time period

Physical Risk Map_NHIS' all Business Sites



Climate Change Response

Strategy

Climate Resilience Analysis

NHIS conducted a climate resilience analysis to evaluate its capacity to adapt to and recover from climate-related risks and shocks. As a first step, we categorized our portfolio into high-carbon and low-carbon sectors and further segmented high-carbon sectors to assess their financial impact. The baseline scenario was constructed by combining the NZ scenario, which represents the highest level of transition risk, with carbon emissions assumptions from the CP scenario, which reflects the most severe shocks. In addition to this baseline, three alternative scenarios were applied to calculate changes in probabilities of default.

Climate Resilience Analysis Results

The analysis showed that the average stressed PD for the assessed asset portfolio is projected to reach 9.25% by 2050. If investee companies set their GHG emissions reduction targets and achieve progress under the current portfolio composition, the PD would decline by 0.73%p to 8.52%.

If NHIS adjusts its portfolio by reducing the share of high-carbon assets, the PD would further fall to 3.84%, a decrease of 5.41%p from the baseline. A combination of NHIS' portfolio realignment and investee companies' carbon reduction efforts would yield the most significant improvement, with the PD falling to 3.23%, down 6.02%p from the baseline.

These results indicate that phasing out high-carbon assets while encouraging investee companies to pursue GHG emissions reductions can be an effective strategy for mitigating potential financial impacts of climate change. NHIS remains committed to enhancing its climate resilience through ongoing portfolio reviews and closer collaboration with investee companies.

Scenario-Based Climate Resilience Analysis Summary

Scenario		Description	PD in 2050	Change in PD
Baseline	Non-response scenario	National GHG emissions continue under current policies, carbon credit prices are set based on the net zero scenario, and NHIS maintains its current portfolio composition	9.25%	-
Scenario 1	Investee companies' emissions reduction efforts	Companies subject to allowance allocation set their carbon reduction targets and engage in activities to reduce carbon emissions through energy efficiency improvement	8.52%	▼0.73%p
Scenario 2	NHIS' portfolio adjustment	NHIS reduces the proportion of high-carbon assets in its portfolio	3.84%	▼5.41%p
Scenario 3	Joint efforts by NHIS and investee companies	Investee companies work toward GHG emissions reductions while NHIS simultaneously improves the sustainability of its portfolio	3.23%	▼6.02%p

Climate Change Response

Risk Management

Climate Risk Management Process

NHIS is establishing a climate risk management system to identify, assess, and manage climate-related risks. In addition to conventional financial risks such as interest rates or market risk, we recognize climate change as a critical emerging risk that may significantly affect our operations in the near future. To identify both the social and environmental impact of carbon emissions and the financial impact of climate risk, we have introduced a financed emissions measurement and analysis framework. Furthermore, we continuously track and manage climate-related financial risks and formulate internal management policies to enhance our overall response to climate change.

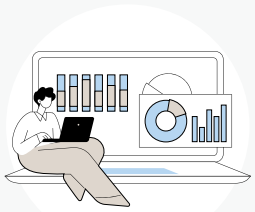
Establishing the Environmental and Social Investment Policy

As part our efforts to identify and assess climate-related risks, NHIS has established the Environmental and Social Investment Policy. The policy embeds climate risk considerations into our investment practices through negative screening and applies stricter standard to carbon-intensive industries. To ensure effective management of these risks, we are also strengthening our sector-specific exposure monitoring framework. Where material risks are identified, they are reported to the ESG Committee for company-wide risk governance and response.

Developing a Climate Risk Management System

NHIS measures financed emissions from its proprietary investment assets in accordance with Partnership for Carbon Accounting Financials (PACF) guidelines. These emissions are calculated quarterly using a group-wide measurement system, and the results are reported to management on a regular basis. In evaluating the financial implications of climate risks, we use scenario frameworks provided by the Network for Greening the Financial System (NGFS) and Representative Concentration Pathways (RCPs). The insights gained from these analyses are integrated into our risk management processes and decision-making practices.

Climate Risk Management Framework



01

Risk Identification

- Analyze potential risks arising from climate change and their transmission to conventional financial risks
- Identify climate-related risks that may affect NHIS through these pathways



02

Risk Assessment

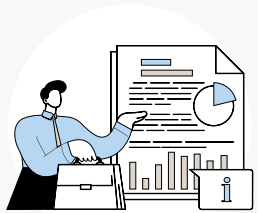
- Measure and analyze Scope 3 financed emissions
- Review sector-level exposures, financed emissions volume, and emissions intensity trends
- Conduct impact analyses using climate risk scenarios



03

Monitoring and Reporting

- Operate a monitoring system for high-carbon sectors and investment exclusion targets
- Establish risk management plans based on monitoring results and report to management



04

Risk Response and Mitigation

- Develop internal regulations and management policies related to climate risk
- Create plans to reduce exposure to high-carbon sectors and minimize financial losses
- Establish and implement an integrated climate-financial risk management strategy

Climate Change Response

Targets and Metrics

GHG Emissions Management Metrics

NHIS adopts a systematic approach to GHG emissions measurement and management in accordance with the GHG Protocol and IPCC Guidelines: 2006. We define our organizational boundary based on operational control and establish detailed internal guidelines and calculation methodologies for each GHG emission category. To enhance the objectivity and accuracy of our measurements, third-party verification is conducted regularly. These results serve as the basis for developing and implementing targeted GHG emissions reduction strategies and action plans.

GHG Emissions Measurement Category

Operational emissions (Scope 1, 2)

- Use of directly combusted energy in owned and leased office buildings
- Use of indirect energy such as purchased electricity in owned and leased buildings
- Fuel consumption from operation of company-owned vehicles

Other indirect emissions (Scope 3)

- Indirect emissions from the purchase of products and services such as paper, cards and tap water
- Emissions generated during waste disposal processes
- Indirect emissions from employee business travel using transportation

GHG Emissions Measurement Results Unit: tCO_2eq

Category	2022	2023	2024
Operational emissions (Scope 1 and 2 subtotal)[1]	7,381.4	7,241.5	**6,769.8**
Direct emissions (Scope 1)	1,074.6	887.4	**830.1**
Indirect emissions (Scope 2): location-based	6,306.8	6,354.1	**5,939.7**
Indirect emissions (Scope 2): market-based	6,306.8	6,320.6	**5,617.8**
Other indirect emissions (Scope 3)[2]	643.0	844.3	**886.0**
Total Scope 1, 2, 3 emissions	8,024.4	8,085.8	**7,655.8**

1) Sum of direct emissions (Scope 1) and location-based indirect emissions (Scope 2)
2) Calculated for category 1 (purchased goods and service), category 5 (waste generated in operations) and category 6(business travel) under the GHG Protocol



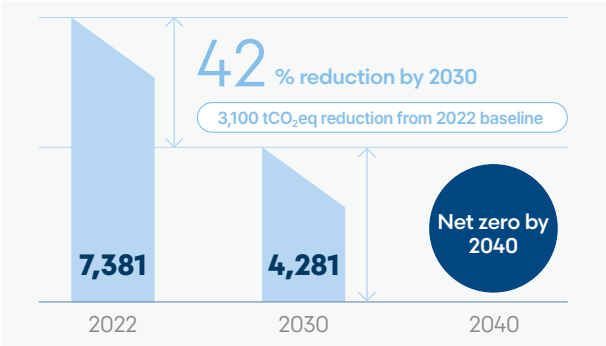
6.5 % y-o-y reduction
in location-based operational emissions

Operational Emissions Reduction Targets

NHIS sets operational emissions reduction targets in alignment with NH Financial Group's net zero goals[3]. Our aim is to achieve a 42% reduction by 2030 and reach net zero emissions by 2040 from the 2022 baseline. To attain these targets, we develop implementation strategies in line with Group-wide guidelines while reflecting our distinctive business context and operational environment.

In 2024, our market-based operational emissions (Scope 1 & 2) totaled 6,447.9 tCO_2eq, closely aligned with our annual target of 6,441 tCO_2eq, representing a 12.6% reduction from the 2022 base year.

Scope 1 & 2 Emissions Reduction Targets Unit: tCO_2eq



3) NongHyup Financial Group aims to achieve a 42% reduction by 2030 from the 2020 baseline and carbon neutrality by 2040, with NHIS' emissions in 2020 amounted to 10,219 tCO_2eq

Targets and Metrics for Energy Consumption Management

To reduce energy consumption, we set annual reduction targets and consistently manage our energy use. Using 2022 as the base year, we have achieved year-over-year reductions relative to our targets. In 2024, our total energy consumption was 61,973.6 GJ, down by 3,150.8 GJ from the previous year. This steady decline reflects our ongoing efforts such as introducing green vehicles and improving electricity efficiency. We will continue advancing these initiatives in the years ahead.

Trends and Achievements in Energy Consumption Reduction Unit: GJ



4.8 % y-o-y reduction
energy consumption

Category	2022	2023	2024
Total energy consumption	67,991.4	65,124.4	**61,973.6**
Target	Base year	65,217.7	**62,660.9**
Reduction against target	-	147.3	**687.3**

Climate Change Response

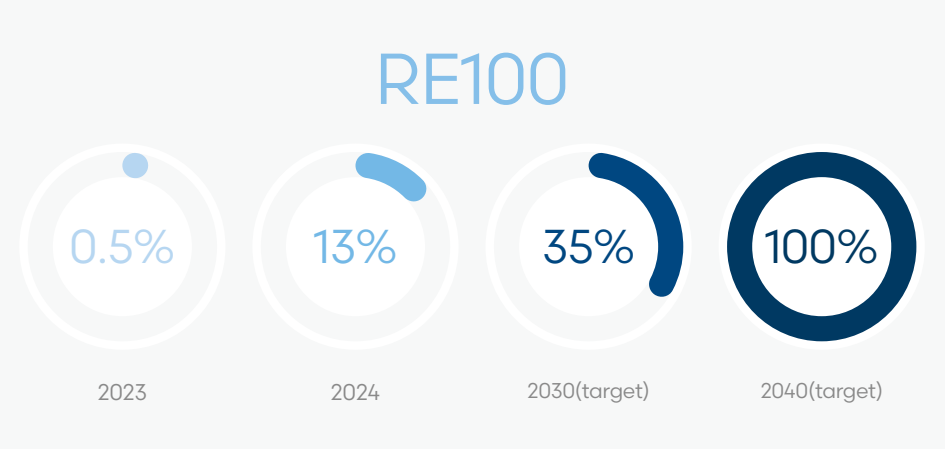
Targets and Metrics

RE100 Strategy and Transition Targets

In November 2023, NHIS joined K-RE100[1], committing to sourcing 100% of its electricity from renewable energy by 2040. To this end, we purchased RECs and green premiums in 2024, converting 13%[2] of our total electricity use to renewable energy. We aim to increase the share to 35% by 2030 and will continue adopting a diverse range of tools to support this transition.

In February 2024, we also joined the CoREi (Corporate Renewable Energy Initiative), strengthening our implementation capacity by setting voluntary transition targets. We take a flexible and comprehensive approach to renewable energy shift, factoring market trends, policy developments, and our internal strategies. In addition, we pursue external partnerships to secure transition solutions and create social value.

RE100 Roadmap



1) A voluntary domestic campaign aimed at sourcing 100% of electricity from renewable energy by 2050, modeled after RE100 (Renewable Energy 100)
2) In 2024, 1,701 MWh of electricity was sourced from renewable energy, accounting for 13% of the total electricity consumption of 12,864 MWh

Management Targets and Metrics for Financed Emissions

Compared to other sectors, the financial industry generates a greater proportion of financed emissions (Scope 3-Category 15) than operational emissions (Scope 1 & 2), underscoring the need for systematic management. NHIS applies the PCAF approach to calculate its financed emissions and aims to progressively increase the share of eco-friendly assets in its portfolio while closely monitoring high-carbon sectors. These efforts support emissions reduction and enhance NHIS' capacity to respond to climate-related transition risks.

In 2024, financed emissions decreased by approximately 510,113.5 tCO_2eq compared to the previous year, and carbon intensity improved from 18.1 tCO_2eq to 11.7 tCO_2eq per KRW 100 million, reflecting increased carbon efficiency in portfolio composition.

Financed Emissions Measurement Results

Balance: KRW 100 million, Emissions: tCO_2eq, Intensity: tCO_2eq/KRW 100 million

Category	2022			2023			2024		
	Balance	Financed Emissions	Financial Intensity	Balance	Financed Emissions	Financial Intensity	Balance	Financed Emissions	Financial Intensity
Listed equity	611.7	22,696.2	37.1	728.8	23,080.6	31.7	577.1	13,617.1	23.6
Corporate bonds	80,787.6	1,315,959.6	16.3	80,364.5	1,700,980.6	21.2	91,052.9	999,114.8	11.0
Corporate loans	18,385.7	148,013.8	8.1	20,526.5	135,842.2	6.6	35,039.6	147,703.4	4.2
Unlisted equity	16,727.9	212,211.7	12.7	14,736.7	211,910.6	14.4	14,934.8	452,017.2	30.3
Infrastructure project finance	50.0	79.2	1.6	N/A	N/A	N/A	N/A	N/A	N/A
Object finance	190.0	1,090.7	5.7	164.9	211.2	1.3	N/A	N/A	N/A
Commercial real estate	1,632.2	606.2	0.4	1,515.3	490.5	0.3	858.6	99.3	0.1
Subtotal	**118,385.1**	**1,700,657.4**	**14.4**	**118,036.7**	**2,072,525.7**	**17.6**	**142,463.0**	**1,612,551.8**	**11.3**
Sovereign exposure	12,329.8	416,239.9	33.8	4,229.4	138,077.7	32.6	2,690.4	87,938.1	32.7
Total	**130,714.9**	**2,116,897.3**	**16.2**	**122,266.1**	**2,210,603.4**	**18.1**	**145,153.4**	**1,700,489.9**	**11.7**

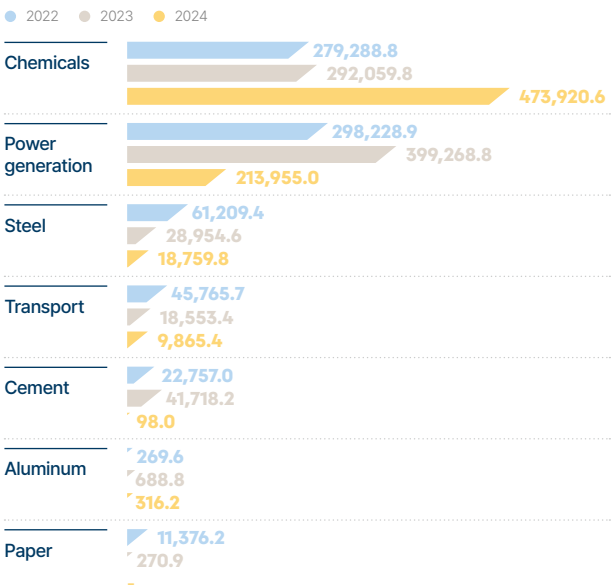
Climate Change Response

Targets and Metrics

Sector-specific Financed Emissions in Line with SBTi Standards

NHIS measures financed emissions from key sectors in accordance with the standards of the Science Based Targets initiative (SBTi)[1]. As of the end of 2024, investment assets in key sectors defined by the SBTi totaled approximately KRW 765.5 billion, accounting for 5.3% of KRW 14.5 trillion in assets subject to financed emissions measurement. Financed emissions from these sectors amounted to 716,915.0 tCO_2eq, representing 42.2% of the total 1.7 million tCO_2eq. By sector, the highest emissions came from chemicals, followed by power generation and steel. NHIS will continue rigorous monitoring and pursue targeted reduction efforts in these sectors.

Financed Emissions by Key Sector under the SBTi Unit: tCO_2eq



1) SBTi (Science Based Targets initiative): A global initiative aimed at supporting the development of science-based GHG emissions reduction targets

Reliability of Financed Emissions Data

Financed emissions data are collected based on carbon disclosures from investee companies and the National Greenhouse Gas Management System. Data reliability is assessed using the PCAF-aligned Data Quality Score[2], with lower scores indicating higher reliability. NHIS recorded average data quality scores of 2.89 for Scope 1, 2.97 for Scope 2, and 3.55 for Scope 3 emissions.

Data Quality Score Unit: Scores

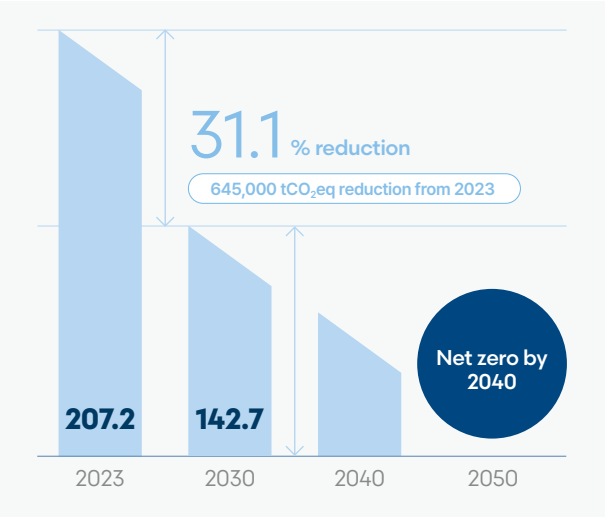
Category	Listed equity	Corporate bonds	Corporate loans	Unlisted equity	Commercial real estate	Government bonds	Average score
Scope 1	2.90	2.65	3.92	2.47	-	1.00	2.89
Scope 2	2.90	2.65	3.92	2.47	4.00	4.00	2.97
Scope 3	3.38	3.51	4.07	2.65	-	4.00	3.55

2) Calculated as a balance-weighted average: (Asset balance × data quality score per asset) / Total balance

Financed Emissions Reduction Targets

Aligned with NongHyup Financial Group's net zero goal, NHIS sets its own financed emissions reduction targets. From a 2023 baseline, NHIS aims to reduce emissions by 31.1%[3] by 2030, following the national NDC-aligned pathway, and ultimately reach net zero by 2050, with a key milestone set for 2040. Although the Group provides overarching strategic direction, NHIS independently accounts for its unique business structure and portfolio composition. These targets exclude sovereign exposures. For 2024, the financed emissions target was 2.043 million tCO_2eq, while actual emissions totaled 1.613 million tCO_2eq, achieving an approximate 22.2% year-over-year reduction.

Financed Emissions Targets Unit: 10,000 tCO_2eq



3) NongHyup Financial Group established its financed emissions reduction targets through SBTi validation in 2021, setting NHIS' 2030 target at 24.2% reduction from 2021 levels. As the number of investee companies disclosing GHG emissions increased, financed emissions rose compared to the initial measurement, prompting a target recalibration based on the 2023 baseline

Environmental Stewardship

Environmental Management System

Establishing an Environmental Management System

NHIS' company-wide environmental management policy reflects its strong commitment to addressing climate change and protecting the environment, both internally and externally. To ensure effective implementation of this policy, we have established a dedicated organizational framework. The ESG Committee and the Sustainability Council are responsible for developing and overseeing environmental strategies and plans. The ESG Group takes on working-level roles, including defining implementation tasks, tracking their progress, and planning environmental management campaigns.

NHIS obtained ISO 14001 certification for environmental management system in June 2022 and has maintained the certification through 2024. In addition, we developed a GHG Inventory Manual to establish a structured approach to measuring and managing GHG emissions, enhancing the accuracy and reliability of our data.

Environmental Indicator Management and CDP Response

NHIS monitors key environmental indicators, including GHG emissions, waste, and energy consumption, across the entire organization. We promote systematic tracking and performance improvement within our organizational boundary, which includes all nationwide branches and the head office. In particular, we ensure transparency in disclosing carbon-related data through the Carbon Disclosure Project (CDP). As a result of these efforts, NHIS scored 'A-' (Leadership) level from the CDP in 2024.

We are also building best practices in climate action by identifying and disclosing climate-related business opportunities, participating in various GHG emission reduction initiatives, and engaging in third-party verifications.

Fostering an Eco-friendly Workplace

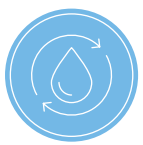
Improvement in Infrastructure and Energy Efficiency

We prioritize energy-efficient and eco-friendly products in making purchasing decisions. The NH Leadership Academy is equipped with a smart LED lighting control system using Mesh Network technology developed by merlot.lab, a smart lighting solution provider. This system has improved energy efficiency by 50% compared to conventional solutions. The facility also ensures the precise electricity consumption management across time periods through power metering.

When relocating, consolidating or remodeling financial centers, we opt for high-efficiency LED lighting to achieve long-term cost savings. Recently, our Premier Blue Dogok Center, Nowon Wealth Management Center, Banpo NH Financial Center, and Banpo branch have incorporated eco-friendly materials and finishes to improve infrastructure and enhance energy efficiency.

Operating a Gray Water System

Parc.1 Tower 2, where NHIS is headquartered, operates a gray water system to conserve water resources. Wastewater from washrooms is filtered and treated multiple times before being reused for toilet flushing. In 2024, approximately 12,676 tons of water were recycled through this system, accounting for 23% of the total annual water consumption at our headquarters building.



23%

Proportion of water recycling at the HQ building

Expanding EV Charging Infrastructure

To support the transition to low-emission transition, NHIS has installed 36 EV chargers at its headquarters. Additionally, two chargers were installed at Gwangju office and three at the NH Leadership Academy, improving accessibility and convenience for EV users across key business locations.

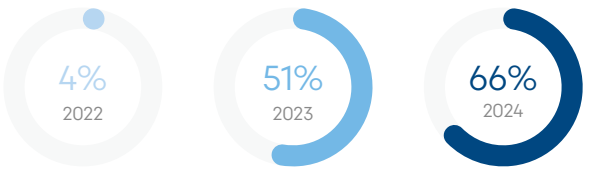
Transitioning to Eco-friendly Business Fleet Vehicles

NHIS is phasing in electric vehicles (EVs) as part of its strategy to reduce GHG emissions from corporate fleet operations. As of the end of 2024, our fleet consisted of 24 EVs and 24 hybrid vehicles out of a total of 73, with eco-friendly vehicles outnumbering internal combustion engines vehicles. We will steadily advance this transition in line with our environmental goals.

Overview of Corporate Fleet Vehicles Unit: Vehicles

Category	2022	2023	2024
Gasoline-powered vehicles	62	30	18
Diesel vehicles	4	6	7
Hybrid vehicles	0	20	24
EVs	3	17	24
Total	69	73	73

Proportion of eco-friendly transportation



Environmental Stewardship

Employee Engagement in Environmental Management

Campaigns to Reduce Carbon Emissions in Daily Life

NHIS recognizes the severity of global warming and the climate crisis and has launched monthly employee engagement campaigns to reduce GHG emissions and energy use. A total of 203 employees participated in a range of environmental protection initiatives, taking actions in their daily lives by using cups for brushing teeth, growing plant companions, maintaining optimal indoor temperatures, and reducing daily waste.

NongHyup-wide With Green Walking × Plogging Campaign

We participated in the 'New Korea NongHyup 20 Billion Steps' campaign in conjunction with NongHyup affiliates, and encouraged voluntary employee participation through our in-house 'With Green Walking X Plogging' campaign program. A total of 1,001 employees joined this initiative, collectively taking 236 million steps to walk 188,800km. This corresponds to a carbon reduction effect of approximately 26.7 tons and is equivalent to planting 3,104 pine trees that are 30 years old. Our plogging campaign was joined by 126 employees who volunteered for environmental clean-ups for 232 hours, fostering a culture of everyday sustainable practices.

26.7 tCO_2eq

GHG emissions avoided through Employee Walking Campaign

852 $kgCO_2eq$

GHG emissions avoided by reclaiming coffee capsules

Coffee Capsule Collection Campaign

While coffee capsules are recyclable, they often pose challenges in the sorting process. To resolve this issue, we have been teaming up with Nespresso since 2022 to launch the 'Coffee Capsule Green Moment' campaign. This ensures that all coffee capsules used at our in-house coffee machines are gathered at the dedicated capsule-only collection box on each floor and reclaimed collectively, raising employee awareness of resource recycling. In 2024, coffee capsules collected at our HQ office building totaled 80,400, avoiding approximately 852 $kgCO_2eq$ of GHG emissions. Reclaimed capsules are recycled into compost, fertilizer, and industrial inputs.

Promoting the Use of Tumblers in the Workplace

To reduce single-use products and foster eco-friendly habits, we have installed and operated 13 tumbler washers in the cafeteria at our HQ office building since 2022. While many employees owned personal tumblers, they often opted for disposable cups, including both paper and plastic, due to the inconvenience of cleaning and hygiene concerns. The introduction of the washers made it easier to choose reusable options. In 2024, the washers were used 7,875 times, which helped reduce approximately 2,920kg of carbon emissions. This is equivalent to the amount of CO_2 absorbed annually by 340 pine trees that are 30 years old. NHIS will continue to promote green practices that minimize the use of disposable products and encourage voluntary employee participation.

2,920 $kgCO_2eq$

GHG emissions avoided by using reusable cups

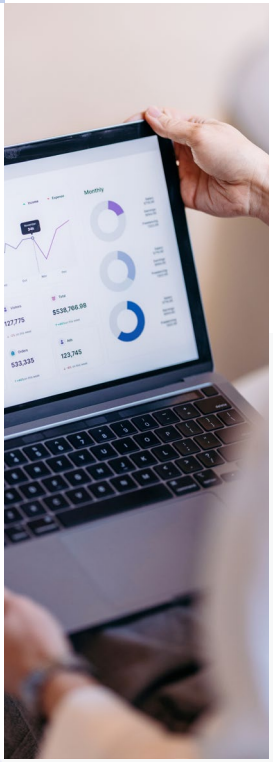
Toy Disassembly Campaign

A significant portion of discarded toys are not properly recycled and are incinerated or landfilled to eventually turn into carcinogens or microplastics, causing environmental pollution. In an effort to join hands for environmental protection and resource circularity, we have partnered with TRU (Toy Recycled Union), a private foundation, to volunteer for toy disassembly since 2023. In 2024, nearly 100 NHIS employees completed environmental awareness-raising training and volunteered to break down 106kg of toys. The disassembled toy parts are upcycled into plastic materials. This initiative achieved 360kg of carbon emissions reduced, which equals carbon emissions absorbed by 42 pine trees that are 30 years old.



▲ Employees participating in the toy disassembly campaign

Digital Finance and Platform Strategy



Impact Analysis

The financial industry can make financial transactions more accessible and efficient by advancing its digital finance and mobile platform capabilities. Going beyond traditional financial services, this enables non-face-to-face investment services powered by emerging digital and AI technologies, further enhancing consumer convenience and access to financial services.

Backed by its digital wealth management services and collaboration with fintech companies, NHIS uncovers new business models and explores business innovation opportunities, recognizing the importance of advancing digital platforms.

Advances in digital technology are driving transformative change across the financial sector. Digital technologies render financial services more accessible and convenient for customers while highlighting the growing need to identify and manage new risks arising from digital, non-face-to-face transactions for financial institutions.

NHIS is committed to increasing investment in big data and AI and advancing digital finance services, shaping the future of finance. We will achieve this by aligning our digital finance organization and developing long-term strategies to ensure agility in navigating the evolving digital paradigm while seizing opportunities and addressing risks brought by the digital financial transformation. We also strive to provide reliable digital finance services through robust risk management.

Governance

Organization Structured Around Digital Finance

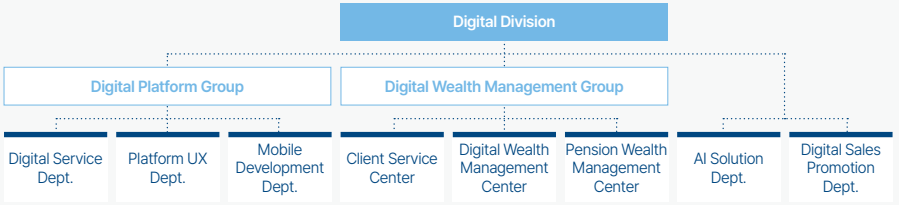
To keep pace with the digitalization of channels in the financial market, NHIS operates the Digital Platform Group and the Digital Wealth Management Group under the Digital Division.

Digital Platform Group:
Deploy and operate platforms for platform clients including service planning, UI/UX optimization, and tailored content development

Digital Wealth Management Group:
Pursue business innovation by segmenting business areas into 'identifying customers with wealth management needs' and 'offering wealth management services', and provide tailored investment consultations based on professional in-person services

The Digital Division also directly oversees the Digital Sales Department and the AI Solution Department, serving as a control tower to broaden our client base in alignment with our client strategy and mid-to long-term business roadmap while leading the development and effective implementation of generative AI services.

Digital Finance Organization



Digital Finance and Platform Strategy

Strategy

Digital Finance and Platform Strategy

Guided by our overarching mid-to long-term digital innovation goals, NHIS has set forth corresponding strategies and priorities to embed rapidly-evolving digital technologies into its business operations. Our digital transformation efforts are anchored on three key pillars of 'delivering unparalleled digital experiences', 'advancing digital WM (Wealth Management)' and 'driving AI-powered innovation in client experience and company-wide AI transformation'. NHIS remains committed to enhancing client experience through the adoption of digital technology and achieving sustainable growth by strengthening its operational competitiveness in the digital age.

Three Key Strategic Pillars for Digital Finance

01. Deliver unparalleled digital experiences

Deliver content-driven differentiated services

- Enhance the provision of personalized investment information
- Expand overseas investment content through global partnerships

Improve platform usability

- Streamline the service system and improve their usability with a focus on the client investment journey

02. Advance digital wealth management

Refine digital WM management by client segment

- Implement a hybrid service system (Platform Contents + Human Advisor)
- Strengthen recommendation services based on client data

Enhance comprehensive WM service capabilities

- Enhance services across investment products including pension and ISA
- Ensure a seamless UX comparable to stock trading platforms

03. Drive AI-powered innovation in client experience and company-wide AI transformation

Expand generative AI-based services and solutions

- Provide differentiated investment insights using AI
- Provide AI solutions for sales workforce based on operational, product, and client data

Risk Management

Analyzing Digital Finance-related Risks and Opportunities

We identified digital finance-related risks and opportunities and analyzed their potential impacts. These risks and opportunities were categorized by short-, mid-, and long-term horizons to help prioritize response efforts and establish corresponding response plans.

	Risk and Opportunity	Potential Impact	Time Horizon[1] Short-term	Mid-term	Long-term	NHIS Response
Risk	Physical infrastructure damage due to natural disasters	• Disruptions to financial transaction services and platforms caused by natural disasters such as floods and fires • Increased risk of critical financial data loss due to damage to backup systems	●			• Operate disaster recovery centers • Implement data backup and off-site storage • Conduct semiannual disaster recovery drills
	Operational risk from dependence on IT services and network environments	• Recovery and maintenance costs incurred due to IT service disruptions • Direct financial losses for clients caused by transaction interruptions • Decline in brand value from rising client complaints	●	●		• Conduct real-time system failure monitoring • Conduct semiannual disaster recovery drills • Strengthen infrastructure reliability to prevent disruptions
	Security and internal control risks resulting from digital transformation	• Financial losses from security incidents due to lost client trust or legal sanctions • Declining confidence in client data protection capabilities • Increased compliance costs due to tightening information security regulations	●	●		• Conduct security breach and data leak response drills • Detect threats through real-time security monitoring • Undergo regular external audits and assessments
	Ethical risks from AI adoption	• Decision-making influenced by bias inherent in training data • Ambiguity in accountability when decision-making is delegated to AI • Increased legal exposure in line with developments in AI ethics regulations			●	• Monitor legal developments such as the Basic AI Act and ensure regulatory compliance • Establish internal governance frameworks including ethical principles and guidelines
Opportunity	Business expansion through digital innovation	• Enhanced client acquisition through personalized financial services on digital platforms • Competitive advantages through expanded digital asset-related financial services		●	●	• Expand services powered by generative AI • Monitor digital asset-related markets and systems and explore new business opportunities

1) Short-term: 1~5 years, Mid-term: 5~10 years, Long-term: 10 years and beyond

Digital Finance and Platform Strategy

Targets and Metrics

Targets and Metrics Linked to Digital Finance

To explore broader business opportunities through digital innovation, NHIS is strengthening its internal capabilities in delivering digital and AI-assisted financial services, as well as enhancing digital expertise. We monitor client-related performance indicators such as the number of mobile trading system(MTS) users and the result of platform user satisfaction surveys. Additionally, we track digital capability development metrics – including the number of employees who have completed internal digital online training programs and the usage of AI-based operational support services – as key performance indicators. These monitoring results inform the annual improvement targets we set based on the previous year's performance.

Monitoring Metrics	Unit	Outcomes		
		2022	2023	2024
Digital clients[1]	Persons	4,449,324	4,836,272	5,238,665
Average monthly active users(MAU) of MTS[2]	10,000 persons	272	260	264
MTS client satisfaction survey results	Points	70.2[3]	72.0[3]	69.2[4]
Usage of AI-based client services	Cases	-	-	3,438,714
Usage of AI-based internal operational support services	Cases	-	-	22,654
Completion of internal digital online training programs[5]	Courses	34	39	49
Employees who completed digital online training programs	Persons	189	184	229

1) Cumulative number of NAMUH/QV non-face-to-face accounts
2) Based on Wiseapp
3) Gallup Korea's digital app competitiveness survey results (average H1/H2 scores of NAMUH Securities)
4) Embrain's mobile app competitiveness survey results (average H1/H2 scores of NAMUH Securities)
5) Number of courses in the digital and big data (AI) categories of online training courses completed by at least one employee

NHIS Digital Finance Services

NHIS provides data-driven personalized services and insights to offer customized content and services aligned with each client's investment preferences and interests.

Chart analysis powered by AI technology

ChaBoon-i

NHIS has launched ChaBoon-i, the first chart-analysis service of its kind in the financial sector, enabled by image recognition capabilities of generative AI. Using ChatGPT by Open AI, a global generative AI company, this service assists clients in automatically analyzing the selected chart and provides easy-to-understand explanations of complex information.

Monthly investment reviews enriched with music

Monthly NAMUH

NHIS offers Monthly NAMUH services to support clients in reflecting on their monthly investment activities along with music. This service visualizes the investment data of clients, analyzes market situations for the period with the help of AI, and delivers the insights blended with music.

Access to portfolios of investment gurus

Master's PICK

Master's Pick provides visualized portfolio data based on the stock holdings of hedge funds managed by five renowned Wall Street investors. This offers our clients easy access to their quarterly top stock picks and portfolio allocations along with the rationale behind their portfolio strategies and buy/sell decisions, empowering clients with much-needed investment insights.

At a glance view of personal wealth status

My Wealth Diagnosis

My Wealth Diagnosis service links a client's NHIS account with those held at other financial institutions through the use of MyData, providing an at-a-glance view of the client's current asset allocations and product holdings. This service supports four types of offerings – NH account analysis, comparative return analysis, asset allocation analysis, and financial product analysis.

Support for personal tax management

Tax Platform

Extending the scope of wealth management services into tax management, this service enables clients to view their income and taxes in one place, while also offering direct access to tax filing assistance and tax consultations. The Tax Platform supports clients tracking their income by category, checking their taxes, and accessing a broad range of information essential for tax savings.

Overseas stock investment

Namuh Farm

Conceptualized around farming, this service was designed for clients facing difficulties with overseas investing. It lowers entry barriers by reducing the burden of foreign exchange and time commitment and supporting small-sum investments. Clients can select stocks and plant them in their own personal 'stock farm'. Combining both app-based and systemic order features, this service helps develop everyday investment habits.

Client-Centric Management

Client-centric Management System

Client Satisfaction Survey

To strengthen client-centric management, we have been conducting regular client satisfaction surveys since 2019. These include year-round surveys on center advisor and operational services, and quarterly assessments of satisfactions with investment information and consultation services to gather client feedback. We also measure client satisfaction with our digital care services and key platform (QV MTS) on a semi-annual basis. These efforts support continuous improvements aimed at delivering enhanced client satisfaction.

2024 Client Satisfaction Survey Results by Type of Service Unit: Points

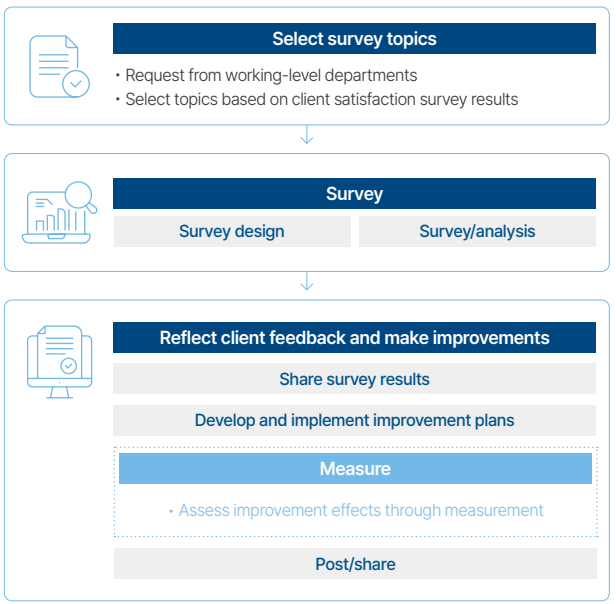
Category		Client Satisfaction
In-person	Operational service	93.7
Non-face-to-face	Investment information and consultation	71.0
	Digital care	72.0
Platform	QV MTS	70.9

* As of H2 2024

NH Mentors Client Panel Program

We operate 'NH Mentors' as a client panel group to actively gather feedback on our products and services. In 2024, NH Mentors helped identify the needs of both existing and prospective clients by benchmarking the remote consultation performance of ISA and pension advisors and surveying client behavior and awareness, especially among retirement pension clients. Based on the findings, we review and implement improvements to better address client needs and enhance service convenience.

NH Mentors Operation Process



VOC Management

To promptly address consumer complaints and feedback, we operate a dedicated Complaint and VOC team under the Financial Consumer Protection Group. In principle, complaints are responded to within 14 business days of receipt, and VOC cases within 2 to 7 business days. We ensure timely, appropriate resolutions for cases requiring compensation or reflecting areas for improvement.

VOC Handling Unit: Cases, %

Category	2023	2024	Change	
			Cases	Percentage Change
Inquiries	7,617	9,554	1,937	25.4
Suggestions	1,576	2,359	783	49.7
Complaints	2,368	2,202	△166	△7.0
Compliments	2,276	3,882	1,606	70.6
Total	13,837	17,997	4,160	30.1

Client-Centric Management

Personalized Service Delivery

Chatbot Noah

Our Chatbot 'Noah' provides a wide range of services, including paid subscription, personalized guidance on shareholder rights such as filling objection, and transaction password changes for IPO subscription. It also addresses basic inquiries related to investment information, current stock prices, event updates, and official notices. Since its launch in September 2022, Noah has seen steadily increasing usage. In 2024, it recorded an average of 3,068 daily users and a client return rate of 49%. NHIS will continue to upgrade Noah to strengthen our virtual client engagement capabilities.

Expanding In-person Services at Financial Centers

To provide high-quality, advisor-assisted in-person services for clients requiring specialized wealth management, we expanded network of regional financial centers from 10 at the end of 2022 to 16 by the end of 2024. These centers are equipped with more STMs (Smart Teller Machine) for handling simple client requests, as well as expanded consultation spaces offering one-stop services from consultation to transaction execution. Seminar rooms are also being added to strengthen client engagement through in-person interaction.

Family Office Service

Our Family Office service provides tailored solutions for ultra-high-net-worth (UHNW) individuals throughout their wealth lifecycle spanning wealth management, growth of client-owned businesses, succession planning, and value realization. Designed for clients with deposited assets of KRW 10 billion or more, the service includes institutional-level wealth management as well as support in areas such as family business succession, philanthropy, foundation establishment and operations, immigration and overseas education, next-generation leadership training, and exclusive small-group Family Office seminars. Since its launch in October 2021, our Family Office service has achieved strong client satisfaction, with membership growing by 77 families in 2024 to reach a total of 141.

Digital-Driven Client Experience Innovation

NAMUH Securities, Mobile Wealth Management Platform

We launched NAMUH Securities as our mobile wealth management platform to make stock trading easier and more convenient for clients. The platform offers a wide range of services including NAMUH Members, a subscription-based program offering premium investment content and benefits, NAMUH PLCC[1], which links consumption and investment, and a fractional stock trading service that supports micro-investment. These service blur the lines between daily life and investing, delivering a differentiated and engaging client experience.

1) PLCC (Private Label Credit Card): A credit card issued through a partnership between a specific brand and a credit card company to offer benefits to customers using the brand's products or services

Direct Indexing Service

The Direct Indexing service enables investors to build personalized portfolios by creating custom indices aligned with their investment goals and preferences, using various market indices. Users can either track a selected index or customize it through stock reallocation. They can apply strategies based on themes, sectors, or styles, and adjust weightings accordingly. Clients may choose from standard indices like the KOSPI and KOSDAQ, or select from NHIS' proprietary NH i-Select Index. The platform also allows clients to track performance and manage risks through regular rebalancing.

NAMUH App Community Service

We are committed to delivering client-centric content and services that go beyond simple trading functions in the mobile environment. In 2024, we launched the 'Community' service within the NAMUH app to facilitate communication and information-sharing among investors. This new service transform our MTS into a broader platform for engagement, enabling users to exchange insights, share investment experiences, and stay informed through peer interaction. Going forward, we will continue to enhance this service to provide client with a more beneficial and engaging investment experience.

Expanding Access to Inclusive Financial Services

Account Number Auto-recognition Service for Senior Clients

We provide services tailored to the needs of senior client to enhance their access to financial services. Our 'Account Number Auto-recognition Service' supports senior clients using the Automated Response Service (ARS) by automatically identifying their client number and promptly connecting them with a consultant. While conventional text- or voice-based ARS require users to listen to the entire message before selecting an option via by touch or voice, this dedicated service simplifies the process by enabling immediate access to a consultant. This improves usability for elderly clients who may be unfamiliar with digital channels.

Tailored Services for Clients with Disabilities

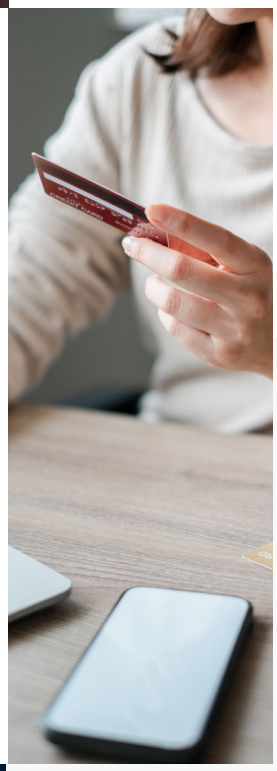
We offer customized services to support clients with disabilities. Security cards with Braille are available for visually-impaired clients, and those who have difficulty filling out forms by hand can use our recording-based business processes. For clients with hearing or speech impairments, we provide communication assistance through the PaintTalk messenger program and e-document tablets, enabling text-based confirmation and service execution.

We also partner with the Sign Language Center of National Information Society Agency to offer text relay, video relay, and voice relay services. Visually-impaired clients can submit complaints using Braille forms, which are translated with support from the Korea Blind Union.

We continue to improve our infrastructure and guidance systems to ensure greater accessibility. This includes offering preferential products and easy-to-understand materials for clients with developmental disabilities. In addition, we provide employee training to deepen understanding of service delivery by disability type and case-based responses, reinforcing our commitment to inclusive financial services.



Financial Consumer Protection



Impact Analysis

Delivering fair and transparent financial services enhances social value and contributes to building a sustainable financial system. As financial products grow more complex and information asymmetries increase, consumers are exposed to greater disadvantages. This highlights the need for robust consumer protection measures by financial institutions to maintain a healthy and trustworthy market environment.

At NHIS, we establish strong internal controls and prioritizes employee accountability to foster trust in the financial market while protecting consumers and investors from financial harm.

Backed by a governance framework centered on the Internal Control Committee and the Chief Consumer Officer (CCO), we ensure strong consumer protection throughout the entire product sales process.

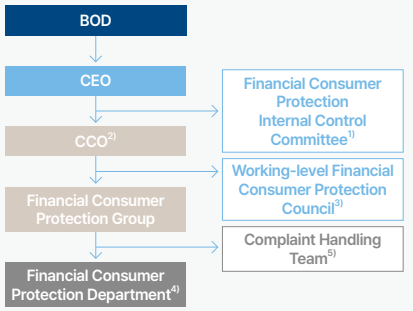
Risks are proactively assessed through internal deliberation procedures and the Product Selection Committee while our Fraud Detection System continuously monitors for potential financial fraud. To support responsible sales practices, we provide training to employees on full-disclosure sales and offer educational programs to clients to enhance their investment capabilities, thereby protecting the rights and interests of financial consumers.

Governance

Governance for Financial Consumer Protection

At NHIS, the Financial Consumer Protection Group operates directly under the leadership of the CEO, with the Chief Consumer Officer (CCO) overseeing consumer protection operations. The Financial Consumer Protection Group undertakes a wide range of initiatives to safeguard the rights and interests of financial consumers and collect their feedback, in tandem with internal control activities. These include launching financial consumer protection campaigns, strengthening sales system that prioritize consumer rights, managing the VOC (Voice of Customer) system, and preventing or resolving complaints. NHIS will continue to reinforce consumer protection and uphold long-term, trust-based relationships with consumers.

Dedicated Organization for Financial Consumer Protection



1) A meeting body chaired by the CEO to engage in consultations to determine policy directions, develop basic plans, and address institutional improvements for financial consumer protection
2) Chief Consumer Officer
3) A meeting body chaired by the CCO to engage in interdepartmental working-level consultations on financial consumer protection issues
4) An independent organization directly reporting to the CCO
   - Carry out internal controls to protect financial consumers
   - Conduct preliminary reviews for financial consumer protection when developing new products
   - Implement overall activities to ensure full-disclosure sales of financial products
5) An independent organization directly reporting to the CCO
   - Prevent and manage complaints
   - Receive and handle VOCs

Financial Consumer Protection

Governance

Code of Financial Consumer Protection

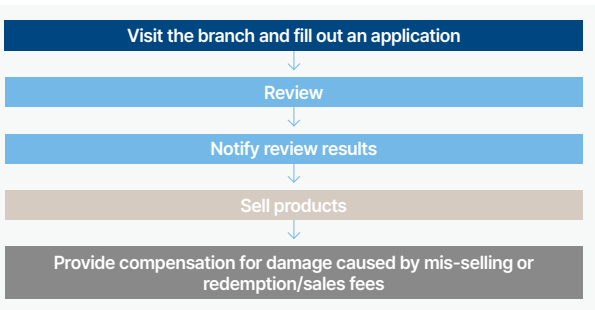
NHIS established the Code of Financial Consumer Protection to demonstrate our commitment to putting client value first and growing together with our clients as a trusted financial institution. Each year, we designate Day of Financial Consumer Protection and sign the pledge to renew our commitment and take specific actions to keep financial consumers safe at all levels of the company. We also inform consumers of their rights specified in the Financial Consumer Protection Act – the right to withdraw subscriptions, the right to terminate illegal contracts, and the right to access information – on our website to uphold consumer rights. Looking ahead, we will safeguard the rights and interests of financial consumers and maintain trust-based relationships with consumers.

Ensuring Consumer Protection throughout the Entire Sales Process

We operate a consumer protection system that spans the entire process from product development to sales and post-sales monitoring, along with compensation services for clients who incur losses in the sales process.

We take responsibility for damage caused by mis-selling and provide compensation to affected clients: individual clients fill out their service application form and may receive compensation after review. Our fee refund service also ensures that clients requesting redemption or cancellation within five business days after their product subscription could have their funds redeemed along with sales fee.

Liability for Damage Caused by Mis-selling and Fee Refund Service Procedures



Strategy

Product Management System Structured around Consumer Protection

Product Deliberation Process

At NHIS, divisions that engage in the sale of financial products are required to review their compliance with the Rules for Pre-inspection of New Products and Financial Consumer Protection Internal Control Regulations to ensure adherence to internal/external regulations and manage compliance issues in advance. This is followed by meticulously designed product deliberation procedures to determine the sale of financial products. The product deliberation process is subdivided by method of product management and type of investment assets into Product Approval Committee approval, Product Approval Council approval, CRO agreement, responsible division agreement, general approval, and simplified approval.

Product Deliberation Process



Product Approval Committee

Prior to selling financial investment products such as collective investment securities, derivative-linked securities, wrap accounts, and money market trusts, NHIS conducts comprehensive analyses and reviews of product-related risks and the appropriateness of financial product sales to determine whether to approve the sale of such products. In particular, the multi-phase deliberation process implemented by the Product Approval Committee and the Product Approval Council ensures that we reinforce the objectivity and expertise of our product approval process. In 2024, the Product Approval Committee and the Council reviewed and approved 20 and 10 agenda items respectively.

Review of Products Restricted for Solicitation

We operate the Product Selection Oversight Committee for clients referred to by NongHyup Bank, an affiliate of NongHyup Financial Group, to review, and if necessary, restrict high-risk or potentially disputable products. The Committee selects products restricted for solicitation through the product pre-selection process to protect client interest and safety. This also enables personnel responsible for protecting banking and securities consumers to exercise their veto authority over certain proposals for the purpose of protecting financial consumers, supporting consumers in selecting safe and reliable investment products.

The Committee convenes each quarter and designated 14 products as restricted products as of December 2024. The Product Selection Oversight Committee will help champion our efforts to provide appropriate products to clients and reinforce risk management to enhance client trust in investments.

Financial Consumer Protection

Risk Management

Regulatory Compliance for Financial Consumer Protection

The Financial Consumer Protection Act aims to protect financial consumers and enhance accountability for financial institutions, regulating financial institutions to provide services fairly and transparently all while enabling consumers to fully understand and utilize these services. In response, NHIS abides by the strengthened six principles governing the sale of financial products, and bolstered our consumer protection system by upholding the right to withdraw subscriptions, the right to terminate illegal contracts, and the right to access information. To ensure our adherence to the Financial Consumer Protection Act, we provide employees with training on financial consumer protection and full-disclosure sales procedures each year.

The Financial Consumer Protection Group operates the internal control inspection team to verify our compliance with the Act and report the findings to the Internal Control Committee to address identified deficiencies. NHIS engages in such diverse activities to enhance trust among financial consumers and deliver more ethical and reliable financial services.

Financial Fraud Prevention

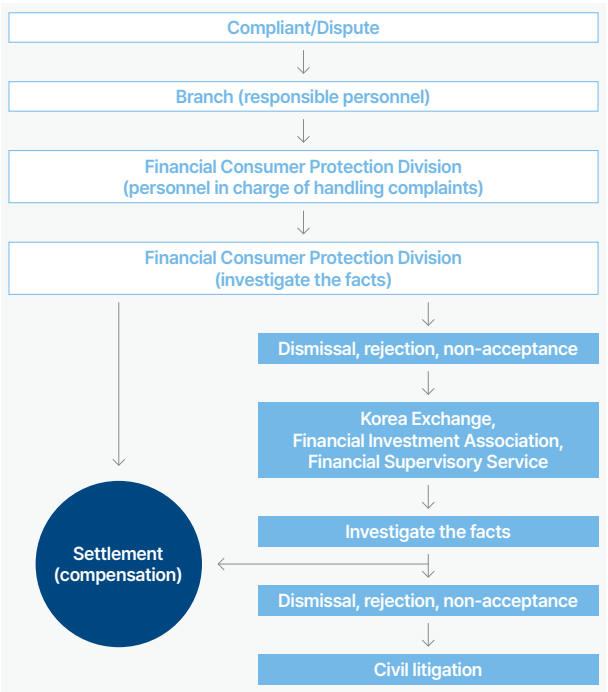
To prevent financial fraud such as voice phishing and the use of ghost accounts, we implement a fraud detection system (FDS) and a suspicious account monitoring system. In 2025, we enhanced our suspicious account detection capabilities to respond more swiftly to irregular transactions. We also provide detection solutions that issue alerts when voice phishing apps are installed on a client's device, helping to protect their assets. For our frontline employees at client support centers and branches, we conduct regular training on responding to suspected financial fraud and identifying signs of voice phishing.

In fact, such efforts helped prevent KRW 570 million in financial losses. When an irregular transaction was detected and automatically blocked, an employee from the Financial Fraud Response Team under the Financial Security Department promptly called the client to explain the suspected voice phishing and reported this to the police. The employee was recognized with a plaque of appreciation and rewards from the Gwangju Police Station in Gyeonggi Province. NHIS will upgrade relevant systems and strengthen on-the-ground response to consistently improve its financial fraud prevention framework.

Consumer Compensation Organization and Procedures

To promptly receive consumer feedback and address their concerns, we operate virtual channels such as the corporate website and the MTS to collect complaints and VOC. Our corporate website offers guidance on complaint submission and handling procedures. Once a complaint is submitted, we notify the client who raised the concern and proceed with investigation, review, and determination, and communicate the handling outcomes to the client.

Complaint/Dispute Handling Process



Operating a Stock Manipulation Risk Alert System for Stock Manipulation

NHIS is proactively addressing risks associated with stock manipulation to keep client assets safe. Our stock manipulation risk alert system leverages big data analytics to identify common patterns among stocks that were subject to forced selling[1] due to stock manipulation, and sends text message alerts to clients holding stocks that meet predefined risk criteria.

Criteria for determining risk exposures include clients who took out margin loans within one month after opening an account, stocks whose current price is 80% or higher from their 52-week high, exclusion of KOSPI 200 stocks for which short-selling is prohibited, stocks below KRW 30 billion in capital, and stocks below KRW 15 billion in average trading volume. Warning stocks are identified through comprehensive analysis.

In 2024 alone, 12,070 alert messages were sent through this system, assisting our clients in recognizing and addressing investment risks of their owned stocks. NHIS will advance its big data analytics-based risk response system, playing a role in preventing potential losses and fostering responsible investing.

1) A transaction in which a securities firm forcibly liquidates a client's stock holdings when the client fails to repay their loan by maturity or when the value of the collateralized assets falls below a specified threshold

Providing Educational Content on Retirement and Pension for Middle-aged Clients

We provide a broad range of investment education content to support clients in building their assets. Our Longevity Research Institute specifically serves to provide a variety of information to help middle-aged clients prepare for their retirement life and plan a financially stable retirement. In 2024, we published 'THE100 Report' eight times and 'THE100 Magazine' six times, along with the 'Wise Retirement Living' and the 'Employee Retirement Pension Report'. We also shared pension asset management information through the NHIS YouTube channel 'Pension The 100 age' and the 'Queen of Pension' series. We will continue to deliver tailored content and communication channels that meet the needs of retirement-age clients to help them better prepare for life after retirement.

Financial Consumer Protection

Risk Management

Financial Consumer Protection Training for Employees

To systematically establish full-disclosure sales procedures in alignment with relevant frameworks, including the Financial Consumer Protection Act and best practices for door-to-door sales, we provide tailored financial consumer protection training. The training is categorized into standardized, function-specific, advanced, and awareness-raising courses depending on employee roles. Pre-training surveys are conducted to identify employee needs and inform the development of targeted training plans. In 2024, our financial consumer protection training achieved a satisfaction score of 98.7.

Financial Consumer Protection Training Provided in 2024

Unit: Sessions

Category	Topic	Sessions
Standardized training	Online financial consumer protection training	19
	Full-disclosure sales training in preparation for mystery shopping	4
	Key cases of non-compliance with financial consumer protection regulations for mis-selling prevention	45
	Full disclosure sales training for door-to-door and phone-based channels	44
Function-specific training	Understanding financial consumer protection	1
	Role of financial consumer protection leaders and complaint prevention in H1	6
	Role of financial consumer protection leaders and complaint prevention in H2	2
	Understanding financial consumer protection and full-disclosure sales procedures	5
Advanced training	Financial Consumer Protection Act, complex financial investment products, door-to-door sales procedures	3
	Precaution during sales based on internal control inspections	48
	CS training to enhance customer satisfaction	10
	Advanced CS training titled 'Handling Difficult Customers and Emotional Resilience'	7
Awareness training	Shift in perceptions on financial consumer protection and complaint prevention	22

Full-disclosure Sales Training

To comply with the Financial Consumer Protection Act, NHIS provides full-disclosure sales training for employees. In 2024, we conducted 193 sessions and offered training videos to support self-directed learning. We also distributed telemarketing model scripts to ensure compliance with door-to-door sales procedures.

To assess the internalization of these practices, we carried out internal blind mystery shopping, which resulted in an average score of 94.8, indicating high employee awareness of full-disclosure sales requirements. Employees who did not meet the criteria received additional training and were reassessed to reinforce their understanding.

Targets and Metrics

We continue with our efforts to prevent financial fraud by monitoring the number and amount of fraud cases prevented annually. As a result, the value of prevented fraud increased from KRW 2.1 billion in 2023 to KRW 3.5 billion in 2024.

Financial Fraud Cases/Amounts Prevented in 2024



25 cases
Fraud prevented



nearly KRW 3.5 billion
Losses avoided



Information Security



Impact Analysis

Given the nature of the securities industry, NHIS handles sensitive client financial information, underscoring the critical importance of strengthening our information security systems and protecting private data as prerequisites for maintaining competitiveness and client trust.

If security system vulnerabilities or inadequate data management gives rise to cyber crimes such as phishing or smishing, this causes secondary harm to clients and undermines the social safety net. This in turn leads to declining trust in businesses and customer attrition and could potentially bring adverse impact on overall business operations, highlighting the need for rigorous management of information security and data privacy.

Ensuring client rights and a secure financial transaction environment requires financial institutions to establish robust information security management systems. NHIS has appointed the Head of the Information Security Group and developed internal strategies for information security and data privacy based on the 'Privacy by Design' principle. We have obtained and renewed domestic and global information security certifications to standardize our systems. We also conduct vulnerability assessments, simulations, and awareness training to embed security practices in daily operations.

We conduct regular inspections to ensure compliance with personal data handling principles and prevent data breaches. We have also established response procedures to promptly address any incidents that may occur.

Governance

Operating the Information Security Committee and Council

NHIS has established company-wide policies on information security and data privacy, reflecting strong leadership commitment. To ensure the effectiveness of our information security system, the Information Security Group is under the direct leadership of the CEO, and the Chief Information Security Officer (CISO), the Chief Privacy Officer (CPO), and the Credit Information Administrator & Protector (CIAP) operate under the Information Security Group to establish integrated company-wide information security governance.

Governance for Information Security Management



Information Security Committee and Council

Category	Information Security Committee	Personal Credit Information Protection Council
Chair	Chief Information Security Officer (CISO)	Chief Privacy Officer (CPO)
Member	Heads of departments related to IT, information security, compliance and platform	Heads of departments handling key client personal information and compliance operations
Role	Deliberate and decide on important matters associated with internal information security	Share and consult on key matters associated with personal information processed for the purpose of providing client services
Cycle	Year-round	Quarterly

Information Security

Strategy

Information Security and Data Privacy Framework

With a goal of providing 'reliable electronic financial services', we have established and systematically implemented our information security and data privacy strategies in alignment with the 'Privacy by Design' principle. Each strategy is implemented through the active engagement of both employees and partners.

Operational Strategies for Information Security and Data Privacy

Establishing a Reliable Environment for Clients

• Company-wide information security training • Training for outsourcing companies • Constant notices on information security • Company-wide information security campaigns	• Inspection on outsourcing company employees • Self-audits on Information Security Day • Simulation hacking for vulnerabilities • Infrastructure inspections	• Personal information protection • Technical protection • Physical protection • Managerial protection	• Integrated information security portal for data privacy and information security	• Information technology protection solutions • Personal information protection solutions • Financial fraud prevention and response solutions
↓	↓	↓	↓	↓
Continuous awareness-raising and change management for employees and outsourcing staff	Risk-based data privacy and information security audits	Establish information security and data privacy management systems and achieve relevant certifications	Big data-based, integrated control system for information security and e-financial fraud	Security solutions to reduce personal information breaches to zero and protect client assets

Information Security to Support Secure Financial Transactions

Establish information security strategies and plans	Establish information security goals and annual business plans	Operate the Information Security Committee
Establish information security policies and a management system	Review regulatory compliance → Establish and implement information security policies and protection measures → Establish and amend information security regulations and rules	Assess risks
Internal control management for information security	Personal control: Employee/partner company inspection	System control: Security assessment and review vulnerability review and analysis

(Credit) Data Privacy along the Entire Client Journey

Establish (credit) data privacy strategies and plans

Establish (credit) data privacy goals and annual business plans

Personal Information Protection Council | Ongoing information security assessment

Establish (credit) data privacy policies and a management system	Review regulatory compliance → Establish and implement (credit) data privacy policies and protection measures → Establish and amend (credit) data privacy regulations and rules	Issues raised to the Personal Information Protection Council
Internal control management for (credit) data privacy	Internal control: • Excessive access to personal information • Monitoring of personal data transferred/printed out • Register book of personal information management • Credit rating inquiry history review	External control: • Management of personal information consignment/provision contracts • Training and inspection of personal information consignee companies • Confirmation of personal information destruction

Training and public relations | Response to audits and inspections by supervisory authorities | Information security system establishment and operation | Information security control monitoring

Information Security

Risk Management

Information Security Certification

Since obtaining Information Security Management System (ISMS) certification in 2015, we have undergone annual third-party verifications to enhance our information security and data privacy capabilities. In 2024, we became the first in the securities industry to obtain APEC CBPR global data privacy certification, establishing an integrated security system encompassing both information security and data privacy. We obtained Personal Information & Information Security Management System (ISMS-P) certification in 2021, ISO 27001 in 2022, and ISO 27701 in 2023.






▲ APEC CBPR certificate ▲ ISMS-P certificate ▲ ISO/IEC 27001 and 27701 certificates

Vulnerability Assessment and Mock Hacking

We regularly conduct simulated hacking exercises on our core services (HTS[1], MTS[2], WTS[3]), our website, and internal systems while partnering with external organizations to assess vulnerabilities year-round to minimize risks. Our electronic financial infrastructure is assessed for vulnerabilities once a year, and our website is subject to vulnerability assessments and simulation hacking twice a year. Identified vulnerabilities are addressed through action plans, and the implementation of these plans is reviewed to minimize any blind spots that may arise during service operations.

1) HTS stands for Home Trading System and enables uses to trade stocks from home or the office
2) MTS stands for Mobile Trading System and enables stock trading via mobile devices
3) WTS stands for Web Trading System to support direct stock trading through a securities firm's website

Simulation Drills to Respond to Security Incidents

Our incident response system allows us to prevent, detect, analyze, and respond to a range of external threats from hacking to DDoS attacks. In partnership with external organizations, we perform annual public server hacking response drills, annual DDoS attack response drills, and quarterly e-mail intrusion response drills, proactively addressing cyber threats. We also implement 24/7/365 security controls to safeguard information assets that are essential to our service delivery.

Security Breach Mock Drill by Type

Public server hacking response drill

Launch vulnerability attacks on public servers and train on procedures to detect and block such attacks

DDoS response drill

Perform detection and response drills under the scenario where a large volume of traffic overwhelms public web servers leading to resource shortages

Email intrusion response drill

Send socially-engineered malicious emails to all employees, new hires and randomly selected employees, and perform detection/response drills

Security Breach Response Process

01 **Detect signs of breach/threat**

02 **Identify the situation and investigate**

03 **Develop action plans and security measures**

04 **Activate the response team and discuss countermeasures**

05 **Take follow-up actions and countermeasures**

06 **Take action and improve**

Information Security

Risk Management

Principles in Handling Personal Data

We collect minimum required personal data and do not use such data for any purpose other than what was agreed upon, nor do we share such data with third-parties. In accordance with our personal data processing principles, personal data initially collected is retained for the set durations from the time of consent and will be immediately destroyed in a way that makes its recovery or reproduction impossible once its intended purpose is fulfilled. We provide a simplified version of our privacy policy to help our clients better understand matters on personal data handling.

Data Privacy Compliance Oversight

We perform regular inspections and monitoring on our employees handling personal data and third-party outsourcing companies processing such data to keep track of our data privacy performance. The scope of these inspections covers the head office and branches. Employees who excessively access clients' personal data, including their account information, balance, and transactions, are identified on a monthly basis to prevent any privileged use of client data that may lead to data leaks and data misuse. We also conduct annual onsite inspections on outsourcing companies to make doubly sure there are no blind spots left unnoticed in ensuring data privacy for clients.

Process to Respond to Personal Data Leaks

We have developed manuals to respond to personal data leaks and established a process to address such breaches by notifying affected clients of the incident and reporting to relevant authorities as specified in pertinent laws and regulations. We also conduct simulation drills against personal data breaches in the first and second half of the year, enhancing our capabilities to effectively and promptly respond to such contingencies.

Process to Handle Personal Information Leaks

01 **Detect the incident**
Promptly check whether information leak occurred and when and why

02 **Organize a response team**
Minimize damages and seek remediation measures

03 **Notify the client and report to government**
Promptly notify the client and report to financial authorities

04 **Operate a damage report center**
Activate the damage report center and inform the client how to respond

05 **Respond to client complaints**
Extend business hours, deploy staff, and expand communication/internet networks

06 **Provide remedies**
Swiftly compensate for the losses that occur due to the fraudulent use of leaked data

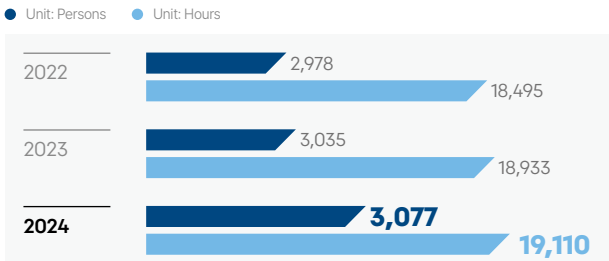
07 **Follow up**
Manage history and analyze the root causes to prevent reoccurrence

Targets and Metrics

Information Security Training

We apply standards that exceed legal requirements in conducting information security training for employees and provide training courses tailored to specific job functions in collaboration with training institutions specializing in the financial industry. Separate data privacy training is provided to personnel in charge of outsourcing companies processing personal data as well as personnel from management departments. Such training is also made available for partners to raise information security awareness across the board. We invite external instructors on an as-needed basis to deliver training focused on real-world case studies, and publish monthly information security magazines and post internal notices to consistently reinforce employee awareness of information security. We conduct quarterly Clean Desk inspections as an unannounced inspection of office spaces, helping us foster a culture where information security is embedded in our day-to-day routines.

Information Security and Data Privacy Training Provided to Employees



Specialized Training Provided to Dedicated Personnel and Training Provided to Partners in 2024

Unit: Persons, Hours

Category	Specialized Training for Dedicated Personnel	Training for Partners
Participants	12	80
Training hours	472	179
Course	• Personal credit data protection in the financial industry • Cloud security practices • Regulatory frameworks governing digital finance and electronic financial transactions	• Practices on personal (credit) information protection concerning financial custody operations

Talent Management

Human Rights Management System

Human Rights Policy

NHIS respects the rights of all stakeholders, including employees, clients, and partners, and discloses our human rights policy on our website and integrated reports. We abide by the UN Guiding Principles on Business and Human Rights to advance human rights management. We seek necessary improvements across diverse domains to identify and prevent human rights/labor-related risks that may arise in our business operations and will do our utmost to prevent human rights violations.

Human Rights Training

We conduct regular training to raise employee awareness and promote the protection of human rights in the workplace. Specifically, we provide mandatory training specified by pertinent laws on the prevention of sexual harassment, improvement in perceptions on disability, and the prevention of workplace bullying. In 2024, we provided 8,790 hours of mandatory training required by law to a total of 3,054 employees. We remain committed to embedding the importance of respecting and protecting human rights into the fabric of our corporate culture, ensuring that all our employees respect each other in the workplace.

Labor-Management Partnership

At NHIS, we maintain open and ongoing communication channels to foster sound and harmonious labor relations. In addition to annual wage and collective agreement negotiations, both the Labor-Management Council and the Industrial Safety and Health Committee meet quarterly to discuss and decide on ways to improve working conditions. Beyond these official consultative bodies, we engage in regular dialogue with the labor union to gather feedback on the operation and enhancement of our HR systems. As of the end of 2024, all 1,816 eligible employees had joined the union, participating actively in continued labor-management cooperation.

Grievance Mechanisms for Employees

We operate multiple grievance channels to proactively address employee concerns. These include the HR Grievance Counseling Request system and the Communication and Empathy bulletin board. Employees can use the internal HR portal to request counseling on a wide range of personal or work-related matters including health, family, finance, workplace relationships, job duties, relocation, or corporate culture. Additionally, the Communication and Empathy section of our website serves as a direct communication channel with the CEO, allowing employees to raise grievances or offer suggestions on workplace issues in a transparent and constructive environment.

Employee Grievance Mechanisms under Operation Unit: Cases

Category	2022	2023	2024
HR grievance counseling under the HR management system	15	24	22

Fair Recruitment and Performance Evaluation

Fair Recruitment

We recruit talented individuals based on job-related competencies, without discrimination based on region, education, or gender. Our recruitment process includes personality tests, written exams, and interviews to assess applicants' job fit, ensuring that personal characteristics irrelevant to job performance do not influence hiring decisions. To enhance fairness, we also engage external evaluators in the selection process.

Multi-dimensional Performance Evaluation System

To ensure fair and reasonable evaluation, we use a variety of methods, including semantic grading, KPI-based performance management, and hybrid assessment models. An evaluation feedback system is in place to prevent biased assessments, and employees can raise objections to their results through a formal appeals process. We also recognize outstanding performers who contribute to our corporate growth through honors such as THE STARS 100 and ORIGIN, helping build a culture of motivation and appreciation.

Efforts to Hire Top Talent

To secure top talent and promote employment security, we hire experienced professionals on a rolling basis and recruit high-potential individuals through a variety of entry-level hiring programs. All our employees have equal access to welfare & benefits such as leave, tuition support, healthcare, and family event support. These efforts aim to enhance job satisfaction and ensure stable and secure employment.

Talent Management

Fostering Diversity and Inclusion

Anti-discrimination Policy

Since announcing our Diversity, Equity, and Inclusion (DEI) Policy in 2022, we have remained committed to fostering a corporate culture where all employees feel a sense of belonging and are treated with respect. In line with our HR guidelines that promote equal employment and respect for human rights, we prohibit discrimination on the grounds of gender, race, ethnicity, nationality, religion, disability, and political/religious orientation while providing equal opportunities in relation to recruitment, promotion, training, wage, and welfare & benefits. We will continue to translate these values into practice and foster an optimal workplace where employees are respected for their own set of values and unlock their full potential.

Enhancing Employee Diversity

We recognize employee diversity as an instrumental pillar in boosting our corporate competitiveness. In this respect, we recruit and manage a diverse workforce with a focus on competency and performance, without discrimination on the grounds of gender, nationality, place of origin, or disability. In particular, we ensure fair performance evaluation and improve childbirth/childcare programs to assist female talent in unleashing their full potential within their organization. These efforts have led to a steady rise in our female workforce over the past three years, with female employees accounting for 43.1% of total employees and 33.9% of managers[1] as of 2024.

Overview of Female Employees Unit: %

Category	2022	2023	2024
Percentage of Female Employees	41.9	42.3	43.1
Percentage of Female Managers	28.2	30.8	33.9

1) Manager and higher positions, including executives

Expanding Employment of People with Developmental Disabilities through Equity Investments

NHIS is investing in Bravo Beaver to fulfill our responsibility for creating jobs for people with disabilities. Bravo Beaver was founded as a social enterprise through equity investments made by multiple companies to expand employment opportunities for people with developmental disabilities. NHIS holds equity stakes of 10.9% in Bravo Beaver Incheon, 9.1% in Bravo Beaver Gyeonggi, and 16% in Bravo Beaver Busan, and is credited with employing 38 persons with disabilities.

To ensure the stable operation of these Bravo Beaver sites, we purchased products worth KRW 468 million in 2024 alone including office supplies, nuts, and teas. These products were donated to the Korean Unwed Mothers' Families Association, the Korea Association of Community Psychiatric Rehabilitation Center, ChildFund Korea, and Good People for the benefit of vulnerable groups. In recognition of our sponsorship and support efforts, we were recognized as an 'Autism-Friendly Company' by the Autism Society of Korea in 2024. Going forward, NHIS will build upon the equity investments made in these inclusive workplaces and create social value to ensure employment security for such challenged individuals.



▲ Donating products manufactured by standard sites employing people with disabilities to Good People

Employee Competency Enhancement Training

Expert Development Training

We offer a wide range of training programs to enhance job competencies and cultivate subject matter experts across our business divisions. These include competency enhancement programs for head office employees, tailored programs for retail operations, and cross-functional development programs. Such initiatives are designed to strengthen role-specific expertise and foster differentiated talent.

Expert Development Training Provided

01 Cross-functional Competency	• OCIO (Outsourced Chief Investment Officer) training • 2024 financial market and corporate value evaluation • On-Air Online training on NongHyup's identity
02 Digital Competency	• AI business solutions using ChatGPT • Data-driven Decision Making (DDDM) • DX College Basic/Pro courses • Figma training for planners and developers
03 Tailored Training for Retail Operations	• Global asset movement and tax strategy • Advisor competitiveness enhancement • Investment School for real-world investing • Intensive tax consulting course • Soft skill enhancement (speech, financial professional image/behavior coaching, presentation skills)
04 Competency and Expertise Enhancement for New Hires	• Induction training for new hires (university graduates hired through open recruitment) • New hire retention course (follow-up) • Wrap-up course for new hires

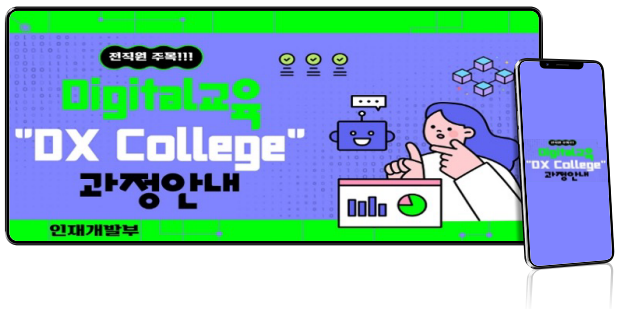
Talent Management

Employee Competency Enhancement

Digital Convergence Talent Development

We provide comprehensive training programs and content to help employees enhance their capabilities and pursue sustainable growth. In particular, we operate internal and external programs aimed at fostering digital convergence talent. These include digital competency training for new hires, along with practical training courses for all employees covering Figma, Python, and Tableau. In addition, we run data science professional training programs through pan-NongHyup industry-academia collaborations and support employees in pursuing digital, IT, and data-related master's degrees at KAIST and Yonsei University, cultivating core convergence talent in-house.

▼ Training for the digital convergence talent development



NH Book Concert

To offer insights on the latest trends and diverse fields of knowledge, we host the NH Book Concert, inviting authors to present lectures on their publications. In 2024, key topics included 'The Art of Self-Recovery Through Mental Endurance, Empathy, and Adaptability', 'Survival Strategy in the AI Era: How to Live as an AI Sapiens', and 'Trend Korea 2025'. Employees were also encouraged to deepen their understanding of the lectures through supplementary reading.

Sustainability Management Training for Employees

We provide training opportunities tailored to employees' role and responsibilities to strengthen their understanding of sustainability management and implementation capabilities. We supported employees in leadership positions to participate in the ESG Leadership Course jointly organized by the Green Fund and Maeil Economic Daily, with the Heads of the ESG Group and Client Solution Group completing the program in 2024. Additionally, all employees have year-round access to sustainability management and climate change micro-learning courses via the Smart Training Center to support self-directed learning. In 2024 alone, 1,807 employees completed a total of 761 hours of sustainability management training.

Sustainability Management Training Provided to Employees in 2024

Target	Course
Executives	ESG leadership course
All employees	[How to ESG] Inevitable Journey towards Sustainability Management
	[Finance Academy] ESG Finance, from Induction to Practice
	[Book Learning] ESG Branding Workbook
	Practice on Protecting Workers Performing Emotional Labor to Advance ESG Management
	[H Pick+Sell] ESG Action Plan
	Strategy to Prepare for the ESG Revolution – Training for All Employees!
	ESG, Sustainable Business Strategy Shaping a Future
	What is the ESG-driven Life in the Age of the Climate Crisis and Net Zero?
	Prepare for Net Zero, the ESG Era
	[Book Learning] Carbon War
	63 micro-learning courses on ESG and climate change

Safety and Health System

Safety and Health Policy

We announced our Safety & Health Management Policy to place the highest priority on protecting the health and safety of all employees. We ensure that all employees comply with health and safety standards in line with both domestic regulations and international norms, and we offer medical checkup and mental well-being programs to help prevent and manage work-related health issues. We remain committed to fostering a safe and healthy work environment for all employees.

ISO 45001 Certification

In July 2024, we successfully passed the ISO 45001 surveillance audit, maintaining our certification. This reflects our capability in proactively identifying and preventing potential workplace risks, as well as systematically managing occupational health and safety. In accordance with relevant domestic laws and international standards, we implement various safety activities, including fire drills, to ensure a secure work environment. In 2024, there were two cases of occupational injury and safety incidents, which prompted the development of enhanced safety management action plans aimed at achieving zero incidents.

Talent Management

Safety and Health System

Industrial Safety and Health Committee

To help establish an optimal working environment and uphold employees' right to health, we convene the Industrial Safety and Health Committee on a quarterly basis. The Committee is composed of six employee representatives and six employer representatives, and it deliberates and decides on key matters related to workplace safety and health. We will continue to actively operate the Industrial Safety and Health Committee as a platform for collecting employee feedback and strengthening our workplace safety management.

Industrial Safety and Health Committee Meetings Held

Date	Key Decision Agendas
14.Mar.24	Share the results of 2023 health check-ups and group accident insurance and discuss health checkup plans for 2024
26.Jun.24	Discuss employee health issues relating to corporate HVAC operations and safety accidents resulting from structures installed at the head office
26.Sep.24	Discuss the improvement of head office working conditions and the health checkups provided in 2024
12.Nov.24	Discuss safety and health plans for 2025

Support for Employee Mental Well-being

We conduct a variety of initiatives to promote employees' psychological well-being. One key initiative is the EAP (Employee Assistance Program), which offers counseling support to address concerns across different aspects of daily life, including family, personal, and work-related matters. The EAP is also extended to each employee's spouse and children, who can conveniently access services of conduct self-assessments through a dedicated website or mobile application. Various formats of counseling, such as in-person sessions and phone consultations, are offered to ensure greater accessibility and support. In addition, we distribute a weekly EAP Letter every Friday, covering a range of themes to encourage employees to care for their mental well-being amid their busy schedules.

Employee Mental Well-being Programs

Category	Description
Family	Understanding one's family, psychological development evaluation for children, children's behavioral and emotional issues, and conflict with family members
Personal	Emotional and psychological issues, personal understanding and growth, difficulties with social relationships
Work	Personal psychological issues related to work, organizational culture and system, relationships at work

Welfare & Benefits

Family-Friendly Benefits for Childbirth, Childcare, and Maternity Protection

We provide a range of policies and benefits to support employees with childbirth, childcare, and maternity protection, fostering a family-friendly workplace. Employees may take up to 24 months of parental leave, with guaranteed fixed pay for the entire leave period. In addition, we offer 120 days of paid leave immediately after childbirth to provide much-needed stability, and allow employees whose children enter elementary school to reduce their working hours by two hours per day. As a result, the average monthly number of employees taking parental leave increased steadily from 6.4 in 2023 to 8.0 in 2024.

Interest Support for Employee Stock Ownership

We promote employee ownership of company stock to help them earn dividend income, build assets, and develop a sense of responsibility toward the Company. To support this, we cover deposit fees, stamp taxes, purchase fees and part of the interest on stock acquisition loans. In cases where the collateral value of employee's loan falls below 70%, we provide additional collateral to offset the shortfall and minimize the impact of stock price fluctuations. We aim to continuously operate the employee stock ownership plan as a means to improve employees' economic and social standing, while also contributing to shareholder value.

Support for Retirement Planning

We offer a variety of programs to help employees prepare for retirement and their post-retirement life. For those nearing retirement, we provide six months of paid leave to allow for structured life planning.

In 2024, we launched the Life Planning Offboarding program for employees approaching voluntary retirement or working under the wage peak system. This program includes practical training in retirement asset management (e.g., IRP, real estate, tax), information on public retirement systems, retirement systems and government support programs, career planning (e.g., certifications, job search), mental and physical well-being, and use of leisure time. These initiatives support future retirees in building a sustainable post-retirement life.

Shared Growth

Partner Management System

We recognize our partners as collaborators and strive to build transparent and ethical relationships based on mutual cooperation. At the time of contract signing, we require our partners to sign a Contractual Integrity Pledge, reinforcing their commitment to anti-corruption principles and mutual cooperation. Upon contract termination, we conduct surveys to assess working-level compliance with relevant laws and procedures, helping prevent and manage corruption in the work process. In addition, we have established a Partner Code of Conduct in the areas of business ethics, labor & human rights, diversity, equity & inclusion, health & safety, and environmental protection to foster win-win partnerships and shared growth.

Startup Collaboration and Ecosystem building

Startup Support and Investment – Open Innovation

We pursue collaboration with startups processing technologies and innovative ideas to develop new services and products, with the goal of achieving shared growth with clients and society. In 2024, we engaged with 57 companies to discuss key services, business models, and partnership initiatives, exploring ideas and technologies necessary for new business development. For startups with strong synergy potential, we collaborated by combining our respective capabilities to co-develop new services or explore innovative business models. In addition, we publish monthly fintech trend reports to help internal departments identify potential collaboration or investment opportunities. We also work closely with the NH Digital Challenge+ program, a fintech incubation initiative run by NongHyup Bank, to support the broader development of the startup ecosystem.

Investing in Quantec

NHIS invested KRW 9 billion in Quantec, an AI-based automated investment platform. We had been collaborating with Quantec to provide robo-advisory services for retirement pensions and pension savings, and the investment decision was based on the company's ability to deliver strong returns through comprehensive strategies and its independent risk management system. In April 2024, we launched a pension savings service by integrating Quantec's robo-advisory AI technology with our financial platform, offering clients differentiated services in retirement pensions and hybrid wealth management.

Managing the NH Digital Alliance Fund

The NH Digital Alliance Fund is a strategic investment vehicle established to build a digitally innovative finance ecosystem. It is co-managed by NHIS and NH Venture Investment, with NongHyup Bank and NH Capital participating as investors. Formed as a new technology business investment association, the fund supports leading digital companies, including startups with innovative technologies, future union companies, and platform providers. In 2024, the fund invested in four companies: December & Company (AI-based financial investment services), Ascent Korea (data-driven marketing solutions), Doctor Diary (a healthcare application company), and Z Enterprise (a fintech startup). NHIS will continue to serve as an expert investor in areas such as fintech, big data, and deep-tech, contributing to the growth of digital financial ecosystem.

Opening the Industry-Academia Cooperation Center

In December 2024, NHIS signed an MOU to establish the 'NH Investment & Securities AI Industry-Academia Cooperation Center' with the Seoul National University Graduate School of Data Science, the Graduate School of Artificial Intelligence at POSTECH, and the Kim Jaechul Graduate School of AI at KAIST. This initiative aims to strengthen partnership with academic institutions in the fields of data and AI and to advance research in financial AI technologies. As the first of its kind in the financial sector, the center will play a key role in cultivating convergence talent in finance and AI and promoting joint research that integrates academic insights with field-based expertise.



▲ MOU for establishing the AI industry-academia cooperation center

Shared Growth

Inclusive Financial and Business Support

Operating the Win-Win Bond Trust System

To address structural limitations in the construction sector, particularly those arising from regulatory frameworks that may result in payment restrictions for construction receivables and potential delays in payments to lower-tier subcontractors, NHIS operates the Win-Win Bond Trust System. This system allows subcontractors to entrust their receivables to a trust company, with construction payments deposited and managed through trust accounts. It is designed to ensure timely payments without delays, protect the rights and interests of laborers and subcontractors, and prevent risks such as construction site disruptions.

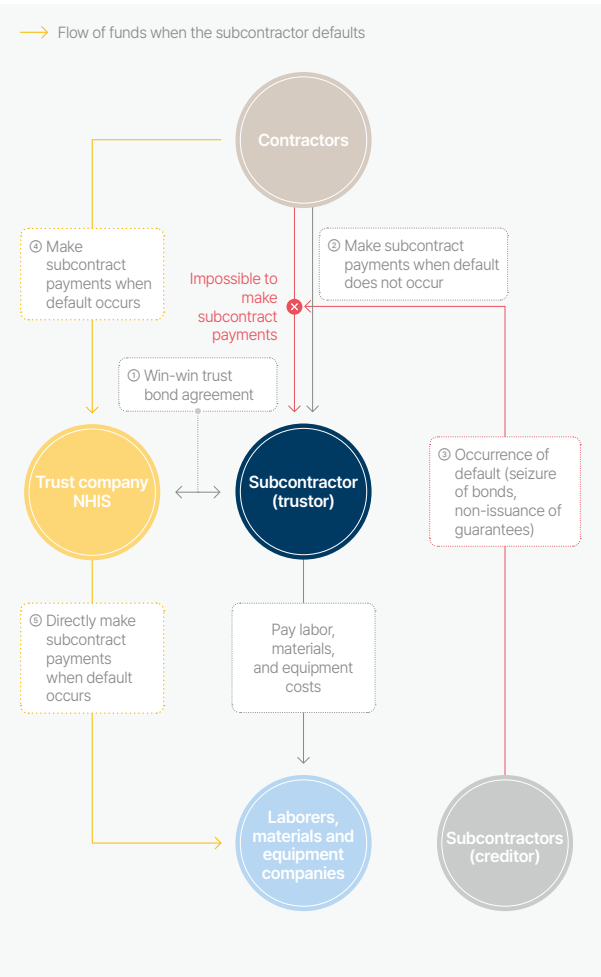
From 2023 to 2024, approximately 5,000 trust contracts were executed, and the Win-Win Bond Trust System was introduced across 539 construction sites and 2,571 subcontractors. In September 2024, a memorandum of understanding was signed with CI Guarantee and Works Mate to create a foundation for extending the system to nearly 10,000 member companies. In recognition of its operational achievements and social contributions, NHIS received the Grand Prize in the Construction Finance category at the 2024 Daehan Economy Construction Awards. Efforts will continue to expand equity in construction payment practices, protect subcontractors' rights, reduce the social cost of wage delays, and support housing stability through ongoing operation of the Win-Win Bond Trust System.

Win-win bond trust system introduced at (cumulative)

539
Construction site

2,571
Subcontractors

Operational Process of the Win-Win Bond Trust System



Supporting the Corporate Financial Consulting Program

We signed an MOU in September 2024 with the Korea CoreBiz Association to provide corporate financial consulting services. Under this agreement, the two parties will jointly offer finance-related advisory programs to member companies in need of funding support, including corporate financing and IPO preparation. These efforts aim to improve the financial structure of small and mid-sized enterprises, facilitate investment attraction, and contribute to shared growth.



▲ MOU with the Korea CoreBiz Association for corporate financing services

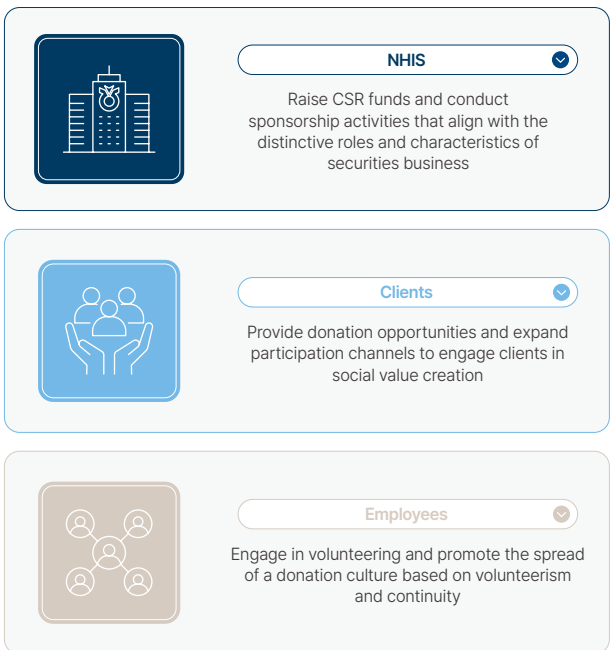
Social Responsibility Management

Social Contribution Framework

CSR Philosophy and Policy

We aim to realize a world of shared happiness by fostering a culture of mutual growth grounded in client success. Our CSR (Corporate Social Responsibility) slogan 'Bright World, Together' reflects our commitment to helping clients build the foundation for a joyful and free life, while acting as a reliable neighbor and partner. Alongside our responsibilities, drawing on the legacy of NongHyup Financial Group's philosophy of Sharing Management. Through these efforts, we seek to contribute to a more inclusive and prosperous future, particularly for underprivileged individuals.

Direction of CSR Initiatives



Operation and Achievements of Our Social Contribution Group

As part of NongHyup Financial Group, NHIS upholds the value of mutural growth and collaboration, and engages in CSR initiatives to promote agriculture as a vital national industry and enhance the well-being of farmers. The Social Contribution Group has been operating under the direct leadership of the ESG Group since 2024, with 37 in-house volunteer teems currently active. In 2024 alone, 6,426 employees contributed nearly 28,672 hours of volunteer work. We also implemented donation-matching programs to amplify the impact of employees' voluntary contributions in support of socially vulnerable groups. To further promote a culture of giving, we provide a community space on our official website to share updates on CSR activities and individual volunteer stories. Moving forward, NHIS will continue to expand its CSR efforts in line with a more systematic and strategic approach.

* As of 2024

6,426 persons
Employees who participated in CSR initiatives

28,672 hours
Hours spent by employees for CSR initiatives

Supporting the Growth of Future Generations

Angel Fund

The Angel Fund is our flagship CSR program launched in 2015 to support vulnerable individuals and children in collaboration with NGOs. Our employees voluntarily donate a fixed portion of their monthly salary and directly select programs to which they wish to contribute. NHIS matches these donations, and the combined funds, totaling KRW 146.4 million annually, are delivered to beneficiaries including the Miral Welfare Foundation and the Korea Pediatric Cancer Foundation.

Hope Tree Scholarship Program Support

Since 2005, we have supported teenagers from low-income families through the 'Hope Tree Scholarship' program, helping them continue their education. Each year, we select 40 outstanding high school students and provide KRW 3 million per student in annual scholarships, along with iPads to support their learning. As of 2024, a total of 760 students have benefited from this program. In addition, we offer KRW 2 million when recipients enter university, encouraging them to pursue higher education. In response to the depopulation of rural areas, we plan to expand the program in 2025 to include teens from multicultural families, grandparent-headed households, and low-income rural communities. NHIS will continue supporting youth in vulnerable situations, and through such efforts, contribute to generating social value.

* As of 2024

cumulative 760 persons
Teens from low-income families who received scholarship support

KRW 146.4 million
Angel Fund sponsorships

Social Responsibility Management

Supporting the Growth of Future Generations

Financial Literacy Education for Teens

We actively promote financial literacy education for teens, equipping them with essential knowledge about financial products and helping protect them from illegal private lending practices. Volunteer instructors from among our employees lead the sessions, which are followed by satisfaction surveys administered via QR code by the Financial Supervisory Service to ensure quality and accountability. In 2024, we partnered with 15 schools and provided 97 sessions across 36 schools. Our efforts were recognized with an award in the 2024 One Company, One School Financial Education category for outstanding financial institution employees. We plan to further expand our financial literacy initiatives, including free-semester education programs, to help more teens build sound financial competencies.

Financial Literacy Education Provided to Teenagers in 2024

Category	2022	2023	2024
Partnerships established (centers/schools)	60 centers/ 65 schools	56 centers/ 69 schools	56 centers/ 84 schools
Education provided (schools/sessions)	26 schools/ 48 sessions	25 schools/ 66 sessions	36 schools/ 97 sessions
Students who received education (persons)	3,489	3,388	5,918

Awards Granted for Financial Literacy Education in 2024

Award	Category	Awardee	Department
Financial Supervisory Service Governor Award	Employees at excellent financial institutions	Seon Ik Kim	Bond Product Department

Hosting a Career in Economics Camp

In July 2024, we held a 'Career in Economics Camp' for employees' children in grades 4 to 6. A total of 200 students participated in this two-day camp, engaging in hands-on activities designed to develop entrepreneurial thinking and explore career paths through mentoring. The program also helped build digital competencies through education based on AI and STEM. We plan to expand the program in the future by incorporating employee feedback and offering more diverse initiatives that involve both employees and their families.

Realizing Community Value

Supporting Seniors Living in Single-room Dwellings in Yeongdeungpo

Since 2013, NHIS has supported residents of single-room dwellings in Yeongdeungpo, Seoul, by providing ginseng chicken soup in summer and briquettes in winter. In July 2024, we delivered 600 servings of ginseng chicken soup, and in December, we provided briquettes, kimchi and other winter essentials. This initiative was even more meaningful as all supplies were purchased through voluntary donations made by our employees. NHIS will continue to carry out diverse CSR initiatives to support local communities and those in need.

Enhancing the Livestock Farming Environment

To mark World Environment Day in June 2024, we planted 300 Blue Ice trees at Anseong Farmland to help reduce carbon emissions, prevent odor dispersion from livestock farms, and improve the surrounding environment. Blue Ice trees are known to help reduce particulate matter by releasing phytoncides. In addition, we painted murals on the outer walls of unused facilities within the farmland to help improve the local livestock farming conditions. These efforts earned us the Commissioner's Award from the Rural Development Administration at the 2024 Korea Agri-Food ESG Management Awards.

Sponsorship Donation for Arts and Culture Education Aligned with the UN SDGs

In 2024, we sponsored a high school in Jakarta, Indonesia, to support its arts and culture education in alignment with the UN SDGs under the leadership of the Korea Arts & Culture Education Service. The sponsorship supported the development of educational content and programs inspired by the arts, contributing to the creation of a sustainable future society through arts and culture education. Our sponsorship totaled KRW 50 million, and we believe this initiative will help promote the global dissemination of arts and culture education aligned with the UN SDGs.

Donation through the 'Good Worker' YouTube Campaign

We launched a video series titled 'Good Worker' on our YouTube channel 'Investment Login by NH Investment & Securities', under the theme of sustainable living. The 'Good Worker' series featured five episodes that encouraged viewers to practice sustainability in everyday life through topics such as volunteering at animal shelters, trying veganism, upcycling, promoting organ donation, and supporting imperfect produce. Each episode was designed to naturally convey the value of sustainability through small, everyday actions.

Alongside the series, we hosted a donation event in which KRW 3,000 was donated for every comment left by viewers. A total of 2,243 comments were submitted, raising approximately KRW 6.73 million. NHIS contributed additional funds bringing the total donation to KRW 45 million, which was delivered to children supported by the Korea Pediatric Cancer Foundation.



▲ Making donations through the 'Top Performer' comment event



▲ Mural painting at the Anseong Farmland

Responsible Board Governance

Board Composition

Composition of the Board of Directors

* As of the end of Mar. 2025

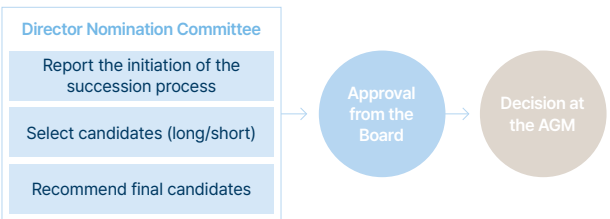
Director	Name	Gender	Tenure[1)]	Career	Expertise	Committee Affiliation
Inside director	Yoon Byoung-Un	Male	27.Mar.2024 ~1.Mar.2026	• Head of the IB Division, NH Investment & Securities • Current) CEO, NH Investment & Securities	Finance Management	-
Outside director	Suh Jung-Won	Male	23.Mar.2023 ~1.Mar.2026	• Research Fellow, SK Economic Research Institute • Member of the Corporate Audit Committee, KOSDAQ HQ, Korea Exchange • Current) Professor, Business School, Sungkyunkwan University	Management Accounting	Audit Committee Compensation Committee Internal Control Committee
	Min Seung-Kyu	Male	27.Mar.2024 ~1.Mar.2026	• First Vice Minister of Agriculture, Food and Rural Affairs • Vice President, Samsung Economic Research Institute (Director of Economic Policy), Advisory Role • Current) Distinguished Professor, Sejong University	Economy	Director Nomination Committee Audit Committee Risk Management Committee
	Kang Ju-Young	Female	27.Mar.2024 ~1.Mar.2026	• Director (Editor-in-Chief), Korea Bigdata Society • Current) Director (Vice President), Korea Intelligent Information Systems Society • Current) Professor, Department of e-Business, School of Business, Ajou University	Management IT/Digital	Compensation Committee Risk Management Committee ESG Committee
	Oh Kwang-Soo	Male	24.Mar.2025 ~1.Mar.2027	• Deputy Chief Prosecutor, Seoul Western District Prosecutors' Office • Director General, Crime Prevention Policy Bureau, Ministry of Justice (chief prosecutor level) • Current) Managing Director, DR & AJU LLC	Law	Director Nomination Committee Compensation Committee Internal Control Committee
	Seo Eun-Sook	Female	24.Mar.2025 ~1.Mar.2027	• Chairperson, Financial Consumer Protection Subcommittee, Financial Development Review Committee, Financial Services Commission • Current) Member of the Consumer Protection Subcommittee, Financial Oversight Supervisory Committee, Financial Supervisory Service • Current) Professor, Faculty of Economics and Finance, Sangmyung University	Finance Economy	Director Nomination Committee Audit Committee ESG Committee
Non-executive director	Moon Yeon-Woo	Male	23.Mar.2023 ~1.Mar.2026	• Chief Risk Officer, NongHyup Property & Casualty Insurance • Vice President, NongHyup Property & Casualty Insurance	Finance Management	Risk Management Committee ESG Committee Internal Control Committee

1) Tenure is based on the date of initial appointment

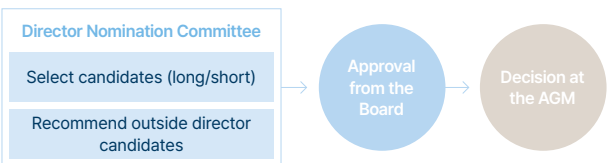
Director Appointment Process

NHIS ensures a fair and transparent process in appointing directors. Candidates for the CEO, outside directors, and auditors are recommended by the Director Nomination Committee and appointed at the Annual General Meeting (AGM). Final CEO candidates are recommended within 40 days following the initiation of the succession process. The Director Nomination Committee is responsible for identifying and evaluating candidates, verifying their qualifications, and selecting both preliminary and final nominees. In the case of outside directors, candidates are recommended based on their ability to fulfill their roles independently, drawing on their professional expertise and experience. In line with our management succession plan and governance principles, we maintain a candidate pool of 98 individual s for the CEO position and 119 for outside directors.

CEO Appointment Process



Outside Director Appointment Process



Responsible Board Governance

Board Composition

Independence and Transparency of the Board of Directors

At NHIS, the Board of Directors deliberates and decides on key matters to protect stakeholder interests and enhance corporate value. As of the end of March 2025, the Board consisted of one inside director, five outside directors, and one non-executive director, with outside directors comprising the majority.

To uphold independence, the Board is chaired by an outside director. Directors serve a two-year term, which may be renewed. Outside directors may serve up to six years at NHIS, or up to nine years including their tenure at affiliated companies. Information regarding the Board's operation, including its composition, the activities of Board committees, and key governance policies, is disclosed on our official website. These details are also made fully available in our integrated reports, annual governance reports, and business reports.

Board Operations in 2024

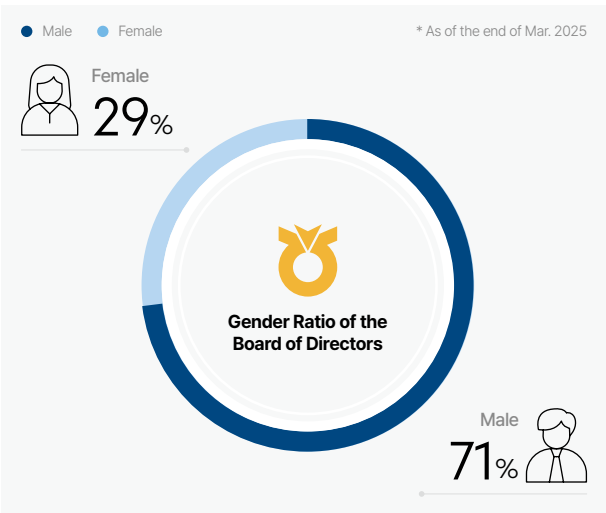
Category		Activity
Decision agenda (items)		35
Reporting agenda (items)		37
Meetings held (meetings)		14
Attendance (%)	Inside director	96.3
	Outside director	95.7
	Non-executive director	100.0

Expertise and Diversity of the Board of Directors

Our Board is composed of professionals with expertise in a wide range of fields, including finance, economics, management, law, accounting, consumer protection, and sustainability. This diversity of knowledge enables sound decision-making and effective oversight. To further strengthen Board capabilities, we provide continuous training through a dedicated program to support directors' understanding of financial sector and our overall business.

We view Board diversity as a core pillar of corporate sustainability and long-term value creation. Accordingly, we appoint directors from diverse backgrounds in terms of gender, age, experience, and area of expertise to ensure a well-balanced Board. In particular, we have appointed two female outside directors to enhance diversity and improve balance and accountability in Board decision-making. NHIS remains committed to continuously advancing the Board's expertise and diversity to reflect a boarder range of perspectives.

Gender Ratio of the Board of Directors



Board Operations

Operational Overview of the Board of Directors

The Board of Directors convenes on a quarterly basis and may meet more frequently as needed. In 2024, the Board held a total of 14 meetings and addressed 72 agenda items, including 35 decision items and 37 reporting items. Regular Board meetings are held to review and approve matters requiring Board decisions each quarter, assess business performance, review matters delegated by the AGM of shareholders, and examine detailed aspects of sustainability management. Directors are provided with related materials in advance so they can thoroughly review and fully understand the agenda items prior to meetings.

Board Performance Evaluation and Compensation

Each year, we establish our executive remuneration system through the Board of Directors and the Compensation Committee to ensure fair and transparent compensation. Inside directors are evaluated by the Compensation Committee based on the achievement of annual management goals and KPIs. Outside and non-executive directors undergo 360-degree evaluations, which include self-assessment surveys, peer reviews, employee feedback, and participation in Board activities. All directors receive annual performance assessments to verify that they are fulfilling their responsibilities in accordance with relevant laws and internal regulations. The results are reported to the Board and disclosed in our annual corporate governance reports.

Competency Enhancement for the Board

The competency and expertise of directors are essential for effective management oversight by the Board. NHIS provides annual training to outside directors to strengthen Board-lever expertise. In 2024, a total of 162 hours of training were conducted over nine sessions, covering strategy, risk management, sustainability, and accounting.

Newly appointed outside directors participated in a training program for financial institution directors provided by the Korea Banking Institute. This program helped enhance their sustainability-related competencies by equipping them with the latest knowledge required for their roles. Topics included the responsibilities of the Board of Directors, governance and performance-based compensation, risk management, and supervisory directions of financial authorities. The training was offered in various formats, including online training.

Responsible Board Governance

Board Operations

Outside Director Training Provided in 2024

Category	Topic	Date of Training
Strategy	Business plan presentations by business division	26.Jan.24
	Corporate overview, key business strategies, and work-related key considerations	28.May.24
Management	Management expertise required of outside directors at financial institutions	30.April.24
	Key responsibilities, legal responsibilities, and issues for outside directors of listed companies	3.Jun.24
	Japan's value-up policy and financial institutions' response	27.Jun.24
Risk Management	Anti-money laundering systems that financial professionals should know	1.Jul.24
	Anti-money laundering (understanding of AML/CFT systems)	29.Aug.24
Sustainability	Trends of sustainability disclosure mandates	25.Jul.24
Accounting	Group-level internal control over financial reporting	2.Dec.24

Operation of Board Committees

Audit Committee

The Audit Committee is up and running to audit the Company's overall accounting and business operations and to audit and improve the appropriateness of the internal control system. The Committee consists of three outside directors to enhance the independence of its internal audit function. The Committee meets regularly each quarter and convenes ad-hoc meetings more often as needed to oversee the decision-making of top management and hold them in check.

Director Nomination Committee

The Director Nomination Committee serves to recommend candidates for CEO, outside director, and auditor roles. The Committee consists of three members, and is mandated to identify, manage, and recommend candidates. To ensure procedural transparency and fairness, the Committee takes into account expertise, fair conduct in job execution, ethics, and diversity in assessing and selecting candidates.

Compensation Committee

The Compensation Committee was established to ensure the objectivity and transparency of director compensation. The Committee is composed of three outside directors and includes one member from the Risk Management Committee to review the alignment between the remuneration system and the Company's financial status and risk factors. The Committee serves to set and evaluate the performance goals of our leadership, and review and decide on compensation-related matters concerning the remuneration system and payment methods.

Risk Management Committee

The Risk Management Committee was established under the Board of Directors to brace for a range of risks that may occur during business operations. The Committee consists of three members including two outside directors, and its members are chosen for their expertise in the areas of economy, management, finance, and risk. The Committee plays a role in establishing our basic principles and strategies for integrated risk management and comprehensively managing risks at all levels, including managing risk capital. To strengthen the Committee's risk management capabilities, we keep providing members of the Committee with relevant training with an aim to enhance its expertise on an ongoing basis.

ESG Committee

In line with the mounting importance of sustainability, NHIS is operating the ESG Committee to manage, oversee, and internalize sustainable management. The Committee plays a pivotal role in establishing our sustainability management strategies and managing and overseeing their implementation. The Committee also makes decisions on matters related to establishing sustainability management strategies and receives reports on the progress made and the results achieved in implementing sustainable management. The ESG Committee consists of a total of three members, including two outside directors, and supports the establishment of sustainability management direction from a governance perspective and its effective implementation across the company.

Internal Control Committee

To enhance organizational transparency and credibility while strengthening internal controls, NHIS established the Internal Control Committee in March 2025. The Committee consists of three members, including two outside directors and is responsible for setting fundamental guidelines and strategies for internal control. It also deliberates and makes decisions on initiatives aimed at fostering a corporate culture that values ethical conduct and compliance. In addition, the Committee reviews internal control practices performed by executives listed on the accountability chart, including the CEO. It recommends necessary improvements to prevent potential organizational risks and to ensure their systematic management.

Overview of Board Committees in 2024

Unit: Items, Occasions, %

Committee	Role	Decision Item	Reporting Item	Meetings Held	Attendance
Director Nomination Committee	Recommend candidates for the CEO, outside directors, and auditors to be appointed at the AGM	10	1	7	100.0
Audit Committee	Evaluate and improve the appropriateness of the internal control system and business performance	15	6	7	100.0
Compensation Committee	Set and evaluate performance goals for leadership and establish a remuneration system	8	1	6	95.7
Risk Management Committee	Establish and manage policies to address risks that may occur during business conduct	11	9	7	96.4
ESG Committee	Establish ESG management strategies	1	6	3	91.7

Ethics and Compliance

Implementation of Ethical Management

Ethical Management System

To fulfill our economic, legal, and social responsibilities as a company, NHIS established principles of ethical conduct and remains committed to promoting transparent and responsible management. We have adopted the NH Financial Group Ethics Charter as the foundations for sound judgement and behavioral standards for all employees, and further specified our ethical standards in the Ethics Charter, the Code of Ethics, and the Code of Conduct for Employees. In 2024, we conducted a company-wide self-assessment based on the Code of Conduct for Employees checklist.

Ethics Awareness-Raising Training for Employees

We offer a variety of training programs to raise employees' awareness of ethics and strengthen their commitment to legal compliance. Every Thursday, we provide video-based training on ethics and compliance, accompanied by short quizzes to help employees integrate ethical thinking into their daily routine. For experienced new hires, we deliver biannual training on our internal ethical management regulations and related practices.

Implementation of Fair-Trade Practices

NHIS adheres to transparent and fair procedures in contract execution. Partner selection is based on clearly defined criteria in accordance with our internal contract operation rules. We utilize an electronic bidding system for the entire process from bidding to payment. For sensitive intellectual property, including IT assets, they are handled through the NongHyup-wide integrated IT procurement system operated by the National Agricultural Cooperative Federation. In line with internal rules, companies employing our former employees who left NHIS within the last three years are excluded from bidding. To ensure transparency, personnel in charge are required to sign an anti-corruption pledge when signing contracts. In addition, the Compliance Officer provides annual ethical training to personnel responsible for construction outsourcing and procurement contracts.

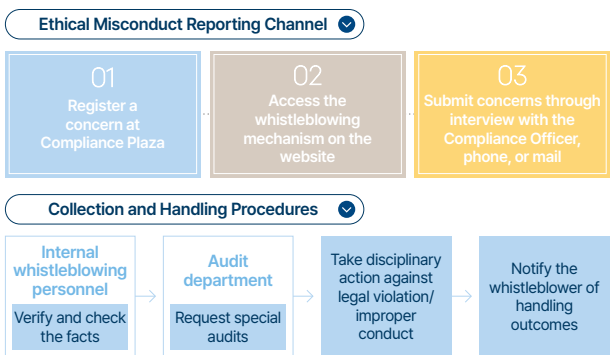
Ethical Management Training Support for Partners

In response to the growing importance of business ethics and data privacy, NHIS promotes a culture of ethical conduct and compliance among partners. We distribute annual 'Compliance Officer Letters' outlining our principles for ethical and compliance management, supporting our partners in strengthening their risk management capabilities based on mutual trust and close collaboration.

Whistle-blowing Mechanisms for Ethical Misconduct

We operate independent internal and external reporting systems that allow reports not only on employee misconduct, corruption, and violations of the code of conduct, but also on human rights violations such as sexual harassment, bullying, and discrimination. Various channels including in-person, mail, telephone, and online platforms enable not only employees but also external stakeholders to submit reports, with the anonymity of whistleblowers being thoroughly guaranteed. After receiving reports, Compliance Officer investigates the case, and if the violation is confirmed, appropriate disciplinary actions are taken against those involved along with the establishment of systematic measures to prevent recurrence. Additionally, to promote active reporting and enhance human rights sensitivity, we operate special whistleblowing periods, creating an environment where employees can voluntarily report ethics and human rights-related issues.

Ethical Misconduct Reporting Channels and Procedures



Strengthening Internal Control and Compliance Capabilities

Certifying the Internal Control System to External Standards

Our internal control and compliance systems are systematically managed to ensure ethical conduct and legal compliance. We have undergone independent audits by third-party professional institutions in the areas of organizational practices, regulatory risk assessment, compliance management system, anti-corruption, and ethical management. As a result, we achieved certifications in both ISO 37301 (compliance management system) and ISO 37001 (anti-corruption management system), which were successfully renewed in 2024. Moving forward, we will continue to prevent corruption risks and build client and investor trust in alignment with these internationally recognized standards.



▲ ISO 37301/37001 certificates

Internal Control Operations

We operate an internal control system that supports our employees in complying with relevant laws and regulations and preventing misconduct. We continually monitor legal compliance and internal rules to detect potential issues early and provide ongoing training and consulting to emphasize the importance of compliance. We also conduct internal control self-assessments for department heads to identify risk areas and define improvement targets and action plans.

Ethics and Compliance

Strengthening Internal Control and Compliance Capabilities

Internal Control Governance

We have established a dedicated organizational structure to strengthen internal control effectiveness. The Internal Control Committee sets basic principles and strategic direction, while the Internal Control Council develops and executes policies and plans. Departments responsible for internal control contribute to reducing legal risks and improving ethical practices through compliance monitoring, legal counsel, and control training.

Enhancing the Independence of the Audit Committee

To strengthen the independence of the Audit Committee, we abolished the standing auditor system and restructured the Audit Committee to consist solely of three outside directors in 2025. Their diverse experience and expertise strengthen the objectivity and integrity of evaluating the company's financial soundness and business operations. This change is expected to ensure transparency of our audit processes and improve our long-term corporate value.

Conducting Internal Audits

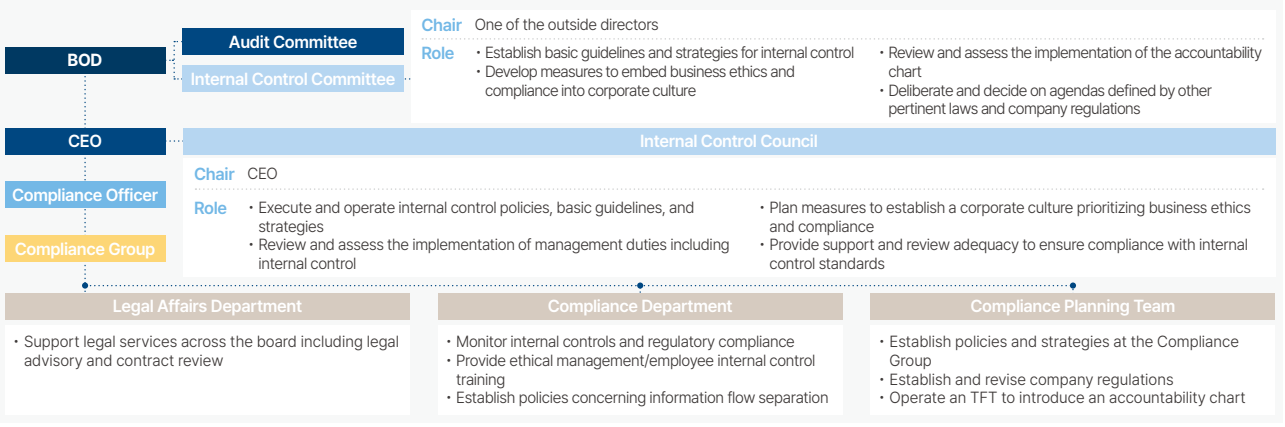
We have established an internal control system to uphold compliance management and conduct regular internal audits to assess its effectiveness. Departments at the head office and overseas/domestic subsidiaries are audited every two years. Super-large branches undergo annual audits, while other branches are audited biennially. Sector-specific audits, including cash audits and account book audits, are carried out on an annual or biennial basis. Audit findings and key violations are shared through our internal bulletin board to help employees understand the importance of internal controls and prevent the recurrence of similar issues. In 2024, internal audits were conducted at 109 sites, including head office departments and branches, and improvement measures were taken to address identified deficiencies.

Internal Audits Conducted Over the Past 3 Years

Unit: Occasions

Category	2022	2023	2024
Comprehensive audits	104	95	85
Sectional audits	19	17	24
Total	123	112	109

Internal Control Governance



Financial Incident Prevention Training

Recurring financial incidents have heightened public demand for stronger internal controls at financial institutions. In response, NHIS provides employees with training programs covering the fundamentals of internal controls, including root causes of financial incidents, their significance, and specific preventive measures. In 2024, the scope of this training was expanded to include the entire workforce and formalized into a six-session annual curriculum. By providing financial incident prevention training and evaluating its effectiveness, we aim to enhance our organizational risk management capabilities and foster internal control specialists.

Introducing an Accountability Chart

In accordance with the Act on Corporate Governance of Financial Companies, NHIS plans to introduce an accountability chart in July 2025. To ensure its effectiveness, we are participating in a pilot project led by the Financial Supervisory Service for financial investment businesses. We have also launched the Compliance Planning Team, composed of internal control specialists, to navigate the evolving regulatory landscape and are pursuing related projects under the guidance of legal experts. These efforts range from developing the accountability chart to establishing procedures for reviewing the execution of managerial duties. By building an integrated accountability management system, we aim to align related processes from executive responsibilities to internal control reviews and raise organizational awareness to prevent financial incidents.

Anti-Money Laundering Activities

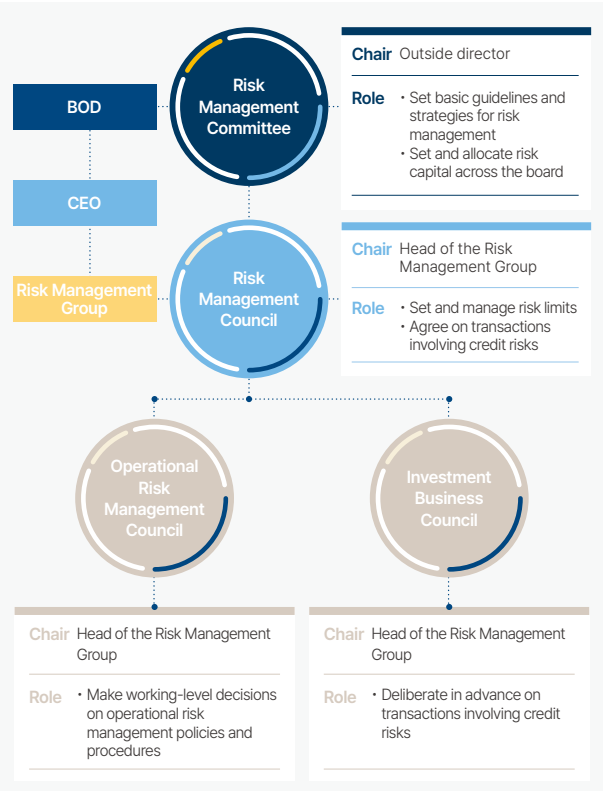
We operate a Customer Due Diligence (CDD) system, which includes verifying client identities, confirming transaction purposes, and identifying beneficial owners, to prevent misuse of financial products and services for money laundering. For high-risk of suspicious clients, we conduct Enhanced Due Diligence (EDD), which involves collecting additional information such as the purpose of transactions and the source of funds. We also monitor risks using big data analytics to detect crime patterns, including investment scams and voice phishing. When suspicious accounts are identified, we perform enhanced identification procedures and restrict transactions to reduce company-wide money laundering risks. Our anti-money laundering system was evaluated by the Korea Financial Intelligence Unit and received a rating of 'excellent' for operational risk indicators and 'high' for high-risk indicators in the 2024 assessment.

Risk Management

Risk Management Governance

Operating the Risk Management Committee

To manage and prevent risks that may arise in business operations, we regularly report the status of risk management by risk type to the Risk Management Committee and top management. The Risk Management Group, a dedicated unit under the direct supervision of the CEO, is responsible for risk management planning, setting, and monitoring risk limits, managing regulatory ratios, and conducting review and oversight activities.



Risk Prevention Activities

Implementing Business Continuity Plans (BCP)

We have established Business Continuity Plans (BCP) to ensure service continuity in the event of emergencies such as IT system failures, infectious disease outbreaks, fires, earthquakes, and other unforeseen incidents. When an emergency occurs, the BCP Operational Committee is activated in accordance with emergency manuals to maintain critical operations. We have also developed contingency plans for personnel losses in IT operations and other key functions, as well as surges in non-face-to-face transactions. These measures help secure the continuity and resilience of our operations and proactively mitigate potential risks.

Risks and Opportunities

① Growth in Overseas and Alternative Asset Investments

The increasing diversification of client investment preferences is driving demand for overseas and alternative assets. In response, NHIS is strengthening its asset evaluation capabilities and enhancing the reliability of product structures to secure the stability of its profit base. We set exposure limits by asset type and country to manage the risk of over-concentration, and we operate a dedicated credit risk management department to oversee risk associated with these investments.

② Rising Financial Market Volatility

Volatility in bond and stock markets is increasing due to potential shifts in benchmark interest rate policies by financial authorities. Fluctuating market interest rates have heightened risks in the bond market, while concerns over the global economic slowdown and moderating inflation expectations have intensified volatility in stock markets. Such conditions can adversely affect derivative product operations and hedging. NHIS responds by managing the issuance volume of derivatives through the ELS·DLS Issuance Council in line with changing market dynamics.

③ Increased Credit Risks in Real Estate and PF

Amid tighter regulations aimed at curbing credit risks in the real estate PF market, NHIS has set a cap on real estate PF operations through coordination with NongHyup Financial Group. As a result, our PF asset size remains relatively modest compared to other major securities firms. We also conduct regular post-investment supervision by asset type to mitigate the spread of liquidity and credit risks stemming from PF insolvency.

Risk Management Process

① Market Risk Management

We work to minimize losses from market fluctuations by conducting daily VaR (Value at Risk) analyses at a 99% confidence level. Sensitivity analyses are also performed to assess value change in response to fluctuations in stock prices, interest rates, exchange rates, and volatility. In addition, stress tests are carried out to evaluate potential losses under crisis scenarios and to strengthen risk preparedness.

② Credit Risk Management

Credit risk is managed to prevent losses from counterparties failing to meet their repayment or settlement obligations. We assess credit exposures across loans, investment securities, and derivatives, and establish exposure limits by counterparty, affiliate, and asset book to control concentration risk. Rigorous credit rating evaluations, approval procedures, and monitoring of default indicators are implemented, supported by a structured post-investment review system to improve overall asset quality.

Risk Management

Risk Management Process

Credit Risk Management Process



Risk Management Vehicles

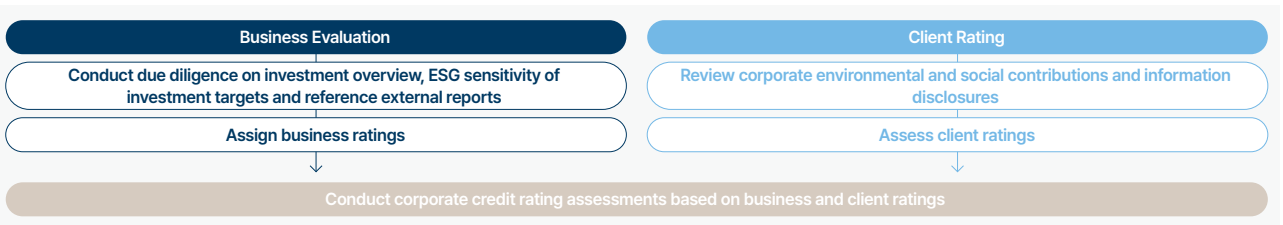
Vehicle	Description
Sensitivity analysis	Measure changes in value according to changing market risk factors such as stock prices, interest rates, exchange rates, and volatility
Stress Test	Measure potential losses that may occur in the event of unexpected events such as market crisis
Risk Appetite	Ratio of risk capital[1] against available capital: 53.4% in risk appetite in 2024 (as of the end of Dec.)

1) Capital allocated to cover potential losses on assets

Financial and Non-financial Risk Management

Type of Risk	Description	NHIS' Management Approach
Market risk	Losses occur as the value of investment assets declines due to changes in interest rates, stock prices, or exchange rates among others	• Verify the derivative product models used for value assessment and risk measurement on an ongoing basis • Minimize the risk of distortions affecting profit/loss and risk measurements
Credit risk	Risks occur due to counterparty default, credit rating downgrades, or contractual breaches	• Assign differential credit limits according to the credit rating and transactional volume of counterparties • Improve the quality of assets by differentiating the decision-making process by credit rating and transactional volume
Liquidity risk	Issues may occur for external payments due to the shortage of asset liquidity	• Include all assets and liabilities in the scope of risk management to analyze daily positions of assets, liabilities, and off-balance-sheet transactions to measure liquidity and interest rate risks • Finance and risk management departments engage in company-wide liquidity monitoring and control while analyzing and reporting on crisis situations • Categorize liquidity management into three levels to establish a phase-specific response system
Operational risk	Economic losses may occur due to inappropriate or inadequate internal procedures, personnel, systems, or external events during the course of operations	• Establish a company-wide Operating Risk Management System (ORMS) • Organizational risk managers perform regular daily/monthly risk control self-assessments and manage key risk indicators • Perform organizational regular risk level reviews and control potential operational risks
Environmental risk	Financial and non-financial corporate losses may occur due to environmental issues	• Control equity investments or loans for businesses and companies involved in such non-environmentally friendly operations as power plants and coal terminals
ESG risk	Risks may arise in the three areas of environment, society, and governance	• Provide training to all employees to elevate their ESG understanding • Establish a series of client business rating assessment procedures in the deal evaluation process, ranging from reviewing ESG-related disclosures to referring to external specialist reports and conducting mandatory due diligence • Design and establish an ESG-conscious evaluation process • Apply ESG factors to the corporate credit rating assessment system and identify improvement plans and non-financial assessment items

ESG-related Corporate Credit Rating System



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Financial Statements

Independent Auditor's Report

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

Opinion

We have audited the 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 of December 31, 2024, 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 the notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024, 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 ("KIFRS").

We have audited the Group's internal control over financial reporting ("ICFR") as of December 31, 2024 based on the Conceptual Framework for Design and Operation of ICFR established by the Operating Committee of ICFR in Korea, in accordance with Korean Standards on Auditing ("KSA"), and our report dated March 4, 2025 expressed an unqualified opinion thereon.

Basis for opinion

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

Key audit matters

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

1. Valuation of over-the-counter derivatives classified as Level 3 of the fair value hierarchy

As described in Note 9 to the consolidated financial statements, the Group classifies financial instruments into Levels 1, 2, or 3 of the fair value hierarchy based on observability of inputs used in measuring fair value. Financial instruments are classified as Level 3 when one or more significant inputs are unobservable in the market.

Financial instruments classified as Level 3 use diverse valuation techniques and variables as described in Note 9. There are inherent uncertainties in accounting estimates as the fair value measurement may significantly vary depending on management's selection of valuation techniques and determination on unobservable inputs. Because the amount of over-the-counter (OTC) derivatives classified as Level 3 is significant and the applicable valuation method and unobservable inputs may affect the fair value measurement, we determined the valuation of OTC derivatives classified as Level 3 as a key audit matter.

As audit procedures to address this key audit matter, we did:

- Understand and evaluate internal controls relating to the fair value measurement process of OTC derivatives and derivative-linked securities measured using Level 3 inputs.
- Test the management of the Group's control over the assessment of fair value measurement results.
- Compare contractual issuance information to data entered in the system for the selected samples of contracts used in the fair value measurement.
- Involve internal valuation specialists to independently recalculate and assess, on a sample basis, the fair values of OTC derivatives and derivative-linked securities measured using Level 3 inputs, and review differences, if any.
- Assess whether the fair value hierarchy classification of financial instruments is consistent with the nature of inputs used in their valuation.

Financial Statements

2. Measurement of allowance for expected credit losses on individually assessed project finance loan

As described in Note 7 to the consolidated financial statements, the Group classifies credit risk of loan receivables into three stages based on changes in credit risk indicators and occurrence of impairment events, performing both collective and individual assessments. For collective assessments, the Group applies probabilities of default, loss given default, and exposure at default. For individually assessed loans, the Group calculates expected credit losses based on estimated future recoverable cash flows derived primarily from collateral values.

As stated in Note 42 to the consolidated financial statements, the measurement of allowance for loan losses involves various inputs and assumptions in credit risk assessment, collective assessment, and individual assessment processes. There are inherent uncertainties in accounting estimates as measurement results may significantly vary depending on management's determination of credit risk assessment policies and inputs. Because the amount of allowance for loan losses is significant and the inputs and policies applied for the credit risk assessment may affect the assessment results, we determined the measurement of allowance for expected credit losses on individually assessed project finance loans as a key audit matter.

As audit procedures to address this key audit matter, we did:

- Understand internal controls relating to the allowance calculation process, including management's review controls for individually assessed expected credit losses on project finance loans, and test samples thereof.
- Test the appropriateness of estimated future recoverable collateral cash flows for individually assessed allowances by sampling relevant loans and independently recalculating using both internal and externally verified information.

Other matters

The financial statements for the year ended December 31, 2023, presented for comparative purposes, were audited by Samil PricewaterhouseCoopers, whose audit report dated March 6, 2024 expressed an unqualified opinion thereon.

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 KIFRS, 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.

Financial Statements

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 KSA 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 KSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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



Seoul, Korea
March 4, 2025

This report is effective as of March 4, 2025, the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's report to the time this report is used. Such events and circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to this report.

Financial Statements

Consolidated Statements of Financial Position

as of December 31, 2024 and 2023

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	Notes	December 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents	39,41	₩ 1,584,469	₩ 2,175,480
Financial assets at fair value through profit or loss ("FVTPL")	4,5,8,9,10,11,12,41,42	32,131,588	27,336,579
Financial assets at fair value through other comprehensive income ("FVOCI")	6,9,10,11,12,42	8,228,102	7,009,191
Financial assets at amortized cost, net	7,8,9,10,12,41,42	19,323,931	19,134,898
Investments in associates and joint ventures	13,41	471,930	336,846
Property and equipment, net	12,14,41	138,608	182,713
Investment properties, net	12,15	289,526	259,459
Intangible assets, net	16,41	98,625	65,379
Right-of-use assets	17,41	82,016	93,175
Current tax assets		7,077	9,235
Deferred tax assets	37	22,630	19,490
Other assets	18,41,42	48,563	75,448
Total assets		**₩ 62,427,065**	**₩ 56,697,893**
Liabilities			
Deposits due to customers	9,19,41,42	₩ 7,971,818	₩ 7,177,425
Financial liabilities at fair value through profit or loss ("FVTPL")	5,9,10,20,41,42	12,163,479	12,754,976
Borrowings	9,10,11,21,39,42	24,446,513	18,919,143
Debentures	9,21,39,42	2,850,402	2,914,953
Other financial liabilities	9,10,22,39,41	6,179,344	6,882,009
Provisions	23,40	104,799	54,385

Financial Statements

Consolidated Statements of Financial Position

as of December 31, 2024 and 2023

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	Notes	December 31, 2024	December 31, 2023
Current tax liabilities		284,366	160,887
Deferred tax liabilities	37	16,268	5,705
Other liabilities	24,25,41	290,707	214,982
Total liabilities		**₩ 54,307,696**	**₩ 49,084,465**
Equity			
Equity attributable to equity holders of the parent	26		
Capital stock		₩ 1,782,560	₩ 1,782,560
Capital surplus		1,867,180	1,867,180
Other components of equity		523,792	377,373
Retained earnings (Regulatory reserve for credit loss: ₩ 118,280 million as of December 31, 2024 and ₩ 85,902 million as of December 31, 2023 Estimated transfer to (reversal of) regulatory reserve for credit loss: ₩ (18,337) million as of Decmeber 31, 2024 and ₩ 32,378 million as of December 31, 2023)		3,940,848	3,584,666
		8,114,380	7,613,428
Non-controlling interests		4,989	1,649
Total equity		**8,119,369**	**7,613,428**
Total liabilities and equity		**₩ 62,427,065**	**₩ 56,697,893**

Financial Statements

Consolidated Statements of Comprehensive Income

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

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

	Notes	2024	2023
Net fee and commission income	27,41,44		
Fee and commission income		₩ 1,178,025	₩ 1,039,083
Fee and commission expense		223,349	249,803
		954,676	789,280
Net interest income	31,41		
Interest income			
Interest income calculated using the effective interest method		1,109,668	1,058,439
Interest income on financial instruments at fair value through profit or loss		630,769	553,845
		1,740,437	1,612,284
Interest expense		938,662	820,967
		801,775	791,317
Net loss on financial instruments at fair value through profit or loss	28	(148,682)	(20,184)
Net gain (loss) on financial assets at fair value through other comprehensive income	29	9,326	(15,182)
Net gain (loss) on financial assets at amortized cost	32	(275)	68
Provision of credit losses	33	87,049	110,013
Gain on foreign exchange transaction		274,620	78,180
General and administrative expenses	34,41	(1,110,899)	(952,720)
Other operating revenue	35,41	207,577	165,011
Operating income		901,069	725,757
Non-operating income	36	112,926	95,107
Non-operating expenses	36	89,138	100,135
Profit before income taxes		924,857	720,729
Income tax expense	37	238,219	167,681

Financial Statements

Consolidated Statements of Comprehensive Income

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

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

	Notes	2024	2023
Profit for the year		**₩ 686,638**	**₩ 553,048**
Net profit attributable to the equity holders of the parent (adjusted profit after regulatory reserve for credit loss for the years ended December 31, 2024 and 2023, amounted to ₩ 704,998 million and ₩ 524,061 million, respectively)		₩ 686,659	₩ 556,440
Net loss attributable to the non-controlling interests		(21)	(3,392)
Other comprehensive income, net of tax			
Items that may be subsequently reclassified to profit or loss			
Gain on valuation of debt securities at FVOCI		₩ 17,919	₩ 100,542
Gain on valuation of investments in associates		330	-
Loss on valuation of derivative instruments for hedging		-	(1,015)
Gain on translation of overseas operations		156,041	10,990
Other comprehensive income (loss) attributable to the non-controlling interests		118	(25)
		174,408	110,492
Items that will not be reclassified to profit or loss			
Gain on valuation of equity securities at FVOCI		8,571	21,811
Adjustment of credit risk of financial liabilities measured at FVTPL		2,260	(24,293)
Remeasurement of the defined benefit plan		(38,702)	(29,849)
		(27,871)	(32,331)
Total other comprehensive income		146,537	78,161
Total comprehensive income		**₩ 833,175**	**₩ 631,209**
Comprehensive income attributable to the equity holders of the parent		833,079	634,626
Comprehensive income (loss) attributable to the non-controlling interests		96	(3,417)
Basic earnings per share (in Korean won)	38	₩ 1,966	₩ 1,588
Diluted earnings per share (in Korean won)	38	₩ 1,966	₩ 1,588
Basic earnings per share for preferred stocks (in Korean won)	38	₩ 2,016	₩ 1,638

Financial Statements

Consolidated Statements of Changes in Equity

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	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 as of January 1, 2023	₩ 1,782,560	₩ 1,867,583	₩ 299,187	₩ 3,274,063	₩ 7,223,393	₩ 4,663	₩ 7,228,056
Transactions with owners:							
Dividend paid	-	-	-	(245,841)	(245,841)	-	(245,841)
Effect of consolidated tax payment by subsidiaries	-	-	-	4	4	-	4
Changes in the consolidation scope (changes in non-controlling interests)	-	(403)	-	-	(403)	403	-
Total comprehensive income:							
Profit (loss) for the year	-	-	-	556,440	556,440	(3,392)	553,048
Other comprehensive income							
Gain on valuation of financial assets at FVOCI	-	-	122,353	-	122,353	-	122,353
Loss on changes in credit risk of financial liabilities at FVTPL	-	-	(24,293)	-	(24,293)	-	(24,293)
Remeasurement of the defined benefit plan	-	-	(29,849)	-	(29,849)	-	(29,849)
Loss on valuation of derivative instruments	-	-	(1,015)	-	(1,015)	-	(1,015)
Gain on translation of overseas operations	-	-	10,990	-	10,990	(25)	10,965
Balance as of December 31, 2023	**₩ 1,782,560**	**₩ 1,867,180**	**₩ 377,373**	**₩ 3,584,666**	**₩ 7,611,779**	**₩ 1,649**	**₩ 7,613,428**

Financial Statements

Consolidated Statements of Changes in Equity

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	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 as of January 1, 2024	₩ 1,782,560	₩ 1,867,180	₩ 377,373	₩ 3,584,666	₩ 7,611,779	₩ 1,649	₩ 7,613,428
Transactions with owners:							
Dividend paid	-	-	-	(278,946)	(278,946)	-	(278,946)
Cancellation of treasury shares	-	-	-	(51,532)	(51,532)	-	(51,532)
Changes in the consolidation scope (changes in non-controlling interests)	-	-	-	-	-	3,243	3,243
Total comprehensive income:							
Profit (loss) for the year	-	-	-	686,659	686,659	(21)	686,638
Other comprehensive income							
Gain on valuation of financial assets at FVOCI	-	-	26,490	-	26,490	-	26,490
Gain on changes in credit risk of financial liabilities at FVTPL	-	-	2,260	-	2,260	-	2,260
Gain on valuation of equity method investments	-	-	330	-	330	-	330
Remeasurement of the defined benefit plan	-	-	(38,702)	-	(38,702)	-	(38,702)
Gain on translation of overseas operations	-	-	156,041	-	156,041	118	156,159
Balance as of December 31, 2024	**₩ 1,782,560**	**₩ 1,867,180**	**₩ 523,792**	**₩ 3,940,847**	**₩ 8,114,379**	**₩ 4,989**	**₩ 8,119,368**

Financial Statements

Consolidated Statements of Cash Flows

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	Notes	2024	2023
Cash flows from operating activities			
Profit for the year		₩ 686,638	₩ 553,048
Other adjustments to reconcile net income to net cash used in operating activities	39	(836,075)	(774,160)
Changes in operating assets and liabilities	39	(5,171,090)	(1,866,852)
Interest income received		1,748,291	1,519,274
Interest expense paid		(802,973)	(770,416)
Dividend received		282,257	338,991
Income taxes paid		(103,746)	(153,931)
Net cash flows used in operating activities		(4,196,698)	(1,154,046)
Cash flows from investing activities			
Acquisition of financial assets at FVOCI		(5,027,701)	(4,465,908)
Disposal of financial assets at FVOCI		3,816,230	6,097,174
Acquisition of investments in associates		(97,027)	(132,386)
Disposal of investments in associates		113,069	178,049
Acquisition of investment properties		(2,935)	-
Disposal of investment properties		1,322	-
Acquisition of property and equipment		(32,136)	(41,213)
Disposal of property and equipment		667	73
Acquisition of intangible assets		(7,138)	(4,557)
Disposal of intangible assets		-	207
Increase in deposits		(1,347)	(19,149)
Decrease in deposits		12,372	39,926

Financial Statements

Consolidated Statements of Cash Flows

for each of the two years in the two-year period ended December 31, 2024

NH Investment & Securities Co., Ltd. and its subsidiaries

(in millions of Korean won)

	Notes	2024	2023
Net cash inflows due to changes in consolidation scope		-	13,827
Net cash outflows due to changes in consolidation scope		(33,505)	-
Net cash flows provided by (used in) investing activities		(1,258,129)	1,666,043
Cash flows from financing activities		4,762,540	(313,867)
Net increase in borrowings		5,446,364	590,982
Increase in debentures		4,066,549	6,115,838
Decrease in debentures		(4,190,000)	(6,734,000)
Decrease in lease liabilities		(35,262)	(36,701)
Increase in deposits received		1,245	135
Decrease in deposits received		(350)	(529)
Decrease in non-controlling liabilities		(198,771)	(3,751)
Dividend paid		(278,946)	(245,841)
Increase in non-controlling interests		3,243	-
Cancellation of treasury shares		(51,532)	-
Net cash flows provided by (used in) financing activities		4,762,540	(313,867)
Net increase (decrease) in cash and cash equivalents		(692,287)	198,130
Effect of exchange rate changes on cash and cash equivalents		101,276	10,116
Cash and cash equivalents at the beginning of the year	39	2,175,480	1,967,234
Cash and cash equivalents at the end of the year	39	**₩ 1,584,469**	**₩ 2,175,480**

Sustainability Data

Economy

Economic Value Creation and Distribution

Category			Unit	2022	2023	2024
Economic value created and distributed	Direct economic value created	Operating income	KRW 100 million	5,213.6	7,257.6	9,010.7
	Economic value distributed[1]	Operating expenses	KRW 100 million	1,623.4	1,637.7	1,915.2
		Employee wages[2]	KRW 100 million	5,245.4	6,071.8	7,238.2
		Shareholder dividends	KRW 100 million	2,458.4	2,789.5	3,293.4
		Creditor interest payments[3]	KRW 100 million	228.2	324.4	536.0
		Government taxes[4]	KRW 100 million	1,372.9	1,676.8	2,382.2
		Local community investments	KRW 100 million	32.2	67.0	65.8

1) Restated the 2022-2023 data to reflect the the inclusion of operating expenses and change in calculation methodology
2) Wages, retirement benefits, voluntary retirement payments, and employee welfare expenses
3) Actual cash interest paid for financing (interest on borrowings, bonds, and issued notes), excluding accounting expenses and returns on client assets
4) Corporate income taxes

Sustainability Data

Environmental

Energy

Category			Scope of Calculation	Unit	2022	2023	2024
Energy consumption within the organization	Indirect fossil energy consumption	Electricity	Head office	GJ	16,486.5	17,201.9	15,934.5
			Branches, NH Leadership Academy, in-house daycare center	GJ	20,196.4	20,417.4	18,405.4
			IDC	GJ	12,559.7	11,973.7	11,915.9
		City gas (LNG)	Head office	GJ	6,817.6	4,548.9	5,166.2
			Branches, NH Leadership Academy	GJ	5,778.3	5,228.2	5,502.2
		Steam	Branches	GJ	350.0	363.4	496.8
	Mobile combustion	Gasoline, diesel	Head office	GJ	5,788.4	5,362.4	4,496.7
		Electricity	Head office	GJ	14.5	28.4	55.8
Energy	Total energy consumption			GJ	67,991.4	65,124.4	61,973.6
	Consumption of purchased renewable energy			GJ	N/A	262.8[1]	6,122.5[2]
Energy consumption intensity[3]	Scope 1		Head office	GJ/m²	0.2188	0.1752	0.1641
	Scope 2		Head office	GJ/m²	0.2865	0.2991	0.2775

1) Purchase of RECs based on renewable electricity produced through solar power generation
2) Purchase of RECs based on renewable electricity generated from bioenergy as well as green premiums based on solar power
3) Calculated energy intensity based on the contracted areas of the head office building

Sustainability Data

Environmental

GHG Emissions (Scope 1+Scope 2+Scope 3)[1]

Category			Scope of Calculation	Unit	2022	2023	2024
Direct GHG emissions	Scope 1 emissions	City gas (LNG)	Head office	tCO_2eq	391.9	249.0	262.4
			Branches, NH Leadership Academy	tCO_2eq	293.3	265.4	279.3
		Gasoline	Mobile combustion	tCO_2eq	381.9	367.7	285.7
		Diesel	Mobile combustion	tCO_2eq	7.5	5.3	2.7
		Total		tCO_2eq	1,074.6	887.4	830.1
Indirect GHG emissions	Scope 2 emissions	Electricity	Head office	tCO_2eq	2,103.9	2,195.2	2,033.5
			Branches, NH Leadership Academy, in-house daycare center	tCO_2eq	2,577.3	2,605.6	2,348.8
			IDC	tCO_2eq	1,602.8	1,528.0	1,520.6
			Mobile combustion	tCO_2eq	1.9	3.6	7.1
		Steam	Branches	tCO_2eq	20.9	21.7	29.7
		Total – Location-based[2]		tCO_2eq	6,306.8	6,354.1	5,939.7
		Total – Market-based[3]		tCO_2eq	6,306.8	6,320.6	5,617.8
Other indirect GHG emissions	Scope 3 emissions[4]	Water	Company-wide	tCO_2eq	11.7	13.9	15.8
		Paper	Company-wide	tCO_2eq	76.0	65.9	66.4
		Card	Company-wide	tCO_2eq	0.2	0.1	0.2
		Waste	Head office	tCO_2eq	205.3	236.3	218.1
		Business travel	Head office	tCO_2eq	323.8	492.5	533.7
			Branches	tCO_2eq	26.0	35.6	51.9
		Total		tCO_2eq	643.0	844.3	886.0
Total GHG emissions	Total – Location-based[2]			tCO_2eq	8,024.4	8,085.8	7,655.8
	Total – Market-based[3]			tCO_2eq	8,024.4	8,052.3	7,333.9
GHG emissions intensity[5]	Scope 1		Head office	tCO_2eq/m^2	0.0136	0.0108	0.0096
	Scope 2		Head office	tCO_2eq/m^2	0.0366	0.0382	0.0354

1) Calculated in accordance with the 「Emissions Reporting and Verification Guidelines Under the GHG Emissions Trading System」 and 'GHG Protocol's Corporate Value Chain (Scope 3) Accounting and Reporting Standard'
2) Include location-based Scope 2 emissions calculated based on the national power grid
3) Include market-based Scope 2 emissions which reflect REC purchases
4) Calculated Scope 3 emissions for water based on actual and estimated consumption (area), for paper based on printer consumption, for cards based on the issuance of corporate cards and debit cards, for waste based on the proportion of treatment methods of nationwide mixed waste discharges (recycling, incineration, landfill), and for business travel based on employees' business travel records. Calculated emissions from the use of water, cards, paper, and waste by applying emission factors under the Environmental Product Declaration system, and calculated emissions from business travel in accordance with GHG Protocol's standards
5) Calculated GHG emissions intensity based on the contracted areas of the head office building

Sustainability Data

Environmental

Water and Wastewater

Category		Scope of Calculation	Unit	2022	2023	2024
Water withdrawal[1]	Water withdrawn	Head office	m^3	30,506.9	36,446.2	42,486.2
		Branches	m^3	18,775.9	22,118.0	24,027.8
Water discharge	Water discharged	Head office	m^3	30,506.9	36,446.2	42,486.2
		Branches	m^3	18,775.9	22,118.0	24,027.8
Water consumption[2]	Water consumed	Head office	m^3	0.0	0.0	0.0
		Branches	m^3	0.0	0.0	0.0
Gray water consumption	Gray water consumed	Head office	m^3	10,387.5	12,830.2	12,676.4

1) Calculated the amount of water entering the new office building (Parc.1) (withdrawal) and the amount of water discharged (wastewater) based on water consumption
2) Calculated water consumption based on the water withdrawal and wastewater guidelines laid out by the CDP (Carbon Disclosure Project)

Waste

Category		Scope of Calculation	Unit	2022	2023	2024
Waste generation[3]	Total waste generated	Head office	ton	249.6	287.7	271.1
Waste recycling	Recycling outsourced	Head office	ton	108.5	126.7	134.8

3) All waste generated is general waste

Paper Consumption

Category	Scope of Calculation	Unit	2022	2023	2024
Paper consumption	Company-wide	ton	67.9	58.8	59.3

Eco-friendly Vehicles

Category	Scope of Calculation	Unit	2022	2023	2024
Number of eco-friendly vehicles owned	Head office	Vehicles	3	37	48
Percentage of eco-friendly vehicles owned	Head office	%	4.4	50.7	65.8

Sustainability Data

Social

Employment

Category			Unit	2022	2023	2024
Total employees	Male		Persons(%)	1,821(58.1)	1,791(57.7)	1,781(56.9)
	Female		Persons(%)	1,315(41.9)	1,314(42.3)	1,347(43.1)
	Total		Persons	3,136	3,105	3,128
	By region	Domestic	Persons(%)	3,130(99.8)	3,102(99.9)	3,126(99.9)
		Overseas	Persons(%)	6(0.2)	3(0.1)	2(0.1)
Temporary employees[1)]	Male		Persons	675	674	733
	Female		Persons	258	255	292
	Total		Persons(%)	933(29.8)	929(29.9)	1,025(32.8)
Permanent employees[2)]	Male		Persons	1,146	1,117	1,048
	Female		Persons	1,057	1,059	1,055
	Total		Persons(%)	2,203(70.2)	2,176(70.1)	2,103(67.2)

1) Include executives, annual salary contract employees, sales professionals, short-term contract employees, and part-timers
2) Include regular employees and indefinite contract employees

Workers Who Are Not Employees

Category		Unit	2022	2023	2024
Workers who are not employees in the workplace[3)]	Male	Persons	158	154	170
	Female	Persons	111	100	120
	Total	Persons	269	254	290

3) Workers who are not employees primarily responsible for service consultations and guidance, security and guard duties, cleaning and other personal services, and driving and transportation

Sustainability Data

Social

Collective Bargaining Agreement

Category		Unit	2022	2023	2024
Collective bargaining agreement status	Number and percentage of employees covered by collective bargaining agreement[1]	Persons(%)	1,913(61.0)	1,926(62.0)	1,816(58.1)
	Percentage of employees who joined a labor union subject to collective bargaining agreement	%	100.0	100.0	100.0

1) Employees covered by collective agreements are general employees in principle in accordance with labor-management agreements (excluding certain employees including those at the HR department)

Recruitment and Retirement

Category			Unit	2022	2023	2024
New hires and turnover	Number of new hires by age group	Below 30	Persons(%)	122(44.9)	76(49.4)	75(45.7)
		30 ~ below 50	Persons(%)	135(49.6)	69(44.8)	79(48.2)
		50 and over	Persons(%)	15(5.5)	9(5.8)	10(6.1)
	Number of new hires by gender	Male	Persons(%)	165(60.7)	104(67.5)	102(62.2)
		Female	Persons(%)	107(39.3)	50(32.5)	62(37.8)
	Number of turnover and retirement by age group	Below 30	Persons(%)	38(18.5)	27(14.9)	25(13.5)
		30 ~ below 50	Persons(%)	101(49.3)	101(55.8)	84(45.4)
		50 and over	Persons(%)	66(32.2)	53(29.3)	76(41.1)
	Number of turnover and retirement by gender	Male	Persons(%)	129(62.9)	131(72.4)	127(68.6)
		Female	Persons(%)	76(37.1)	50(27.6)	58(31.4)
	Number of employees who voluntarily left[2]		Persons	112	90	78
	Percentage of employees who voluntarily left		%	3.6	2.9	2.5

2) Include employees who left the organization for job-related or other personal reasons in the scope of calculating voluntary turnover

Sustainability Data

Social

Employee Diversity and Equal Opportunity

Category			Unit	2022	2023	2024
Composition of governance body	Composition of the Board of Directors (by gender)	Male	%	87.5	87.5	85.7
		Female	%	12.5	12.5	14.3
	Composition of the Board of Directors (by age group)	Below 30	%	0.0	0.0	0.0
		30 ~ below 50	%	0.0	0.0	0.0
		50 and over	%	100.0	100.0	100.0
Composition of employees	Composition of employees (by gender)	Male	Persons(%)	1,821(58.1)	1,791(57.7)	1,781(56.9)
		Female	Persons(%)	1,315(41.9)	1,314(42.3)	1,347(43.1)
	Composition of employees (by age group)	20s	Persons(%)	353(11.3)	353(11.4)	353(11.3)
		30s	Persons(%)	988(31.5)	877(28.2)	811(25.9)
		40s	Persons(%)	1,077(34.3)	1,105(35.6)	1,159(37.1)
		50 and over	Persons(%)	718(22.9)	770(24.8)	805(25.7)
	Composition of employees (diversity)	Percentage of high school graduates	%	7.5	7.4	7.4
		Percentage of employees of national merit	%	2.7	2.8	2.7
		Percentage of employees with disabilities[1]	%	1.5	2.2	2.5
	Employees by job level	Executives	Persons(%)	66(2.1)	65(2.1)	69(2.2)
		Manager positions[2]	Persons(%)	2,017(64.3)	2,037(65.6)	2,085(66.7)
		Staff	Persons(%)	1,053(33.6)	1,003(32.3)	974(31.1)
	Female leadership	Percentage of females among all manager positions[3]	%	28.2	30.8	33.9
		Percentage of females among all contract employees	%	30.6	27.4	28.5
		Percentage of females among all regular employees	%	47.1	48.7	50.2

1) Based on reporting to the Korea Employment Agency for Persons with Disabilities
2) Manager positions: Manager and above positions, excluding executives
3) All manager positions: Manager and above positions, including executives

Sustainability Data

Social

Employee Training

Category			Unit	2022	2023	2024
Average training hours for employees	Average training hours per employee		Hours	76	78	81
	Average training hours per employee by gender	Male	Hours	72	75	78
		Female	Hours	79	83	86
	Average training hours by type of workers	Branch sales	Hours	126	127	115
		Branch operations	Hours	115	114	120
		Head office sales	Hours	45	51	56
		Head office support	Hours	57	62	68
Average training expenses per employees			KRW 10,000	40	53	73
Human rights training	Prevention of sexual harassment		Persons	3,088	3,040	3,054
	Prevention of workplace harassment		Persons	3,088	3,040	3,054
	Improvement in awareness of disability		Persons	3,088	3,040	3,054
Ethics and compliance training	Regular ethics and compliance training	All CMs and leaders	Times	2	1	1
	Training by external instructors	Employees from relevant departments	Times	0	1	1
	On-demand training	New hires, department requests, etc.	Times	49	29	25
Information security training	Employees who attended data privacy training		Persons	2,978	3,035	3,077
	Data privacy training hours		Hours	18,495	18,933	19,110

Sustainability Data

Social

Work and Life Balance Programs

Category			Unit	2022	2023	2024
Parental leave	Number of employees who took parental leave	Male	Persons	11	4	15
		Female	Persons	72	73	81
	Number of employees who returned to work after parental leave	Male	Persons	3	7	5
		Female	Persons	65	49	59
	Number of employees who returned and worked 12 months after parental leave	Male	Persons	1	3	5
		Female	Persons	43	66	46
	Percentage of employees who returned and worked 12 months after parental leave	Male	%	100.0	100.0	71.4
		Female	%	97.8	100.0	93.9
Flexible working hours[1]	Number of eligible employees[2]		Persons	3,070	3,040	3,059
	Number of employees who used flexible working hours		Persons	712	754	747
	Percentage		%	23.2	24.8	24.4
Mom's Lounge	Number of eligible employees[3]		Persons	113	103	82
	Number of employees who used Mom's Lounge		Persons	38	57	53
	Percentage		%	33.6	55.3	64.6
Family care leave	Number of eligible employees		Persons	3,070	3,040	3,059
	Number of employees who took family care leave		Persons	182	196	206
	Percentage		%	5.9	6.4	6.7

1) Exclude reduced work hours available during pregnancy or for childcare
2) All employees excluding executives
3) Employees who took prenatal checkup leave, maternity leave, or miscarriage leave between the preceding year and the end of the current year (head office and all branches)

Sustainability Data

Social

Employee Health and Safety

Category			Unit	2022	2023	2024
Support for employee health and safety	Support for employee health checkups	Number of persons who received health checkups[1] (number of employees)	Persons	4,696 (2,898)	4,934 (2,987)	4,789 (2,973)
	Employee health and safety status	Occupational injuries	Cases	0	0	2
		Workdays lost[2]	Days	0	0	0[3]
	Use of employee mental health programs	Psychological counseling provided	Cases	1,160	1,395	2,404
		Employees who received counseling	Persons	212	361	391
		Satisfaction (on a scale of 5)	Points	4.8	4.7	4.6

1) Provide health checkups for employees and their families
2) Number of actual workdays lost due to occupational injuries
3) Paid leave is provided to injured workers so that no working days are counted as lost.

Client Data Privacy

Category		Unit	2022	2023	2024
Substantiated complaints concerning breaches of client data privacy and losses of client data	Personal data leaks	Cases	0	0	0

VOC Operation

Category	Unit	2022	2023	2024
VOCs received	Cases	11,690	13,837	17,997
VOCs handled	Cases	11,690	13,837	17,997
Handling rate	%	100.0	100.0	100.0

Prevention of Financial Fraud

Category	Unit	2022	2023	2024
Cases of damages prevented	Cases	72	34	25
Damages prevented converted in monetary value	KRW million	814.9	215.9	350.6

Sustainability Data

Social

Digital Finance

Category	Unit	2022	2023	2024
Digital clients[1]	Persons	4,449,324	4,836,272	5,238,665
Mobile trading system[MTS] users (average MAU)[2]	10,000 persons	272	260	264
MTS client satisfaction survey results	Points	70.2[3]	72.0[3]	69.2[4]
Use of AI-based client-facing services	Cases	N/A	N/A	3,438,714
Use of AI-based internal operational support services	Cases	N/A	N/A	22,654
Digital online training courses[5]	Course	34	39	49
Employees who completed digital online training courses	Persons	189	184	229

1) Cumulative number of NAMUH/QV non-face-to-face accounts
2) Based on Wiseapp
3) Gallup Korea's digital app competitiveness survey results (average H1/H2 scores of NAMUH Securities)
4) Embrain's mobile app competitiveness survey results (average H1/H2 scores of NAMUH Securities)
5) Number of courses in the digital and big data (AI) categories of online training courses completed by at least one employee

Sustainability Data

Social

Corporate Social Responsibility

Category			Unit	2022	2023	2024
CSR activities	Total number of employees who participated in CSR activities (cumulative)		Persons	5,910	6,521	6,426
	Total CSR participation hours		Hours	28,744	29,294	28,672
Building Community Town project		Number of villages	Villages	31	31	31
		Visits to rural villages	Times	34	26	36
		Employee participants (cumulative)	Persons	964	998	1,081
Love Sharing Blood Donation		1st time participants	Persons	101	98	86
		2nd time participants	Persons	89	98	103
		3rd time participants	Persons	75	94	107
Support for small/mid-sized farms	Crowdfunding	Number of farms supported	Farms	22	24	24
		Funding	Cases	4,605	4,802	5,726
		Target value	KRW million	24.0	19.3	21.0
		Funds raised	KRW million	174.1	147.7	213.7
		Achievement rate	%	725.4	765.1	1,017.7
	Live commerce[1)]	Number of farms supported	Farms	N/A	8	12
		Sales generated	KRW million	N/A	22.4	18.1

1) Initiated live commerce in 2023

Sustainability Data

Governance

Board of Directors Operation

Category		Unit	2022	2023	2024
Number of agendas	Number of decision items	Items	36	33	35
	Number of reporting items	Items	39	34	37
Number of Board meetings held		Meetings	13	13	14
Attendance Rate	Inside directors	%	100.0	100.0	96.3
	Outside directors	%	96.9	93.7	95.7
	Non-executive directors	%	100.0	100.0	100.0

Board of Directors Committees Operation

Category			Unit	2022	2023	2024
Director Nomination Committee	Number of decision items		Items	11	8	10
	Number of reporting items		Items	1	0	1
	Meetings held		Meetings	7	6	7
	Attendance Rate	Outside directors	%	100.0	100.0	100.0
		Non-executive directors	%	100.0	100.0	100.0
Audit Committee	Number of decision items		Items	17	14	15
	Number of reporting items		Items	10	9	6
	Meetings held		Meetings	7	7	7
	Attendance Rate	Inside directors	%	100.0	100.0	100.0
		Outside directors	%	100.0	100.0	100.0
Compensation Committee	Number of decision items		Items	6	7	8
	Number of reporting items		Items	1	0	1
	Meetings held		Meetings	4	5	6
	Attendance Rate	Inside directors	%	100.0	N/A[1]	N/A
		Outside directors	%	100.0	94.4	95.7
		Non-executive directors	%	100.0	100.0	N/A[2]

1) Have excluded inside directors from the Compensation Committee since the 2022 AGM
2) Have excluded non-executive directors from the Compensation Committee since the 2023 AGM

Sustainability Data

Governance

Board of Directors Committees Operation

Category			Unit	2022	2023	2024
Risk Management Committee	Number of decision items		Items	3	5	11
	Number of reporting items		Items	9	11	9
	Meetings held		Meetings	8	7	7
	Attendance Rate	Inside directors	%	100.0	N/A[1]	N/A
		Outside directors	%	95.8	95.0	95.2
		Non-executive directors	%	N/A	100.0	100.0
ESG Committee	Number of decision items		Items	1	2	1
	Number of reporting items		Items	3	6	6
	Meetings held		Meetings	2	3	3
	Attendance Rate	Outside directors	%	83.3	100.0	88.9
		Non-executive directors	%	100.0	100.0	100.0

1) Have excluded inside directors from the Risk Management Committee since the 2022 AGM

Executive Compensation

Category		Unit	2022	2023	2024
Total compensation[2]	Registered directors[3]	KRW million	2,538	1,359	6,363
	Outside directors[4]	KRW million	142	70	143
	Members of the Audit Committee	KRW million	523	482	413
Average compensation per person	Registered directors[3]	KRW million	1,269	453	2,121
	Outside directors[4]	KRW million	47	23	36
	Members of the Audit Committee	KRW million	104	96	103

2) Include compensation paid to executives appointed or resigned during the term
3) Exclude outside directors and members of the Audit Committee
4) Exclude members of the Audit Committee

Sustainability Data

Governance

Annual Total Compensation Ratio

Category		Unit	2022	2023	2024
Annual total compensation ratio	Total annual compensation for the organization's highest-paid individual	KRW million	3,162.0	3,161.0	5,949.0
	Median total annual compensation for all employees except the highest-paid individual	KRW million	164.9	132.1	150.3
	Annual total compensation ratio	Times	19.2	23.9	39.6
Annual growth rate of total compensation	Percentage increase in annual total compensation for the highest-paid individual	%	33.2	0.0	88.2
	Median percentage increase in annual total compensation for all employees except the highest-paid individual	%	11.8	(19.9)	13.8
	Annual total compensation increase ratio	Times	2.8	0.0	6.4

Legal and Regulatory Compliance

Category		Unit	2022	2023	2024
Legal and regulatory non-compliance which occurred during the current reporting period	Total cases of fines imposed	Cases	1	3	4
	Amount of fines	KRW million	56.8	1,975.2	69.3
Legal and regulatory non-compliance which occurred during the previous reporting period	Total cases of fines imposed	Cases	2	5	3
	Amount of fines	KRW million	4,556.0	1,769.7	1,561.8

Sustainability Data

Governance

Anti-corruption

Category			Unit	2022	2023	2024
Notices and trainings on anti-corruption policies and procedures	Number of Board members who received notices or training		Persons	8	8	6
	Percentage of Board members who received notices or training		%	100.0	100.0	100.0
	Number of employees who received notices or training		Persons	2,827	2,881	2,911
	Percentage of employees who received notices or training		%	94.9	99.3	97.2
	Number of partners who received notices or training		Companies	65	173	86
	Percentage of partners who received notices or training		%	100.0	70.3	69.4
Confirmed incidents of corruption and actions taken	Number of cases of corruption	Internal whistleblowing reports	Cases	2	2	1
		External whistleblowing reports	Cases	15	2	5
	Number of cases where employees were dismissed or disciplined	Number of actions taken for internal whistleblowing[1]	Cases	2	0	1
		Number of actions taken for external whistleblowing	Cases	0	0	0
		Percentage of actions taken for internal whistleblowing	%	100.0	N/A	100.0
		Percentage of actions taken for external whistleblowing	%	N/A	N/A	N/A
	Cases of contracts with partners that were terminated or not renewed due to corruption		Cases	0	0	0
Special periods operated for internal whistleblowing			Times	2	2	1

1) Whistleblowing reports that were substantiated and for which actions were taken against employees

Sustainability Data

Governance

Gift Return Center Operation[1)]

Category	Unit	2022	2023	2024
Gifts returned	Cases	0	0	1
Gifts donated	Cases	0	2	0

1) Aggregated operational results from the gift return center during the holidays of the concerned year

Tax

Category	Unit	2022	2023	2024
Profit and loss before tax	KRW 100 million	4,402.2	7,207.3	9,248.6
Corporate income taxes paid in cash	KRW 100 million	2,897.6	1,539.3	1,037.5
Corporate income taxes arising from current profit and loss	KRW 100 million	1,372.9	1,676.8	2,382.2

Global Network[2)]

Category	Established	Type	Unit	2022	2023	2024
New York (US)	1992	Local subsidiary	KRW 100 million/persons	353/14	484/16	753/18
Hong Kong	1994	Local subsidiary	KRW 100 million/persons	7,321/27	7,934/30	9,679/30
Shanghai (China)	1996	Representative office	KRW 100 million/persons	-/2	-/2	-/2
Singapore	2008	Asset management company (subsidiary)	KRW 100 million/persons	40/5	43/5	51/7
Jakarta (Indonesia)	2009	Local subsidiary	KRW 100 million/persons	55/180	416/176	470/162
Hanoi (Vietnam)	2009	Local subsidiary	KRW 100 million/persons	702/73	717/109	784/117
Beijing (China)	2011	Local subsidiary	KRW 100 million/persons	93/7	88/7	94/7
London (UK)	2022	Local subsidiary	KRW 100 million/persons	375/5	367/7	403/6

2) Annual values represent equity capital (KRW 100 million)/employees (persons)

Sustainability Data - Consolidated

Overview

Employment

Category		Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Total employees[1]	Male	Persons	1,821	1,791	1,781	55	64	62	31	28	30
	Female	Persons	1,315	1,314	1,347	29	24	31	17	19	17
	Total	Persons	3,136	3,105	3,128	84	88	93	48	47	47
Temporary employees[2]	Male	Persons	675	674	733	6	7	8	23	20	24
	Female	Persons	258	255	292	2	1	2	3	5	2
	Total	Persons	933	929	1,025	8	8	10	26	25	26
Permanent employees[3]	Male	Persons	1,146	1,117	1,048	49	57	54	8	8	6
	Female	Persons	1,057	1,059	1,055	27	23	29	14	14	15
	Total	Persons	2,203	2,176	2,103	76	80	83	22	22	21

1) Based on full-time employees for NH Hedge Asset Management
2) Include executives, annual salary contract employees, sales professionals, short-term contract employees and part-timers for NH Investment & Securities, and include contract employees (front desk staff) for NH Hedge Asset Management
3) Include regular employees and indefinite contract employees for NH Investment & Securities

Employee Diversity and Equal Opportunity

Category		Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Composition of employees by age group	Below 30	Persons	353	353	353	26	17	23	3	3	0
	30 ~ below 50	Persons	2,065	1,982	1,970	46	54	53	39	39	41
	50 and over	Persons	718	770	805	12	17	17	6	5	6

Sustainability Data - Consolidated

Overview

Legal and Regulatory Compliance

Category		Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Legal and regulatory non-compliance which occurred during the current reporting period	Total cases of fines imposed	Cases	1	3	4	0	0	0	0	0	0
	Amount of fines	KRW million	56.8	1,975.2	69.3	0.0	0.0	0.0	0.0	0.0	0.0
Legal and regulatory non-compliance which occurred during the previous reporting period	Total cases of fines imposed	Cases	2	5	3	0	0	1	0	0	0
	Amount of fines	KRW million	4,556.0	1,769.7	1,561.8	0.0	0.0	40.0	0.0	0.0	0.0

Anti-corruption

Category			Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Notices and training on anti-corruption policies and procedures	Number of employees who received notices or training		Persons	2,827	2,881	2,911	84	88	93	44	45	41
	Percentage of employees who received notices or training		%	94.9	99.3	97.2	98.8	98.8	96.7	86.3	90.0	83.7
Confirmed incidents of corruption and actions taken	Number of cases of corruption	Internal whistleblowing reports	Cases	2	2	1	1	0	2			
		External whistleblowing reports	Cases	15	2	5	0	0	0			
	Number of cases where employees were dismissed or disciplined	Number of actions taken for internal whistleblowing[1]	Cases	2	0	1	1	0	1			
		Number of actions taken for external whistleblowing	Cases	0	0	0	0	0	0			
	Cases of contracts with partners that were terminated or not renewed due to corruption		Cases	0	0	0	0	0	0			
Special periods operated for internal whistleblowing			Times	2	2	1	1	1	1			

1) Whistleblowing reports that were substantiated and for which actions were taken against employees

Sustainability Data - Consolidated

FOCUS 1. Climate Change Response

Energy

Category		Scope of Calculation	Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management[1]		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Indirect fossil energy consumption	Electricity	Head office	GJ	16,486.5	17,201.9	15,934.5	2,061.0	2,101.0	2,138.0	128.9	131.6	135.4
		Branches, NH Leadership Academy, in-house daycare center	GJ	20,196.4	20,417.4	18,405.4						
		IDC	GJ	12,559.7	11,973.7	11,915.9						
	City gas (LNG)	Head office	GJ	6,817.6	4,548.9	5,166.2	N/A	N/A	N/A	N/A	N/A	N/A
		Branches, NH Leadership Academy	GJ	5,778.3	5,228.2	5,502.2						
	Steam	Branches	GJ	350.0	363.4	496.8						
Mobile combustion	Gasoline, diesel	Head office	GJ	5,788.4	5,362.4	4,496.7	470.0	419.0	575.0			
	Electricity	Head office	GJ	14.5	28.4	55.8	N/A	N/A	N/A			
Total energy consumption			GJ	67,991.4	65,124.4	61,973.6	2,531.0	2,520.0	2,713.0	128.9	131.6	135.4

1) Calculate the electricity consumed for the areas leased at Parc.1 based on the electricity usage billed to NH Investment & Securities on a monthly basis

Sustainability Data - Consolidated

FOCUS 1. Climate Change Response

GHG Emission[1)]

Category		Scope of Calculation	Unit	NH Investment & Securities			NH Futures[2)]			NH Hedge Asset Management[2)]		
				2022	2023	2024	2022	2023	2024	2022	2023	2024
Scope 1 emissions	City gas (LNG)	Head office	tCO_2eq	391.9	249.0	262.4	31.6	28.2	38.7	N/A	N/A	N/A
		Branches, NH Leadership Academy	tCO_2eq	293.3	265.4	279.3						
	Gasoline	Mobile combustion	tCO_2eq	381.9	367.7	285.7						
	Diesel	Mobile combustion	tCO_2eq	7.5	5.3	2.7						
	Total		tCO_2eq	1,074.6	887.4	830.1						
Scope 2 emissions	Electricity	Head office	tCO_2eq	2,103.90	2,195.20	2,033.5	98.7	100.6	102.3	16.5	16.8	17.3
		Branches, NH Leadership Academy, in-house daycare center	tCO_2eq	2,577.3	2,605.6	2,348.8						
		IDC	tCO_2eq	1,602.8	1,528.0	1,520.6						
		Mobile combustion	tCO_2eq	1.9	3.6	7.1						
	Steam	Branches	tCO_2eq	20.9	21.7	29.7						
	Total	Company-wide	tCO_2eq	6,306.8	6,354.1	5,939.7						
Total GHG emissions			tCO_2eq	7,381.4	7,241.5	6,769.8	130.3	128.8	141.0	16.5	16.8	17.3

1) Calculated GHG emissions in accordance with ISO 14064-1:2018 and GHG Protocol:2004 standards
2) Scope 1 emissions from mobile combustion (gasoline) and Scope 2 emissions from electricity use at the head office

Sustainability Data - Consolidated

FOCUS 2. Digital Finance and Platform Strategy

Use of Digital Financial Services

Category	Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Digital clients[1)]	Persons	4,449,324	4,836,272	5,238,665	23,060	24,389	25,288			

1) Cumulative number of non-face-to-face accounts created for NAMUH/QV at NH Investment & Securities, number of clients holding derivative trading accounts at NH Futures

FOCUS 3. Information Security

Client Data Privacy

Category		Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Substantiated complaints concerning breaches of client data privacy and losses of client data	Personal data leaks	Cases	0	0	0	0	0	0			

Sustainability Data - Consolidated

FOCUS 4. Financial Consumer Protection

Prevention of Financial Fraud

Category	Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Cases of damages prevented	Cases	72	34	25	0	0	0			
Damages prevented converted in monetary value	KRW million	814.9	215.9	350.6	0.0	0.0	0.0			

VOC Operation

Category	Unit	NH Investment & Securities			NH Futures			NH Hedge Asset Management		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
VOCs received	Cases	11,690	13,837	17,997	1	3	3			
VOCs handled	Cases	11,690	13,837	17,997	1	3	3			
Handling rate	%	100.0	100.0	100.0	100.0	100.0	100.0			

GRI Content Index

Statement of use NH Investment & Securities has reported its sustainability management activities and data in accordance with the GRI Standards for the period between January 1 to December 31, 2024.

GRI 1 used GRI 1: Foundation 2021

Applicable GRI Sector Standards N/A

GRI Standard		Disclosure	Location
GRI 2: General Disclosures 2021			
The organization and its reporting practices	2-1	Organizational details	2p, 25-30p
	2-2	Entities included in the organization's sustainability reporting	2p
	2-3	Reporting period, frequency and contact point	2p
	2-4	Restatements of information	105-127p
	2-5	External assurance	145-146p
Activities and workers	2-6	Activities, value chain, and other business relationships	31-34p
	2-7	Employees	109p, 111p, 122p
	2-8	Workers who are not employees	109p
Governance	2-9	Governance structure and composition	86-88p
	2-10	Nomination and selection of the highest governance body	86p, 88p, 139p
	2-11	Chair of the highest governance body	86p
	2-12	Role of the highest governance body in overseeing the management of impacts	36p, 88p
	2-13	Delegation of responsibility for managing impacts	36p, 88p, 118p
	2-14	Role of the highest governance body in sustainability reporting	36p
	2-15	Conflicts of interest	139p
	2-16	Communication of critical concerns	88p, 118p
	2-17	Collective knowledge of the highest governance body	87-88p
	2-18	Evaluation of the performance of the highest governance body	87p
	2-19	Remuneration policies	2024 Annual Report on Corporate Governance & Remuneration System 148p
	2-20	Process to determine remuneration	87p
	2-21	Annual total compensation ratio	119p
Strategy, policies, and practices	2-22	Statement on sustainable development strategy	4-5p
	2-23	Policy commitments	133-141p
	2-24	Embedding policy commitments	6p, 78p, 79p, 80p, 84p, 89p
	2-25	Processes to remediate negative impacts	72p, 78p
	2-26	Mechanisms for seeking advice and raising concerns	68p, 89p, 114p, 127p
	2-27	Compliance with laws and regulations	119p
	2-28	Membership associations	149p
Stakeholder engagement	2-29	Approach to stakeholder engagement	47p
	2-30	Collective bargaining agreements	78p, 110p

GRI Content Index

GRI Standard		Disclosure	Location
Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	41-42p
	3-2	List of material topics	43-46p
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	105p
	201-2	Financial implications and other risks and opportunities due to climate change	49-62p
Indirect Economic Impacts			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	84-85p, 131p
	203-2	Significant indirect economic impacts	34p, 84-85p
Anti-corruption			
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	89-90p, 120p
	205-3	Confirmed incidents of corruption and actions taken	120p
Tax			
GRI 207: Tax 2019	207-1	Approach to tax	137-138p
	207-2	Tax governance, control, and risk management	137-138p
	207-3	Stakeholder engagement and management of concerns related to tax	137-138p
Material Topic: Climate Change Response			
GRI 3: Material Topics 2021	3-3	Management of material topics	42p, 46p, 49p
GRI 302: Energy 2016	302-1	Energy consumption within the organization	60p, 107p
	302-3	Energy intensity	107p
	302-4	Reduction of energy consumption	60p
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	60p, 107p
	305-2	Energy indirect (Scope 2) GHG emissions	60p, 107p
	305-3	Other indirect (Scope 3) GHG emissions	60-62p, 107p
	305-4	GHG emissions intensity	107p
	305-5	Reduction of GHG emissions	60p
Water and Effluents			
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	108p
	303-4	Water discharge	63p, 108p
	303-5	Water consumption	63p, 108p

GRI Content Index

GRI Standard		Disclosure	Location
Waste			
GRI 306: Waste 2020	306-3	Waste generated	108p
	306-4	Waste diverted from disposal	108p
Employment			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	110p
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	81p, 113p
	401-3	Parental leave	113p
Occupational Health & Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	80p, 134p
	403-2	Hazard identification, risk assessment, and incident investigation	80p
	403-4	Worker participation, consultation, and communication on occupational health and safety	81p
	403-6	Promotion of worker health	81p
	403-9	Work-related injuries	80p, 114p
Training and Education			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	112p
	404-2	Programs for upgrading employee skills and transition assistance programs	79-80p
Diversity and Equal Opportunity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	87p, 111p
Material Topic: Information Security			
GRI 3: Material Topics 2021	3-3	Management of material topics	43p, 46p, 74p
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	114p, 126p
Material Topics: Digital Finance and Platform Strategy			
GRI 3: Material Topics 2021	3-3	Management of material topics	43p, 46p, 65p
Organization-specific indicators	-	Digital financial services used	67p, 115p, 126p
Material Topics: Financial Consumer Protection			
GRI 3: Material Topics 2021	3-3	Management of material topics	43p, 46p, 70p
Organization-specific indicators	-	Financial fraud prevented	73p, 114p

SASB Index

<table>
<tr><th>Topic</th><th>Code</th><th>Accounting Metric</th><th>Unit of Measure</th><th>NH Investment & Securities' Response</th></tr>
<tr><td>Employee Diversity & Inclusion</td><td>FN-IB-330a.1</td><td>Percentage of (1) gender and (2) diversity group representation for (a) executive management, (b) non-executive management, (c) professionals, and (d) all other employees</td><td>%</td><td>87p, 109p, 111p, 122p</td></tr>
<tr><td></td><td>FN-IB-410a.1</td><td>Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of ESG factors, by industry</td><td>Number of products, KRW million</td><td>
<table>
<tr><th colspan="2">Category</th><th>Number of Products</th><th>Amount</th></tr>
<tr><td>Underwriting and arrangement</td><td>GHG emissions reduction</td><td>1</td><td>75,000</td></tr>
<tr><td rowspan="6">ESG fund sales</td><td>Resource circularity</td><td>5</td><td>1,243,000</td></tr>
<tr><td>New Deal</td><td>11</td><td>24,903</td></tr>
<tr><td>ESG</td><td>20</td><td>93,529</td></tr>
<tr><td>SRI</td><td>4</td><td>861</td></tr>
<tr><td>Overseas ESG</td><td>1</td><td>64</td></tr>
<tr><td>Private equity ESG</td><td>1</td><td>700</td></tr>
</table>
</td></tr>
<tr><td>Incorporation of ESG Factors in Investment Banking & Brokerage Activities</td><td>FN-IB-410a.2</td><td>(1) Number and (2) total value of investments and loans incorporating integration of ESG factors, by industry</td><td>Number of products, KRW million</td><td>
<table>
<tr><th colspan="2" rowspan="2">Category</th><th colspan="2">Total</th><th colspan="2">Corporate Credit Facilities</th><th colspan="2">Bonds</th><th colspan="2">Collective Investment Securities</th><th colspan="2">ETF</th></tr>
<tr><th>Number of Products</th><th>Amount</th><th>Number of Products</th><th>Amount</th><th>Number of Products</th><th>Amount</th><th>Number of Products</th><th>Amount</th><th>Number of Products</th><th>Amount</th></tr>
<tr><td rowspan="3">Green Finance</td><td>GHG emissions reduction</td><td>101</td><td>949,459</td><td>21</td><td>443,930</td><td>13</td><td>126,290</td><td>24</td><td>341,816</td><td>43</td><td>37,424</td></tr>
<tr><td>Resource circularity</td><td>13</td><td>186,243</td><td>8</td><td>166,709</td><td>0</td><td>0</td><td>5</td><td>19,534</td><td>0</td><td>0</td></tr>
<tr><td>Sustainable water resources</td><td>1</td><td>0.1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>1</td><td>0</td></tr>
<tr><td rowspan="4">CSR</td><td>Public services, including healthcare and education</td><td>59</td><td>700,798</td><td>12</td><td>587,837</td><td>0</td><td>0</td><td>25</td><td>82,242</td><td>22</td><td>30,719</td></tr>
<tr><td>Public infrastructure</td><td>2</td><td>3,860</td><td>0</td><td>0</td><td>0</td><td>0</td><td>2</td><td>3,860</td><td>0</td><td>0</td></tr>
<tr><td>Excellent ESG companies</td><td>25</td><td>31,069</td><td>0</td><td>0</td><td>0</td><td>0</td><td>3</td><td>8,419</td><td>22</td><td>22,650</td></tr>
</table>
</td></tr>
<tr><td></td><td>FN-IB-410a.3</td><td>Description of approach to incorporation of ESG factors in investment banking and brokerage activities</td><td>N/A</td><td>37-38p</td></tr>
<tr><td>Business Ethics</td><td>FN-IB-510a.1</td><td>Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anticompetitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations</td><td>KRW</td><td>119p</td></tr>
<tr><td></td><td>FN-IB-510a.2</td><td>Description of whistleblower policies and procedures</td><td>N/A</td><td>89p</td></tr>
<tr><td>Professional Integrity</td><td>FN-IB-510b.4</td><td>Description of approach to ensuring professional integrity, including duty of care</td><td>N/A</td><td>89-90p</td></tr>
</table>

SASB Index

Topic	Code	Accounting Metric	Unit of Measure	NH Investment & Securities' Response
Systemic Risk Management	FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Basis points (bps)	N/A
	FN-IB-550a.2	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	N/A	NHIS conducts an integrated crisis analysis on a half-yearly basis. 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/capital/fund and risk management plans.
Employee Incentives & Risk-taking	FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	%	To decouple the performance-based compensation of executives responsible for risk operations from the company's business performance, a deferred portion (50~60%) is paid in cash[1].
	FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	%	NHIS has established regulations governing performance-based compensation measures applicable to all executives (there is no separate ratio exclusive to MRTs), and in the event that deductions or clawback measures are necessary, they are implemented through the resolution of the Compensation Committee.
	FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities[2]	N/A	NHIS sets evaluation criteria for financial products and applies them to risk assessment and estimation to manage risks related to the financial products we retain or trading positions[3]. The division in charge of evaluation chooses input variables, evaluation models, and other information used for evaluation through consultations with trading divisions and regularly updates them. The division may adjust the fair value hierarchy level depending on changes in the market where market information is traded or the degree of significance to fair value. For previously-issued products, such adjustment can be made in agreement with the finance division following consultations on reasonableness.
Activity Metric	FN-IB-000.A	Number and value of transactions (classification by underwriting·advisory·securitization transactions)	Number of products, KRW 100 million	

Category	Number of Cases	Value
IPO underwriting	15	5,034
Lead underwriting of corporate bonds	163	136,903
Rights issue underwriting	6	7,623
Financial advisory on corporate acquisition/sale	1	600

1) General executives are compensated in alignment with the company's stock price
2) Level 3 assets and liabilities: Assets and liabilities for which valuation is determined based on the company's subjective judgement due to their very low liquidity or the absence of an active market
3) Trading position: Financial instrument positions held with trading intent or to hedge other trading positions

Policy Book

Human Rights Policy

Commitment to human rights is integral to the identity and business of NH Investment & Securities Co., Ltd. (the "Company"). The Company embraces the principles enshrined in the United Nations' Universal Declaration of Human Rights and recognizes the corporate responsibility to protect human rights, as articulated in the United Nations' Guiding Principles on Business and Human Rights.

1. While complying with all applicable laws and regulations, the Company strives to protect and promote human rights by setting its own policies, standards, and practices. These norms apply to all of the Company's business units and subsidiaries around the world.

2. The Company promotes and supports strengthening of human rights at all levels of the Company's work processes and activities, including employment matters and engagement with suppliers and business partners.

3. The Company is devoted to fostering a workplace in which the human rights of each and every member of the Company are protected. The Company seeks to provide equal employment opportunity to all qualified persons and ensure a work environment free from discrimination and harassment of all kinds.

4. The Company recognizes its role in advancing human rights in its business and throughout its supply chain. The Company expects its suppliers and other business partners to enact and implement appropriate policies to ensure that they are not complicit in human rights abuses, including but not limited to forced labor, child labor and human trafficking.

The Company cherishes human rights and appreciates that commitment to human rights requires ongoing attention and action. As a responsible corporate citizen, the Company will continue to respect and support human rights globally.

Diversity, Equity & Inclusion Policy

NH Investment & Securities Co., Ltd. (the "Company") is committed to Diversity, Equity and Inclusion ("DEI") at every level of the Company and in every country where the Company operates. NHIS believes a diverse workforce, equitable institutions, and an inclusive culture are key to the Company's success.

1. Diverse Workforce

The Company aspires to bring together a workforce that reflects the diversity of the broader society in which it operates. A diverse workforce would represent the diversity of gender, educational background, place of birth, religion, language, ethnicity, ability, socioeconomic status, sexual identity, and more. NHIS believes that diverse perspectives enhance decision-making and ought to be reflected at every level of the Company.

2. Equitable Institutions

The Company is committed to providing fair access to advancement opportunities for everyone at the Company. The Company is committed to the career development of employees from the very start of their time at NHIS. The Company offers a range of trainings and programs to enable and empower each person to carve a path to success at the Company.

3. Inclusive Culture

The Company recognizes the importance of fostering an inclusive culture. At NHIS, all constituents should feel comfortable with voicing their opinions and feel that they are integral members of the teams in which they participate. In addition, the Company recognizes its role in responding to business partners' and clients' needs around DEI and supporting DEI-related initiatives that serve local communities. The Company will strive to achieve DEI at the Company, in the broader economy and in the society in which it operates.

Policy Book

Safety and Health Management Policy

NH Investment & Securities Co., Ltd. (the "Company") recognizes that the lives, well-being, safety and health of its members and clients are the top priority for its management and promotes the establishment of a safety and health management system and the development of a mature safety and health culture. The Company hereby declares the following safety and health management policy with the aim of advancing the well-being and happiness of its members and creating a pleasant working environment.

1. The Company shall set safety and health goals to create a safe workplace; establish and operationalize specific, detailed plans to achieve such goals; and continue to improve on those plans;

2. The Company shall continuously check and strictly comply with relevant laws and regulations regarding safety and health matters;

3. The Company shall identify in advance potential risks that could affect the safety and health of its members and clients and continuously take actions to mitigate such risk factors;

4. The Company shall set up a safety and health team dedicated to creating a safe workplace and improving working environments and shall support the allocation of sufficient workforce and budget to these efforts; and

5. The Company shall raise awareness of issues related to the safety and health of its members and make a concerted effort to expand an autonomous safety culture.

Corporate Social Responsibility Policy

NH Investment & Securities Co., Ltd. (the "Company") fully recognizes the importance of its Corporate Social Responsibilities ("CSR"). The Company hereby declares as follows, with the aim of contributing to the creation of a world in which its clients and individuals who constitute the society in which the Company operates are able to look forward to a bright future and promoting general social welfare:

1. The Company, as a responsible corporate citizen, shall actively take the lead in carrying out sustainable CSR activities;

2. The Company shall devise and implement specific and systematic plans to facilitate the execution of CSR activities;

3. The Company shall endeavor to establish a corporate-wide culture intended to support the promotion officers' and employees' voluntary CSR activities;

4. The Company, in carrying out its CSR activities, shall seek to strengthen its solidarity with a wide array of stakeholders, including clients, residents of local communities, and relevant civic groups; and

5. The Company shall make efforts to provide accurate and transparent information about its CSR activities.

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Environmental Management Policy

NH Investment & Securities Co., Ltd. (the "Company") recognizes the need to establish a suitable environmental management system to properly respond to climate change, to carry out its social responsibilities regarding environmental preservation, and to pursue sustainable management. In order to strengthen its own Environmental, Social, and Governance ("ESG") capacity and simultaneously take the lead in protecting the environment, the Company hereby declares its environmental management policy as follows:

1. The Company shall establish an adequate environmental management system and continuously make improvements thereto in order to reduce any negative impact on the environment or risk of environmental accidents associated with its investment activities and provision of customer services related to the Company's operations.

2. The Company shall comply with relevant laws and regulations relating to environmental protection.

3. The Company shall continuously monitor relevant managerial activities in an effort to create eco-friendly management and corporate culture and thereby pursue sustainable development.

4. The Company shall provide education and training to relevant officers and employees on the environmental management policy, which aims to prepare such officers and employees on responses to climate change and preservation of the environment, and shall also continuously make efforts to aid the understanding of other stakeholders, including clients and partners, on these issues.

5. The Company shall disclose management policy and information relating to the environment in a transparent manner.

Environmental and Social Investment Policy

I. Objective

NH Investment & Securities Co., Ltd. (the "Company") seeks to pursue eco-friendly and sustainable development in cooperation with a wide array of stakeholders, including clients, employees and business partners as well as the state, local governments, and civic groups. The Company aims to realize such development by performing its corporate social responsibilities as a corporate citizen, actively managing environmental and social risks, and encouraging stakeholders to promote Environment, Social and Governance ("ESG") values throughout the entire process of establishing and implementing business plans, including those for investment activities.

II. Scope of Application and Procedure

The Company shall apply this policy to all levels of its management activities. In executing investments, the Company shall make comprehensive investment decisions through non-financial analysis based on the ESG standards set forth by the Company, along with conventional industry, business and financial analysis.

III. Negative Screening

Negative screening is a responsible investment strategy that excludes certain industries/companies from investment portfolios based on the ESG standards. The Company's negative screening can be further divided into immediate and gradual exclusion. The scope of exclusion is further divided into exclusion based on product and on conduct. Product exclusion includes excluding companies and projects that manufacture, sell and distribute war-related weapons as well as new coal-related projects. Conduct exclusion means excluding companies and projects involving conduct that causes serious environmental, social and ethical harm.

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1. Immediate Exclusion

The Company shall, as a matter of principle, cease to invest in a target company if the target company's business falls under any of the following cases:

a. Product Exclusion

- **Weapons**
  This exclusion applies to companies that produce, sell or purchase equipment which could be used for "capital punishment, torture, or other inhumane or cruel treatment or punishment" as set forth in EU Council Regulation No 1236/2005 (EU regulation concerning the list of products subject to export prohibition). Companies involved in distributing and storing weapons prohibited under international conventions, including cluster munitions, anti-personnel mines, biochemical weapons and nuclear weapons, are also excluded.
- **Coal**
  This exclusion applies to projects related to the construction of new coal-fired power plants because burning coal for power generation emits large amounts of carbon dioxide and fine particulates, which significantly contribute to air pollution.
- **Red Flags**
  Tobacco, gambling, alcoholic beverages and adult entertainment may cause social and ethical issues. Therefore, the Company shall classify them as areas that require particular attention and shall monitor their impacts. Notwithstanding the foregoing, the Company may make investments if there are justifiable reasons, including the application of new technology, business model conversion, policy consideration or engagement through a responsible investment organization, and other business purposes.

b. Conduct Exclusion

This exclusion applies to companies that have violated international norms and conventions, such as the United Nations Global Compact or that are subject to sanctions under anti-money laundering and anti-terrorism financing laws of competent authorities. Serious human rights violation, severe climate change-related or environmental damage and serious corruption are included in this category. In the case of biodiversity, the provision of financing connected to the following acts shall be immediately excluded:

- Acts that involve seriously damaging terrestrial ecosystems, including illegal logging,illegal wildlife trafficking, and development of national wildlife sanctuaries; and
- Acts that involve destroying marine ecosystem, including fishing using dynamite or chemicals and illegal discharge of harmful substances.

2. Gradual Exclusion

Both product and conduct exclusion shall be applied according to progress in ESG, but the scope of application shall be gradually expanded in the future. Targets of products exclusions are to be immediately excluded, and exclusions shall be applied in stages where red flag areas, including tobacco, gambling, alcoholic beverages and adult entertainment, are concerned, with consideration given to the proportion of sales. Targets of conduct exclusion are to be immediately excluded. Animal testing, export of live animals, modern slavery and child labor are also subject to conduct exclusion. If other issues arise, exclusion shall be determined based on policy considerations or engagement through a responsible investment organization.

IV. Continuous Risk Management for Investment Targets

1. The Company shall continue to monitor the transaction trends of investment targets even after the Company's initial investment and shall make best efforts to timely review the performance of the Company's corporate social responsibilities in addition to operational activities and financial changes.
2. If the Company determines that the operation and management activities of investment targets are likely to cause ESG-related harms, it shall, in principle, propose devising plans to address these harms; track the implementation status of such plans; and re-evaluate whether to continue transactions.

V. ESG Investment Goals

In order to achieve the Sustainable Development Goals ("SDGs") promulgated by the United Nations, the Company shall strive to prioritize making investments that are consistent with sustainable goals as enumerated below:

1. No Poverty

- Expand social services for the poor and vulnerable
- Ensure access to financial services, including appropriate new technology and microfinance

2. Zero Hunger and Sustainable Agriculture

- Ensure access for the vulnerable to food
- Create jobs in rural areas
- Expand eco-friendly agricultural projects
- Support research into food commodity market social infrastructure and secure safety of their derivatives

3. Good Health and Well-Being

- Prevent and take care of chronic and infectious diseases
- Expand and improve access to health-care services
- Improve sanitation
- Prevent air, water and soil pollution caused by hazardous substances

4. Quality Education

- Provide quality education services
- Support education for the vulnerable
- Expand education facilities
- Build safe education infrastructure

5. Gender Equality

- Increase female employment and end discrimination
- Provide information and education on pregnancy and childbirth
- Provide women with leadership opportunities at all levels of decision-making
- Give women equal rights to ownership of land, other forms of property, financial services and natural resources

6. Clean Water and Sanitation

- Supply safe drinking water
- Supply water and sewage systems to farming and fishing villages
- Improve water quality
- Restore ecological waters Increase sewage recycling and ensure the supply of sustainable fresh water

7. Energy

- Improve energy efficiency
- Generate renewable energy
- Increase the proportion of renewable energy
- Provide winter heating to energy have-nots

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8. Decent Work and Economic Growth
- Create decent jobs
- Increase support for entrepreneurship and innovation and access to financial services
- Support youth employment
- Create safe working environment
- Promote sustainable industries

9. Innovation and Infrastructure
- Develop sustainable social infrastructure and expand access to finance and technology
- Increase access for the vulnerable to digital information
- Increase access for small- and medium-sized companies to financial services
- Provide support related to finance, technology and infrastructure to developing countries

10. Reduced Inequalities
- Eliminate discriminatory laws, policies and practices and ensure equal rights of all interested parties
- Increase the income of persons in the low-income bracket
- Reduce the gap in employment rates between groups by gender, age and disability

11. Sustainable Cities and Communities
- Supply safe and affordable housing and basic services
- Improve transport systems and mobility convenience
- Safeguard cultural and natural heritage
- Reduce the adverse environmental impact of cities, such as fine particulates and waste
- Secure parks, green spaces and public spaces tailored to users

12. Sustainable Consumption and Production
- Promote eco-friendly consumption and boost the competitiveness of green products in the market
- Ensure sustainable management and efficient reuse of resources
- Minimize the loss of sustainability in production, distribution and disposal processes
- Establish a foundation for education on sustainable development
- Develop a virtuous cycle system for plastics and other products

13. Climate Action
- Strengthen resilience and adaptive capacity to address climate-related hazards and natural disasters
- Build capacity for climate change mitigation, adaptation, impact reduction and early warning
- Reduce greenhouse gas emissions

14. Life below Water
- Protect and improve the marine environment
- Prevent marine waste, pollution and acidification
- Expand foreshore ecosystem restoration projects
- Support small-scale fishing
- Increase marine technology R&D

15. Life on Land
- Develop and manage forest resources and restore forests
- Protect endangered wild animals
- Halt deforestation and prevent desertification
- Preserve terrestrial and inland freshwater ecosystems

16. Peace, Justice and Strong Institutions
- Prevent all forms of violence, including violence against children and sexual violence; prevent related deaths and protect victims
- Reduce illegal funds and arms trade
- Reduce corruption and bribery
- Ensure public access to information
- Reinforce digital human rights

17. Partnerships for the Goals
- Enhance policy coherence for sustainable development
- Strengthen the capacity of developing countries to implement SDGs
- Build global partnerships to achieve sustainable development goals

Tax Policy

NH Investment & Securities Co., Ltd. (the "Company") 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. The Company has therefore established tax rules and policy, and pursue cooperative, constructive relations with taxation authorities for faithful implementation of its tax policy. The Company makes transparent tax payments and discloses relevant information according to the following rules.

Principles on Tax

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

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Disclosure of Tax Payment Information

In Korea, the Company shall 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 its annual Integrated Report and Auditors' Report, the Company shall 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 constantly monitored 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 after an outside expert's advice is carried out, and the issue may be brought in to the BOD if necessary.

Base Erosion and Profit Shifting

Global tax regulation is tightened due to increased frequency of international trade and the resulting growing global interest in transfer of taxable income among countries which bears possible cases of tax avoidance. The Company faces increased tax risk regarding transfer price (arm's length price) of international transactions amid increasing transactions with overseas local subsidiaries. The Company recognized the need to review (TP Study) transfer prices in case of international trade with overseas local subsidiaries in 2012. Accordingly, the Company received professional legal advice in 2014 and carried out an overall review on the transfer prices on overseas trade that occurred between the Company and its overseas local subsidiaries.

Whenever there is a new service contract with an overseas local subsidiary, the Company's 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 and accounting firm for each contract. In accordance with the international direction and flow of transfer price-related policy, the Company shall review transfer prices again for previous contracts if needed. The Company shall use the review results as the reference to calculate commissions to reduce domestic tax risks while observing the OECD Transfer Pricing Guidelines. The Company shall also promote the appropriate fulfillment of tax obligations based on local tax laws.

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Board of Directors Independence Policy

NH Investment & Securities Co., Ltd. (the "Company") Board of Directors (the "BOD") shall perform functions independently from management and controlling shareholders for the continuous growth of the Company and the rights and interests of stakeholders. To this end, the BOD is composed of a majority of outside directors to supervise and keep check of the management decision-making process, and an outside director is appointed to serve as the BOD chairperson. In addition, relevant laws and regulations, such as the Act on Corporate Governance of Financial Companies, are complied with in order to verify the independence of each director.

1. The Company shall not fall under any of the Subparagraphs of Article 5 (Qualifications for Executive Officers) Paragraph 1 of the Act on Corporate Governance of Financial Companies.
2. The Company shall not fall under any of the Subparagraphs of Article 6 (Qualifications of Outside Directors) Paragraph 1 of the same Act.

Board of Directors Diversity Policy

NH Investment & Securities Co., Ltd. (the "Company") Board of Directors (the "BOD") is comprised of directors with diverse backgrounds and expertise who are committed to upholding high ethical standards and responsibility. The BOD shall strive to enhance the value of shareholders, financial consumers, and stakeholders.

1. Diversity

- Gender: In order to enhance gender diversity of the BOD, the Company shall not discriminate on the basis of gender, and ensure that the BOD is composed of both genders.
- Experience and Background: While considering the nature of a financial company, the Company shall avoid being biased towards a specific background or origin.
- Other: The Company shall take into consideration the diversity of nationality, race, religion, and cultural backgrounds.

2. Expertise

The BOD shall consist of directors who have professional knowledge or sufficient work experience in fields such as finance, economics, management, accounting, law, information technology, and consumer protection to ensure that their specialties are not concentrated in particular occupations.

Act on Corporate Governance of Financial Companies

Article 5 (Qualifications for Executive Officers)

① The following persons shall be disqualified from being executive officers of a financial company:
1. A minor, a person under adult guardianship, or a person under limited guardianship;
2. A person declared bankrupt but not yet reinstated;
3. A person in whose case five years have not yet passed since imprisonment without labor or heavier punishment to which he/she was sentenced was completely executed (or is deemed to have been completely executed) or was remitted;
4. A person who was sentenced to the suspension of imprisonment without labor or heavier punishment, and is still in the period of suspension;
5. A person in whose case five years have not yet passed since a fine or heavier punishment to which he/she was sentenced under this Act or any other finance-related statutes was completely executed (or is deemed to have been completely executed) or was remitted;
6. A person who serves or served as an executive officer or an employee of a financial company in which case five years have not yet passed since any of the following measures was taken against the company (limited to persons specified by Presidential Decree as directly liable for the cause of such measures or those reasonably responsible for such measures):
   (a) Revocation of permission or authorization for, or registration, etc. of, business under a finance-related statute;
   (b) A measure of timely correction under Article 10 Paragraph 1 of the Act on the Structural Improvement of the Financial Industry;
   (c) An administrative disposition under Article 14 Paragraph 2 of the Act on the Structural Improvement of the Financial Industry;
7. A person in whose case the period specified by Presidential Decree not exceeding five years for each category of sanctions has not yet passed since a sanction (including a notice equivalent to the relevant measure, in cases of an executive officer or an employee who has already retired or resigned from office) was taken against him/her under any finance-related statute for his/her conduct as an executive officer or an employee;
8. A person specified by Presidential Decree, by whom public interest and sound management of the relevant financial company or credit order are likely to be undermined.

② If a person appointed as an executive officer of a financial company falls within any category of Paragraph 1 Subparagraphs 1 through 8, the person shall forfeit his/her position: Provided, that a person who falls within the category specified in Paragraph 1 Subparagraph 7 shall not forfeit his/her position in cases specified by Presidential Decree.

Article 6 (Qualifications for Outside Directors)

① The following persons shall be disqualified from being an outside director of a financial company: provided, that a person may be qualified as an outside director, if the person becomes a specially related person of the largest shareholder under Subparagraph 1 when he/she becomes an outside director:
1. The largest shareholder or a specially related person of the largest shareholder (referring to an executive officer or an employee of a corporation, if the largest shareholder or the specially related person of the largest shareholder is a corporation);
2. A major shareholder and the spouse or a lineal ascendant or descendant of a major shareholder (referring to an executive officer or an employee of a corporation, if the major shareholder is a corporation);
3. A person who serves as a full-time executive officer or employee or a non-executive director of the relevant financial company or its subsidiary (referring to a subsidiary defined by Article 2 Subparagraph 12 of the Monopoly Regulation and Fair-Trade Act; hereafter the same shall apply) or who served as a full-time executive officer or employee or a non-executive director during the preceding three years;
4. The spouse or a lineal ascendant or descendant of an executive officer of the relevant financial company;
5. A full-time executive officer or employee of the company for which an executive officer or employee of the relevant financial company serves as a non-executive director;
6. A person who serves as a full-time executive officer or employee of a corporation that has an important business relationship defined by Presidential Decree or a competitive or cooperative business relationship with the relevant financial company or who served as a full-time executive officer or employee of such corporation during the preceding two years;
7. A person who has served as an outside director of the relevant financial company for at least six years or who has served as an outside director of the relevant financial company or its subsidiaries for at least nine years in total;
8. A person specified by Presidential Decree, on any other ground, as a person who has difficulties in performing his/her duties faithfully as an outside director of the financial company or who is likely to influence the management of the relevant financial company.

② If a person who has become an outside director of a financial company falls within any category of Paragraph 1, the person shall forfeit his/her position.

③ An outside director of a financial company shall be a person specified by Presidential Decree, among persons who have abundant expertise or practical experience in finance, economy, business administration, law, accounting, etc.

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Business Partners Code of Conduct

Preface

NH Investment & Securities Co., Ltd. (the "Company") has established a Code of Conduct for Business Partners for the fulfillment of social responsibilities as a member of the nation and society, sustainable development with the stakeholders, and for the win-win and mutual growth between the Company and Business partners (corporate or individual entities that provide goods or services to the company or conclude a contract for other transactions). Business Partners Code of Conduct recommends the best operation in each sector such as business ethics, labor and human rights, diversity/equity and inclusion, safety and health, and environmental protection in addition to thorough compliance management. The Company respects the personalities of its Business partners and employees, and requires that they carry out relevant activities in accordance with the Code of their own accord, and not by coercion. In case of any contradiction between the contents recommended in Business Partners Code of Conduct and the law, the law shall take precedence in application.

1. Business Ethics

1) Transparent Management

Business Partners shall disclose all information related to business management in accordance with relevant laws and industrial practice so that it can be made known by employees and shareholders and the general public, and shall carry out transparent decision-making.

2) Anti-Corruption

Business Partners shall present policies and standards regarding anti-corruption and antibribery and manage and supervise so that employees strictly comply with them.

3) Fair Trade

Business Partners shall promote mutual growth with their own affiliates, and prevent and supervise acts that hinder the market order through unfair trade practices, such as taking advantage of their superior position in trade.

2. Labor and Human Rights

Business Partners shall protect the human rights of workers, and ensure that they are legally employed and treated with dignity.

1) Humane Treatment

Business Partners shall respect the privacy of employees, and shall not engage in inhumane treatment such as sexual harassment, corporal punishment, mental and physical coercion, verbal abuse, intimidation, and unreasonable restrictions.

2) Voluntary Work

The work of all workers of Business Partners must be voluntary, and the Business Partners shall not demand the transfer of identification cards, passports and work visas issued by the government as a condition of employment.

3) Prohibition of Child Labor and Protection of the Vulnerable

Business Partners shall not, under any circumstances, employ a child worker under the age of 15. Minors under 18 shall be employed in compliance with labor relations and laws, and shall not engage in dangerous or harmful work. Vulnerable groups, including women and the disabled, shall be protected.

4) Work Hours

Business Partners shall not exceed the number of working days and working hours stipulated in relevant laws.

5) Freedom of Association

Business Partners shall guarantee the workers' freedom of association and right for collective bargaining, and shall not give any unfavorable treatment for reasons of organizing, joining, or participating in a labor union.

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3. Diversity, Equity and Inclusion

1) Respect for Diversity
Business Partners shall respect the diversity of their workers when performing tasks such as gender, educational background, place of birth, religion, language, race, ability, social/economic status, and gender identity.

2) Provide Fair Opportunity
Business Partners shall provide an equal opportunity for promotion for all members, and employees shall endeavor to develop their careers from the beginning of their employment.

3) Open Organizational Culture
Business Partners shall create an open organizational culture where all members can respect and accept each other's opinions.

4. Safety and Health

1) Establishment and Implementation of Safety and Health Plans
Business Partners shall establish safety and health goals and detailed plans to create a safe workplace, and shall carry out and improve its implementation continuously.

2) Prevention of Occupational Incidents and Diseases
Business Partners shall establish a procedure and system for preventing, managing, tracking and reporting occupational incidents and diseases, and shall continuously manage them by providing rest and personnel placement to prevent occupational incidents and diseases.

3) Hygiene and Cleanliness Management
Business Partners shall manage the hygiene and cleanliness of housing facilities for workers such as dormitories, washrooms, and restaurants.

4) Safety and Health Education
Business Partners shall conduct relevant activities such as education to raise members' awareness on safety and health and spread the autonomous safety culture.

5. Environmental Protection

1) Environmental Management Practices
Business Partners shall make efforts to respond to climate change, protect the global environment, and put environmental management into action and shall carry out continuous improvement activities through education.

2) Compliance with Environmental Laws
Business Partners shall comply with all laws and regulations related to environmental protection.

3) Disclosure of Environmental Management Information
Business Partners shall transparently disclose management policies and information related to the environment.

UNGC Principles

UN Global Compact Implementation in 2024

NH Investment & Securities joined the UN Global Compact (UNGC) in September 2011, and has since been committed to endorsing its 10 principles in the four areas of human rights, the labour, environment, and anti-corruption. Our activities aligned with each of these principles are disclosed through our integrated reports, and the table blow provides the corresponding page references.

Area	Principle	Page
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and	78p
	Principle 2. make sure that they are not complicit in human rights abuses.	78p
Labour	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	78p
	Principle 4. the elimination of all forms of forced and compulsory labour;	133p
	Principle 5. the effective abolition of child labour; and	133p
	Principle 6. the elimination of discrimination in respect of employment and occupation.	133p
Environment	Principle 7. Businesses should support a precautionary approach to environmental challenges;	49-64p
	Principle 8. undertake initiatives to promote greater environmental responsibility; and	37-38p, 49-64p
	Principle 9. encourage the development and diffusion of environmentally friendly technologies.	37-38p, 49-64p
Anti-Corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	89-90p

UN SDGs Alignment

UN SDGs Implementation in 2024

NH Investment & Securities is conducting business in consideration of the UN Sustainable Development Goals (SDGs).
Out of the 17 UN SDGs, we focus on those goals that closely align with our business in disclosing our activities and achievements, and contribute to the sustainable development of the global community in so doing.

Category	Principle	NHIS Activities	Page
Goal 1 	End poverty in all its forms everywhere	• Operated the Social Contribution Group • Undertook the Building Community Town program	84-85p, 116p
Goal 2 	End hunger, achieve food security and improved nutrition and promote sustainable agriculture	• Engaged in CSR activities for rural areas • Supported small/mid-sized farms with crowdfunding and live commerce	14-17p
Goal 3 	Ensure healthy lives and promote well-being for all at all ages	• Implemented family-friendly programs • Established a health and safety framework and operated mental health programs for employees	80-81p
Goal 4 	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	• Forged ties for 1 Company 1 School financial education and provided financial education to teenagers • Retirement planning programs for the middle-aged by the Longevity Research Institute	72p, 85p
Goal 5 	Achieve gender equality and empower all women and girls	• Pursued increased diversity of employees • Ensured fair recruitment and evaluation	78-79p
Goal 7 	Ensure access to affordable, reliable, sustainable and modern energy for all	• Listed the Green Energy ESG ETN • Completed a production plant to pursue a biochar-based carbon credit business	11p, 38p
Goal 8 	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	• Ensured employment security and talent acquisition • Provided a range of employee welfare and benefits programs	78p, 81p

UN SDGs Alignment

UN SDGs Implementation in 2024

Category	Principle	NHIS Activities	Page
Goal 9	Build resilient foundation, promote inclusive and sustainable industrialization and foster innovation	• Enhanced service accessibility for the digitally-underserved • Operated the NH Digital Alliance Fund	69p, 82p
Goal 10	Reduce inequalities within and among countries	• Supported rural village communities and helped increase income for farming households • Provided scholarship support to teens from low-income families	17p, 84p
Goal 12	Ensure sustainable consumption and production patterns	• Expanded the proportion of socially responsible investing including sustainable bonds • Developed and pursued carbon credit business	10-11p, 37-38p
Goal 13	Take urgent action to combat climate change and its impacts	• Built a Carbon-Neutral Financial System • Engaged in investment, arrangement, and advisory for GHG emissions reduction projects	10-11p
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.	• Bolstered the ethical management system in line with the Ethics Charter • Operated whistleblowing mechanisms	89p
Goal 17	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	• Pursued global GHG emissions reduction business • Joined the UN Global Compact (UNGC)	10-11p, 142p

Third-party Assurance Statement

DNV Business Assurance Korea, Ltd. ('DNV', 'we', or 'us') has been commissioned by NH Investment & Securities Co., Ltd. (hereafter referred to as 'NH Investment & Securities' or 'the Company') to undertake an independent limited assurance on the NH Investment & Securities Integrated Report 2025 (hereafter referred as 'the Report') for the calendar year ending 31 December 2024. The intended users of this assurance statement are the management and stakeholders of NH Investment & Securities.

Standards of Assurance

This assurance engagement has been carried out in Type 2 limited assurance in accordance with AccountAbility's AA1000 Assurance Standard v3 and DNV's VeriSustain protocol V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. DNV has reviewed the Report's adherence to the four principles of AA1000 AccountAbility Principles Standard (2018) and the accuracy, completeness, and neutrality principles of VeriSustain. In addition, DNV has reviewed the 'reliability of specified sustainability performance information' as described in 'Scope of Assurance'.

DNV's VeriSustain protocol requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited or/and reasonable assurance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on NH Investment & Securities website for the current reporting period.

Scope of Assurance

We have carried out an independent limited assurance on the Report and an independent verification for selected performance indicators for the year ending 31 December 2024, which include the following:

- We have reviewed the GRI Topic Disclosures relevant to the Material Topics which have been identified as material through the materiality assessment undertaken by NH Investment & Securities.
- Regarding the reliability of the specified sustainability performance information, we reviewed the quality and reliability of the following GRI Topic Standards disclosures: Energy (302-1, 302-3, 302-4), Emissions (305-1 to 305-5), and Customer Privacy (418-1), as well as the non-GRI disclosures developed by NH Investment & Securities on Digital Finance and Platform Strategy, and Financial Consumer Protection.

Opinion, observations and recommendations

On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not adhere to the four principles of AA1000 APS and the accuracy, completeness, and neutrality principles of VeriSustain described below. In terms of the reliability of specified sustainability performance information, nothing has come to our attention to suggest that the data have not been properly collated from information reported at the operational level, nor that the assumptions used were inappropriate. Furthermore, nothing has come to our attention to cause us to believe that NH Investment & Securities' Report has not been prepared, in all material respects, in accordance with the GRI Standards.

Without affecting our assurance opinion, we provide the following observations against the principles of AA1000 APS and VeriSustain applicable to the relevant information described in the 'Scope of Assurance':

Inclusivity: Stakeholder participation and opinion

NH Investment & Securities identifies key stakeholders such as customers, shareholders and investors, and employees, and reports communication channels and key concerns for each group. Feedback is reflected in the materiality assessment and business activities. Strengthening stakeholder engagement and reporting on the effectiveness of responses to stakeholder needs will further enhance the company's risk and opportunity management capabilities.

Materiality: Identifying and reporting on material sustainability topics

NH Investment & Securities conducted a double materiality assessment to identify issues requiring prioritized management from both financial and environmental/social perspectives. Based on stakeholder interviews, media analysis, and a review of relevant domestic and international regulations, the company identified 10 material issues. Among these, four were designated as key material topics, for which both financial and environmental/social impacts are disclosed.

Responsiveness: Transparent response to critical sustainability topics and related impacts

NH Investment & Securities identifies ESG-related issues and regularly reviews its sustainability strategy and direction through the ESG Committee under the Board of Directors. In addition, the Sustainability Council, composed of senior management, monitors ESG performance and drives continuous improvement. The company manages key sustainability impacts and performance using GRI Topic Standards as performance indicators for material issues. Time-series performance data is disclosed, contributing to enhanced consistency and transparency of ESG information.

Impact: Monitoring, measuring and accounting for the impact of organizational activities on the organization and its stakeholders

NH Investment & Securities has established strategies and targets to manage key material issues and regularly monitors and reports on their progress. In particular, the company discloses its approach to managing the impacts of critical topics—such as Climate Change Response, Digital Finance and Platform Strategy, Financial Consumer Protection, and Information Security and Client Data Privacy—through a structured framework that includes governance, strategy, risk management, and metrics and targets.

Third-party Assurance Statement

Reliability: Accuracy and comparability of information presented in the report and the quality of underlying data management systems

The data collection and processing procedures, supporting documents, and records were verified through sampling techniques. Based on the results, no intentional errors or misstatements were found in the sustainability performance information described in the Report. NH Investment & Securities is able to explain the source and meaning of its sustainability performance using reliable methods and data, and any errors or unclear expressions identified during the verification process were corrected prior to the publication of the Report.

Completeness: How much of all the information that has been identified as material to the organization and its stakeholders is reported

NH Investment & Securities reports on the Company's key non-financial disclosures based on its performance related to material topics during the reporting period of 2024 using appropriate GRI Topic Standard disclosures, for the identified boundaries of operations.

Neutrality: Extent to which a report provides a balanced account of an organization's performance, delivered in a neutral tone

NH Investment & Securities discloses the Company's performance, challenges, and stakeholder concerns during the reporting period in a neutral, consistent, and balanced manner.

Our competence, independence and quality control

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. DNV verified NH Investment & Securities' greenhouse gas emissions in 2024, which we consider does not affect our independence or impartiality in assuring this Report.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

Limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, subsidiaries, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement. The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Responsibilities of the Directors of NH Investment & Securities and of the assurance providers

The Company's management has sole responsibility for the integrity of the Report and this responsibility includes designing, implementing, and maintaining internal controls over collection, analysis, aggregation and preparation of data, fair presentation of the information and ensuring that data is free from material misstatement.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the relevant information described in the 'Scope of Assurance' has been prepared in accordance with the reporting requirements and to report to NH Investment & Securities in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform the management and stakeholders of NH Investment & Securities. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

Basis of our Opinion

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of NH Investment & Securities. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Peer and media review to identify relevant sustainability issues for NH Investment & Securities during the reporting period.
- Review of the disclosures according to reporting requirements with a focus on the process and the result of materiality assessment, Topic Standards Disclosures, and relevant management processes.
- Understanding and evaluation of the key systems, processes, and controls for consolidating, managing, and reporting the information and KPIs included in the Report.
- Review of documentary evidence supporting adherence to the reporting principles and requirements.
- Conduct interviews with representatives from the ESG team and relevant departments with overall responsibility for monitoring, data consolidation, and reporting of sustainability-related information.
- On-site visit at the NH Investment & Securities Head Office in Seoul, Republic of Korea to review the processes and systems for preparing site-level sustainability data and implementation of the sustainability strategy, and to carry out a sample-based assessment of site-specific data disclosures.

DNV

AA1000
Licensed Report
000-10/V3-YW9C3

For and on behalf of DNV Business Assurance Korea Ltd.
Seoul, Republic of Korea
30 June 2025

So Hyun Kim	Chang Rok Yun	Sang Yeon Park
Lead Verifier	Verifier	Reviewer

GHG Assurance Statement

Introduction

DNV Business Assurance Korea Ltd. ("DNV") was commissioned by NH Investment & Securities Co., Ltd. ("Company") to perform third party verification for the Greenhouse gas Statement ("GHG statement") of the Company. The Company is responsible for the preparation of the GHG statement on the basis set out within 'WRI/WBCSD GHG Protocol: A Corporate Accounting and Reporting Standard ', 'IPCC Guidelines: 2006'. The Company has full responsibility of the GHG statement. According to terms of contract, DNV expressly disclaims any liability or responsibility for any decisions, based upon the verification opinion.

Objective and Scope of Verification

The objective of the verification is to present an independent verification opinion on the company's GHG statement, and the scope of verification is as follows;

- Organizational Boundary: Headquarters and Branches (incl. IDC center, HR Institute and company daycare center)
- Reporting Boundary: Scope 1 (Direct emissions), Scope 2 (Indirect emissions), Scope 3 (Other indirect emissions)
- Reporting Period: 2024.01.01 ~ 2024.12.31

Verification Approach

The verification has been conducted in accordance with the verification principles and tasks outlined in the 'ISO 14064-3:2019', based upon a Limited Level of assurance. DNV planned and performed our work so as to obtain all the information and explanations deemed necessary to provide us with sufficient evidence to provide a verification opinion with 5% materiality level. As part of the verification process, we have reviewed as follows;

- Adequacy of GHG data control, collection and emission calculation and report process
- The GHG inventory is based on measurements and has inherent limitations that may arise from the process of calculating, estimating, and finalizing the reported data.

Conclusions

Based on the verification, there is no evidence that the GHG statement is not materially correct and is not a fair representation of GHG data and information.

- DNV represents "Unmodified" opinion on Greenhouse Gas Emissions.

(Unit: tCO_2eq)

Division	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Other Indirect emissions (Scope 3)	Total Emission
Location-based[1]	830	5,940	886	7,656
Market-based[2]		5,618		7,334

1) 'Location-based' includes GHG emissions from Scope 2, which reflects the consumption of electricity from the national grid
2) 'Market-based' includes GHG emissions from Scope 2, which reflects the purchase of RECs (renewable energy certificates)
※ In order to report the GHG emissions as an integer, the rounded number might be different from the number on the calculation tool with ± 1tCO_2eq

Scope 1 & 2 Emissions

(Unit: tCO_2eq)

Division	Direct emissions (Scope 1)	Indirect emissions (Scope 2)	Total emissions
Headquarter	551	2,041	2,591
Branch	279	3,899	4,178
Total (Location-based)[1]	830	5,940	6,770
Total (Market-based)[2]	830	5,618	6,448

1) 'Location-based' includes GHG emissions from Scope 2, which reflects the consumption of electricity from the national grid
2) 'Market-based' includes GHG emissions from Scope 2, which reflects the purchase of RECs (renewable energy certificates)
※ Emissions of IDC center, Human Resource Institute and company daycare center are included in Branch emissions
※ In order to report the GHG emissions as an integer, the rounded number on the opinion might be different from the number on the system with ± 1 tCO_2eq

Scope 3 Emissions

(Unit: tCO_2eq)

Category	Other Indirect emissions (Scope 3)	Total emissions
1	Purchased goods and services	82
5	Waste generated in operations	218
6	Business travel	589
Total	-	886

※ In order to report the GHG emissions as an integer, the rounded number on the opinion might be different from the number on the system with ± 1 tCO_2eq

11th April 2025



Lee, Jang Sup
Country Representative
DNV Business Assurance Korea Ltd.

Awards and Memberships

Awards

Date of Award	Host	Award Category
Apr. 03, 2025	Maeil Business Newspaper	2025 Maeil Business Newspaper Securities Awards – Gold Prize (wealth management)
Feb. 26, 2025	Korea Economy Newspaper	2025 Korea Economy Newspaper IB Awards – Grand Prize
Feb. 25, 2025	Asia Economy	16th Asia Fund Awards – Best Distributor
Feb. 18, 2025	Money Today	22nd Korea IB Awards - Excellence Award in Real Estate Finance
Feb. 18, 2025	Korea Economic Daily	16th Korea IB Awards – Bond Issuance
Jan. 23, 2025	Chosun Ilbo, FnGuide	2024 Excellent Securities Firms and Best Analysts in Research – Excellence in Overseas Research
Jan. 23, 2025	Dealsite	3rd IB Awards – Lead Manager in ESG Bonds
Jan. 22, 2025	The Bell	2025 Korea Capital Markets thebell League Table Awards – Best Bond Deal(SB)
Jan. 22, 2025	The Bell	2025 Korea Capital Markets thebell League Table Awards – Best Financial Bond House
Jan. 22, 2025	The Bell	2025 Korea Capital Markets thebell League Table Awards - Best Right Offering
Jan. 22, 2025	Maekyung Economy, Maeil Business Newspaper	2024 Best Analyst Rankings – 3rd place
Jan. 14, 2025	Hankyung Business	2024 Best Securities Firm (2nd Half) – Excellence Award
Dec. 26, 2024	Aju Business Daily	2024 Aju Business Finance and Securities Awards – Grand Prize in Best Research
Dec. 11, 2024	Chosun Ilbo	2024 Consumer Choice Awards – Best Brand in Mobile Trading System (MTS)
Dec. 10, 2024	Korea Economy Newspaper	Korea Economy Newspaper Construction Awards – Construction Finance
Dec. 05, 2024	Asia Economy	2024 Asia Capital Investment Awards – Excellence in Research
Dec. 04, 2024	Seoul Economic Daily	2024 Korea Securities Awards – Excellent in Retirement Pension and OCIO
Dec. 04, 2024	Chosun Biz, UN SDGs Association	2024 The ESG Awards – Grand Prize in Environmental (E)
Dec. 03, 2024	Ministry of Economy and Finance	2024 First Half Excellent PD Commendation – Institutional Award
Nov. 28, 2024	Korea Standards Association	2024 Korean Readers' Choice Awards (KRCA) – Finance
Nov. 27, 2024	eToday	14th Market Leader of the Year Awards – Pension
Nov. 27, 2024	Hans Biz	2024 K-Sponomics Awards
Nov. 19, 2024	Money Today	1st Korea Value-up Awards – IR Award
Nov. 15, 2024	Korea Agrifood News	3rd Agri-Food ESG Management Awards 2024
Nov. 13, 2024	MTN Money Today Broadcasting	13th 100-Year Life Financial Awards – Excellence in Financial Investment
Oct. 30, 2024	Herald Economy	2024 Herald Investment Awards – Excellence in Pension Retirement
Oct. 30, 2024	Ministry of Employment and Labor	2024 Retirement pension provider evaluation – Outstanding overall performance
Oct. 30, 2024	Money Today	12th Best MTS Awards – Grand Prize
Oct. 25, 2024	Asia Economy	2024 Asia Smart Finance Awards – Excellence in Customer-friendly Services
Oct. 02, 2024	Asia Today	14th Asia Today Finance Awards 2024 - Excellence in Capital Markets
Jul. 25, 2024	Korea Internet Professionals Association	2024 Social i-Awards – Financial Innovation Grand Prize

Date of Award	Host	Award Category
Jul. 16, 2024	Hankyung Business	2024 Best Securities Firm (1st half) – Excellence Award
Jul. 03, 2024	Money Today	2024 Korea Financial Consumer Rights Awards – Consumer Rights Product Award
Jun. 28, 2024	Ministry of Economy and Finance	2023 Second Half Excellent PD Commendation – Institutional Award
Jun. 25, 2024	Korea Management Association Consulting (KMAC)	2024 Most Recommended Brand by Consumers – Securities Company category
Jun. 13, 2024	MTN Money Today Broadcasting	15th Korea Analyst Awards – Overall Grand Prize
May 24, 2024	Maeil Business Newspaper	2024 Korea Retirement Pension Awards – Special Award
May 09, 2024	Herald Economy	2024 Herald Capital Market Awards – Grand Prize in Investment Products
Apr. 25, 2024	Edaily	2024 Edaily Finance and Investment Awards - Excellence in Financial Investment (Investment Banking category)
Apr. 11, 2024	Maeil Business Newspaper	2024 Maeil Business Newspaper Securities Awards – Gold Prize (securities issuance)
Apr. 11, 2024	Maeil Business Newspaper	2024 Maeil Business Newspaper Securities Awards – Best Distributor (fund category)
Apr. 03, 2024	New York Festivals	Korea National Brand Awards – Securities category
Apr. 02, 2024	Autism Society of Korea	Autism Friendly Award – Corporate category
Mar. 27, 2024	Newspim	12th Capital Market Awards – Best IB Award
Mar. 13, 2024	Korea Economy Newspaper	2024 Korea Economic Newspaper IB Awards – Best Securities Issuance category
Feb. 22, 2024	Asia Economy	15th Asia Fund Awards – Best Distributor
Feb. 21, 2024	The Bell	2024 Korea Wealth Management Awards - Derivative-linked Securities of the Year: NH Investment & Securities Safezone ELS
Feb. 20, 2024	Money Today	21st Korea IB Awards – Excellence in ECM
Feb. 01, 2024	Korea Economic Daily, Market Insight	15th Korea IB Awards – Securities Issuance category
Feb. 01, 2024	Chosun Ilbo, FnGuide	2023 Excellent Securities Firms and Best Analysts in Research – Excellence Award
Jan. 30, 2024	Maekyung Economy , Maeil Business Newspaper	2023 Best Analyst Rankings – 3rd place overall
Jan. 26, 2024	The Bell	2024 Korea Capital Markets thebell League Table Awards – Best Straight Bond House
Jan. 26, 2024	The Bell	2024 Korea Capital Markets thebell League Table Awards - Best Financial Bond House
Jan. 26, 2024	The Bell	2024 Korea Capital Markets thebell League Table Awards - Best Bond Deal
Jan. 26, 2024	The Bell	2024 Korea Capital Markets thebell League Table Awards - Issuer's Favorite House
Jan. 26, 2024	The Bell	2024 Korea Capital Markets thebell League Table Awards - Best Rights Offering
Jan. 24, 2024	Dealsite	2nd IB Awards – Best House in M&A Financial Advisory
Jan. 24, 2024	Dealsite	2nd IB Awards – Best House in ESG Bond Underwriting
Jan. 16, 2024	Hankyung Business	2023 Best Securities Firm (2nd half) – Excellence Award

Awards and Memberships

Membership Associations

American Chamber of Commerce in Korea	Association of Compliance Officers	Retirement Pension Development Council	Korea Securities Law Association
Federation of Middle Market Enterprises of Korea	Company Audit Association	Seoul IB Forum	Institute of Internal Auditors
Korean Pensioni Association	Korea Developer Association	Korea Bigdata Society	Seoul Finance Forum
Korea Forex Club	UN Global Compact	Audit Manager of Securities	Global Finance Society
Insolvency Law Institute of Korea	KRX ETS	Korea Enterprises Federation	Seoul FX Market Operation Council
Korea Capital Market Institute	Korea Emissions Market Association	Baby Bond Members Council	Korea PEF Association
Korea Investor Relations Service	Korea Society of Management Information Systems	Securities Friday Group	Korea Exchange (annual installment payment)
Seoul Economist Club	GHG International Reduction Industry Association	Korea Listed Companies Association	Korea Venture Capital Association
Korea Association of Real Estate Investment Trusts	Federation of Korean Industries	Farmers Newspaper	Association for Supporting the SDGs for the UN
Korea Retirement Pension Institute (institutional member)	Korea CFO Association	Securities Firms' Money Market Council	Nextrade
Korea Financial Investment Association			

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

1. General Information

1.1 Parent Company Information

NH Investment & Securities Co., Ltd. (the "Parent Company" or the "Company"), was incorporated on January 16, 1969, to engage investment management. The Parent Company listed its shares in the Korea Exchange in accordance with Financial Investment Services and Capital Markets Act. The Parent Company operates 53 domestic branches, including its head office, four domestic offices and one overseas office.

The Parent Company merged with LG Merchant Bank Co., Ltd. on October 1, 1999, and changed its name to LG Investment and Securities Co., Ltd. from LG Securities Co., Ltd. , the Company's original company name. On March 31, 2005, the Parent Company merged with Woori Securities Co., Ltd. and changed its name again to Woori Investment & Securities Co., Ltd. on April 1, 2005. On December 30, 2014, the Parent Company merged with Nonghyup Investment & Securities Co., Ltd. and finally changed its name to NH Investment & Securities Co., Ltd. on December 31, 2014.

The Parent Company's capital stock as of December 31, 2024 is ₩1,683,205 million for common share and ₩ 99,355 million for preferred stock. Major shareholders as of December 31, 2024 are as follows:

	Number of shares		Percentage of ownership (%)	
	Common share	Preferred stock	Common share	Preferred stock
Nonghyup Financial Group Inc.	188,452,535	-	57.54	-
Others	139,039,764	18,870,968	42.46	100.00
	327,492,299	18,870,968	100.00	100.00

1.2 Consolidated Subsidiaries

The consolidated financial statements as of December 31, 2024 and 2023 include the following subsidiaries:

Subsidiaries	Main business	Location	Financial statements prepared as of	2024 Percentage of ownership (%)	2023 Percentage of ownership (%)
NH Investment & Futures Co., Ltd. [1]	Securities investments	Korea	2024-12-31	100.0	100.0
NH Investment & Securities Trust	Trust business	Korea	2024-11-30	-	-
NH Investment & Securities(H.K.) Ltd.	Securities business	China	2024-12-31	100.0	100.0
NH Absolute Global Opportunity Fund	Securities investments	Cayman	2024-11-30	100.0	100.0
NH Absolute Return Investment Strategies Fund	Securities investments	Cayman	2024-11-30	100.0	100.0
NH Securities Vietnam Co., Ltd.	Securities business	Vietnam	2024-12-31	100.0	100.0
NH Investment & Securities America, Inc.	Securities investments	USA	2024-12-31	100.0	100.0
NH Absolute Return Partners Pte. Ltd.	Securities investments	Singapore	2024-12-31	100.0	100.0
PT. NH Korindo Sekuritas Indonesia [7]	Securities investments	Indonesia	2024-12-31	92.7	98.6
NH Investment Advisory Co. Ltd. (Beijing)	Securities investments	China	2024-12-31	100.0	100.0
NH Investment & Securities Europe Ltd	Securities investments	United Kingdom	2024-12-31	100.0	100.0
NH Absolute Return General Private Placement Inverstment Trust No.1 [7,10]	Hedge fund	Korea	2024-12-31	45.6	40.2
NH New Growth Private Equity Fund [2]	Other financial business	Korea	2024-12-31	18.2	18.2
GnM Holdings Co., Ltd.[8]	Other financial business	Korea	2024-12-31	78.2	78.2
GnM Performance Co., Ltd. (formerly, Makulike)[8]	Advertising agency	Korea	2024-11-30	100.0	100.0
Granmonster Co., Ltd. [8]	Advertising agency	Korea	2024-11-30	100.0	100.0
NH Hedge Asset Management Co., Ltd.	Trust and collective investment business	Korea	2024-12-31	100.0	100.0
EIP Investment Infrastructure No.1 PEF	Other financial business	Korea	2024-12-31	99.6	99.6
NH Sea I Fund [4]	Beneficiary certificates	Singapore	2024-09-30	66.5	66.5
Tiger Private Fund No.61 [4]	Beneficiary certificates	Korea	2024-12-31	99.4	99.4
GEN-NH Sub-Fund II [5,8]	Beneficiary certificates	Singapore	-	-	100.0
NH Korea Hedge Fund VCC - NH Absolute Return I [4,9]	Beneficiary certificates	Singapore	2024-12-31	100.0	-
NH Absolute Project K Plus Private Equity Fund [4,5,9]	Beneficiary certificates	Korea	-	-	-
NH ABSOLUTE Venture Secondary Private Investment [4,9]	Beneficiary certificates	Korea	2024-12-31	15.0	-
ARA Korea Private Real Estate Fund No.10 [4]	Beneficiary certificates	Korea	2024-12-31	99.0	99.0
NH-Amundi Global Infra Fund No. 6 [4]	Beneficiary certificates	Korea	2024-12-31	99.9	99.9
PIA Infrastructure Private Equity Fund No. 4 [4]	Beneficiary certificates	Korea	2024-12-31	99.9	99.9
Tiger Genesis 543 general private fund [4,9]	Beneficiary certificates	Korea	2024-12-31	50.0	-
NH Absolute Mezzanine General Private Placement Investment Trust No.2 [4]	Beneficiary certificates	Korea	2024-12-31	33.3	33.3
NH Absolute KOSDAQ Venture Mezzanine Alpha General Private Placement Investment Trust No.1 [4]	Beneficiary certificates	Korea	2024-12-31	33.3	33.3
Eugene Avitation Private Equity Fund No. 9 [4]	Beneficiary certificates	Korea	2024-12-31	100.0	100.0
Absolute Lion Private Fund No.1 [4,5,7]	Beneficiary certificates	Korea	-	-	96.9
Tiger Active Long Biased No.3 Private Fund [4,5,7]	Beneficiary certificates	Korea	-	-	65.2
Absolute dividend & initial public offering Private Investment Trust 1 [4,5,7]	Beneficiary certificates	Korea	-	-	55.7
NH Absolute KOSDAQ Venture Mezzanine General Private Placement Investment Trust No.1 [4,5,8]	Beneficiary certificates	Korea	-	-	15.0
NH Absolute Equity Multi General Private Placement Investment Trust No.1 [7,8]	Beneficiary certificates	Korea	2024-12-31	78.7	49.6
NH Absolute Equity Multi General Private Placement Investment Trust No.2 [7,8]	Beneficiary certificates	Korea	2024-12-31	23.8	11.7
NH KOREA HEDGE FUND VCC [8,9]	Other financial business	Singapore	2024-12-31	100.0	-

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Subsidiaries	Main business	Location	Financial statements prepared as of	2024 Percentage of ownership (%)	2023 Percentage of ownership (%)
NH hedge Kosdaq SPAC Private Equity [5,8,9]	Beneficiary certificates	Korea	-	-	-
NH Absolute Project On Plus General Private Placement Investment Trust [8]	Beneficiary certificates	Korea	2024-12-31	85.0	85.0
EIP Solar One [8]	Other financial business	Cayman	2024-12-31	100.0	100.0
Suimei LP [8]	Other financial business	Canada	2024-09-30	99.6	99.6
FIP Acquisition GK [8]	Other financial business	Japan	2024-09-30	100.0	100.0
TAI TCI DIME REIT LLC [8]	Other financial business	USA	2024-09-30	100.0	100.0
TAI TCI DIME JV LLC [8]	Other financial business	USA	2024-09-30	64.5	64.5
TAI TCI DIME Owner LLC [8]	Other financial business	USA	2024-09-30	100.0	100.0
yongintechnologisno1.,Ltd [3,5]	Asset securitization	Korea	-	-	-
Song Am Park 2nd [3]	Asset securitization	Korea	2024-12-31	-	-
Newstartsecond Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Mimi Day 2nd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
CheongJu Express D-Two Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
New World Myeongji Tres Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
SMART KAMSAM 2ND Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
PV Landscape Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
YRD 1st Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Pinemilkthree Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Uncas The Second [3]	Asset securitization	Korea	2024-12-31	-	-
Uncas The First [3]	Asset securitization	Korea	2024-12-31	-	-
Industry Kimhae 1st Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Industry Kimhae 2nd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
PLN 5th Co, Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
HeyYS 1st Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
MJ Hangdong 5th Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
MJ Hangdong 4th Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
MJ Hangdong 3rd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Blue Sea Jinhae [3]	Asset securitization	Korea	2024-12-31	-	-
RA2nd [3]	Asset securitization	Korea	2024-12-31	-	-
The Sharp Gwangyang Ma-dong.inc [3]	Asset securitization	Korea	2024-12-31	-	-
RA3rd [3,5]	Asset securitization	Korea	-	-	-
ModernBeta Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
RA4th [3]	Asset securitization	Korea	2024-12-31	-	-
Cloud 1st Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
PrimaNonhyun Charlie Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-

Subsidiaries	Main business	Location	Financial statements prepared as of	2024 Percentage of ownership (%)	2023 Percentage of ownership (%)
Busan Minam 2nd Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
Busan Minam 1st Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
NewworldGeol-dong 1st Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
NewworldGeol-dong 2nd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Newforest 2nd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
Newforest 3rd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
GyeongsanLogis 3rd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
GoyangLogis 1st Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
CubeSkyline [3,5]	Asset securitization	Korea	-	-	-
RASupyo 1st Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
RAHaeundae 4th Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
NewWorld Jeonbang 4th [3]	Asset securitization	Korea	2024-12-31	-	-
Gangreung Mono 1st [3]	Asset securitization	Korea	2024-12-31	-	-
NewWorld Echo 3th [3]	Asset securitization	Korea	2024-12-31	-	-
Newworld Yonggye 5th [3,5]	Asset securitization	Korea	-	-	-
Bluepatio namcheon [3,5]	Asset securitization	Korea	-	-	-
Mir One 9th Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
NH Geomdan 1st Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
Wood Rose First Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
CUBE INTHE CO.,LTD. [3]	Asset securitization	Korea	2024-12-31	-	-
J On Pro Co., Ltd. [3,5]	Asset securitization	Korea	-	-	-
Newworld IP 6th [3]	Asset securitization	Korea	2024-12-31	-	-
Exit Sixth Co., Ltd [3,5]	Asset securitization	Korea	-	-	-
Landmark Yeoido No.2 [3,5]	Asset securitization	Korea	-	-	-
YonginSeocheonNH [3]	Asset securitization	Korea	2024-12-31	-	-
cubesp Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
NHHunin 3rd Co., Ltd. [3]	Asset securitization	Korea	2024-12-31	-	-
NEWGONGDUCK 3rd. Co., Ltd. [3,5,9]	Asset securitization	Korea	-	-	-
RICE 1ST.Co., Ltd. [3,5,9]	Asset securitization	Korea	-	-	-
K-Bio Futures First Co., Ltd [3,5,9]	Asset securitization	Korea	-	-	-
NH CENTERM 1ST Co., Ltd. [3,9]	Asset securitization	Korea	2024-12-31	-	-
Cube H Solution Co., Ltd. [3,9]	Asset securitization	Korea	2024-12-31	-	-
Grand Smart 3rd Co., Ltd. [3,5,9]	Asset securitization	Korea	-	-	-
JS Manseon 1st Co., Ltd. [3,5,9]	Asset securitization	Korea	-	-	-
LANDMARK SONGPABIZ 1ST Co., Ltd. [3,9]	Asset securitization	Korea	2024-12-31	-	-
MK YOUNGDEUNGPO 1st Co., Ltd. [3,5,9]	Asset securitization	Korea	-	-	-

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Subsidiaries	Main business	Location	Financial statements prepared as of	2024 Percentage of ownership (%)	2023 Percentage of ownership (%)
SMARTANSAN1ST [3,9]	Asset securitization	Korea	2024-12-31	-	-
MKdaeduck 1st [3,9]	Asset securitization	Korea	2024-12-31	-	-
Kiensendaeduck 2nd [3,9]	Asset securitization	Korea	2024-12-31	-	-
Namcheonlandmark 1st [3,9]	Asset securitization	Korea	2024-12-31	-	-
Seunsamisam 2nd [3,9]	Asset securitization	Korea	2024-12-31	-	-
Monetary Bond Trust No.115 [5,9]	Asset securitization	Korea	-	-	-
Monetary Bond Trust No.116 [5,9]	Asset securitization	Korea	-	-	-
Money Market Trust ("MMT") [6]	Securities investment	Korea	2024-12-31	-	-

1. Classified as a trust under Financial Investment Services and Capital Markets Act and included in the consolidation scope. Though the Parent Company is not a majority shareholder, the Parent Company 1) has the power over the investee; 2) is exposed, or has rights, to variable returns from its involvement with the investee and 3) has the ability to use its power to affect its returns.
2. Included in the consolidation scope, as the Parent Company, as a general partner, exercises majority of voting rights in decision making and participates in decision making related to the investee's operating policies.
3. Classified as a structured entity for the purpose of asset securitization and included in the consolidation scope though the Parent Company is not a majority shareholder, since the Parent Company 1) has the power over the investee; 2) is exposed, or has rights, to variable returns from its involvement with the investee and 3) has the ability to use its power to affect its returns.
4. Classified as a structured entity for the purpose of securities investments and included in the consolidation scope, considering the Parent Company 1) has the power over the investee; 2) is exposed, or has rights, to variable returns from its involvement with the investee and 3) has the ability to use its power to affect its return.
5. Excluded from the consolidation scope for the year ended December 31, 2024 due to decrease in ownership and expiration and others.
6. Included in the consolidation scope as the Parent Company is exposed to variable returns from its involvement with the investee ("MMT") and has the ability to use its power to affect its returns.
7. Percentage of ownership changed due to additional investment and disposal (repurchase) for the year ended December 31, 2024.
8. Controlled by a subsidiary of the Parent Company.
9. Included in the consolidation scope for the year ended December 31, 2024 due to acquisition and credit enhancement.

The summarized financial information of subsidiaries whose financial information is included in the consolidated financial statements as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

Subsidiaries	As of and for the year ended December 31, 2024				
	Assets	Liabilities	Operating revenue	Profit (loss) for the year	Comprehensive income (loss)
NH Investment & Futures Co., Ltd.	₩ 728,555	₩ 528,468	₩ 56,877	₩ 136	₩ (168)
NH Investment & Securities Trust	78,192	77,662	3,991	-	-
NH Investment & Securities(H.K.) Ltd.	1,108,790	140,851	139,020	58,783	174,523
NH Absolute Global Opportunity Fund	10,634	80	1,068	(197)	1,110
NH Absolute Return Investment Strategies Fund	55,529	245	2,239	(4,160)	2,857
NH Securities Vietnam Co., Ltd.	177,953	99,593	12,366	550	6,694
NH Investment & Securities America, Inc.	79,741	4,430	32,609	18,650	26,894
NH Absolute Return Partners Pte. Ltd.	5,741	633	2,185	204	821
PT. NH Korindo Sekuritas Indonesia	113,051	66,089	13,147	(1,512)	2,141
NH Investment Advisory Co. Ltd. (Beijing)	9,696	330	679	(463)	584
NH Investment & Securities Europe Ltd	41,148	876	3,453	(1,499)	3,530
NH Absolute Return General Private Placement Inverstment Trust No.1	616,625	26,967	163,748	(47,310)	(47,310)
NH New Growth Private Equity Fund	211,289	-	-	14,440	14,440
GnM Holdings Co., Ltd.	65,798	15,921	-	(1,095)	(1,095)
GnM Performance Co., Ltd. (formerly, Makulike)	11,411	15,666	8,215	(7,201)	(7,201)
Granmonster Co., Ltd.	31,878	31,741	19,365	(1,171)	(1,171)
NH Hedge Asset Management Co., Ltd.	97,023	28,631	27,825	9,270	9,270
EIP Investment Infrastructure No.1 PEF	60,474	382	24	(51)	(51)
NH Sea I Fund	12,427	188	180	(309)	1,212
Tiger Private Fund No.61	61,191	8,863	9,848	1,438	1,438
NH Korea Hedge Fund VCC - NH Absolute Return I	106,491	42	66	(6,455)	3,688
NH ABSOLUTE Venture Secondary Private Investment	15,609	125	357	(515)	(515)
ARA Korea Private Real Estate Fund No.10	117,780	13,718	15,016	3,392	3,392
NH-Amundi Global Infra Fund No. 6	1,510	451	2,537	(2,624)	(2,624)
PIA Infrastructure Private Equity Fund No. 4	80,210	4,179	19,640	5,759	5,759
Tiger Genesis 543 general private fund	2,172	193	386	(21)	(21)
NH Absolute Mezzanine General Private Placement Investment Trust No.2	2,801	127	2,940	2,318	2,318
NH Absolute KOSDAQ Venture Mezzanine Alpha General Private Placement Investment Trust No.1	8,276	179	27,766	1,536	1,536
Eugene Avitation Private Equity Fund No. 9	17,740	1,505	3,560	681	681
NH Absolute Equity Multi General Private Placement Investment Trust No.1	3,670	8	1,774	(244)	(244)
NH Absolute Equity Multi General Private Placement Investment Trust No.2	8,531	18	3,001	(66)	(66)
NH KOREA HEDGE FUND VCC	2,198	-	17	(1,111)	(981)
NH Hedge KOSDAQ Venture SPAC Private Placement Investment Trust	-	-	-	-	-
NH Absolute Project On Plus General Private Placement Investment Trust	47,448	27	3,559	(2,299)	(2,299)
EIP Solar One	45,084	-	-	(8)	1,173

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Subsidiaries	As of and for the year ended December 31, 2024				
	Assets	Liabilities	Operating revenue	Profit (loss) for the year	Comprehensive income (loss)
Suimei LP	66,595	37,282	-	(2,295)	(1,558)
FIP Acquisition GK	66,155	67,577	-	(1,109)	(1,160)
TAI TCI DIME REIT LLC	54,582	12	1,671	(569)	6,309
TAI TCI DIME JV LLC	90,593	147	2,967	2,614	13,723
TAI TCI DIME Owner LLC	234,722	150,813	12,119	496	10,940
Song Am Park 2nd	9,730	9,861	837	81	81
Newstartsecond Co., Ltd.	18,408	20,549	2,551	597	597
Mimi Day 2nd Co., Ltd.	10,242	13,087	156	(1,860)	(1,860)
CheongJu Express D-Two Co., Ltd.	21,585	22,261	2,012	(44)	(44)
New World Myeongji Tres Co., Ltd.	9,594	10,105	992	37	37
SMART KAMSAM 2ND Co., Ltd.	21,418	23,517	1,638	(376)	(376)
PV Landscape Co., Ltd.	5,376	4,064	97	(82)	(82)
YRD 1st Co., Ltd.	28,490	29,710	2,219	420	420
Pinemilkthree Co., Ltd.	6,117	9,175	1,934	(2,513)	(2,513)
Uncas The Second	24,473	25,289	2,122	(37)	(37)
Uncas The First	23,927	24,650	1,710	(35)	(35)
Industry Kimhae 1st Co., Ltd.	3,774	3,912	253	(18)	(18)
Industry Kimhae 2nd Co., Ltd.	9,816	10,150	934	(25)	(25)
PLN 5th Co, Ltd.	10,050	10,643	1,052	153	153
MJ Hangdong 5th Co., Ltd.	6,976	7,332	474	(60)	(60)
MJ Hangdong 4th Co., Ltd.	10,011	10,457	914	185	185
MJ Hangdong 3rd Co., Ltd.	15,049	15,721	954	296	296
Blue Sea Jinhae	547	12,427	220	-	-
RA2nd	13,054	13,256	932	(62)	(62)
The Sharp Gwangyang Ma-dong.inc	24,920	26,417	1,664	304	304
ModernBeta Co., Ltd.	6,672	10,620	-	-	-
RA4th	18,443	19,470	1,609	343	343
NewworldGeol-dong 1st Co., Ltd.	3,059	3,095	260	12	12
NewworldGeol-dong 2nd Co., Ltd.	3,090	3,097	320	43	43
Newforest 2nd Co., Ltd.	9,777	12,110	1,097	(713)	(713)
Newforest 3rd Co., Ltd.	5,752	7,081	781	(381)	(381)
GyeongsanLogis 3rd Co., Ltd.	9,723	10,151	1,061	(134)	(134)
GoyangLogis 1st Co., Ltd.	12,779	13,251	1,194	(13)	(13)
RASupyo 1st Co., Ltd.	30,250	30,738	2,606	(16)	(16)
NewWorld Jeonbang 4th	47,935	50,616	4,759	(2,506)	(2,506)
Gangreung Mono 1st	9,526	10,112	861	196	196
NewWorld Echo 3th	1,979	2,506	188	55	55
Mir One 9th Co., Ltd.	51,992	50,104	3,983	1,037	1,448
Wood Rose First Co., Ltd.	53,126	50,901	3,721	546	546
CUBE INTHE CO.,LTD.	32,158	30,400	2,673	502	502
Newworld IP 6th	8,040	8,087	725	128	128
YonginSeocheonNH	15,211	19,019	4,075	1,540	1,540
cubesp Co., Ltd.	67,382	81,224	517	(9,632)	(9,632)
NHHunin 3rd Co., Ltd.	22,794	22,424	10,439	3,151	3,151
NH CENTERM 1ST Co., Ltd.	18,145	19,513	1,267	(1,368)	(1,368)
Cube H Solution Co., Ltd.	51,274	50,600	1,835	674	674
SMARTANSAN1ST	6,916	7,038	488	(122)	(122)
MKdaeduck 1st	25,134	25,134	866	-	-
Kiensendaeduck 2nd	26,085	27,561	795	(1,476)	(1,476)
Namcheonlandmark 1st	43,827	45,748	56	(1,920)	(1,920)
Seunsamisam 2nd	108,350	111,959	88	(3,610)	(3,610)
Money Market Trust (“MMT”)	299,999	-	-	-	-
	₩ 5,812,288	₩ 2,349,161	₩ 664,144	₩ 21,280	₩ 212,277

The summarized financial information of subsidiaries whose application of the consolidation has been discontinued due to disposal, etc. as of December 31, 2024 are excluded.

(in millions of Korean won)

Subsidiaries	As of and for the year ended December 31, 2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the year	Comprehensive income (loss)
NH Investment & Futures Co., Ltd.	₩ 808,067	₩ 607,812	₩ 60,896	₩ 14,348	₩ 17,306
NH Investment & Securities Trust	78,624	78,094	4,097	-	-
NH Investment & Securities(H.K.) Ltd.	970,509	177,094	133,513	49,191	61,328
NH Absolute Global Opportunity Fund	9,499	55	1,067	706	847
NH Absolute Return Investment Strategies Fund	52,833	405	1,878	593	1,474
NH Securities Vietnam Co., Ltd.	142,487	70,820	14,099	2,246	1,512
NH Investment & Securities America, Inc.	51,511	3,094	26,424	12,693	13,146
NH Absolute Return Partners Pte. Ltd.	4,485	198	1,420	209	277
PT. NH Korindo Sekuritas Indonesia	82,886	41,308	10,337	(1,997)	(2,934)
NH Investment Advisory Co. Ltd. (Beijing)	9,232	450	721	(517)	(506)
NH Investment & Securities Europe Ltd	37,845	1,102	1,863	(1,456)	(783)
NH Absolute Return General Private Placement Inverstment Trust No.1	746,313	6,370	169,904	52,008	52,008
NH New Growth Private Equity Fund	232,582	2,783	-	7,977	7,977
GnM Holdings Co., Ltd.	59,695	8,724	-	(305)	(305)
GnM Performance Co., Ltd. (formerly, Makulike)	20,372	21,927	20,949	(6,918)	(6,918)
Granmonster Co., Ltd.	24,121	24,310	19,120	(3,615)	(3,615)
NH Hedge Asset Management Co., Ltd.	69,863	10,534	18,009	6,835	6,756
EIP Investment Infrastructure No.1 PEF	60,158	16	16	2,981	2,981
NH Sea I Fund	11,155	127	174	(215)	(215)
Tiger Private Fund No.61	53,611	1,099	3,724	2,710	2,710
GEN-NH Sub-Fund II	4,026	145	360	274	204
ARA Korea Private Real Estate Fund No.10	103,706	2,993	10,656	2,508	2,508
NH-Amundi Global Infra Fund No. 6	2,673	33	3,616	(25,281)	(25,281)
PIA Infrastructure Private Equity Fund No. 4	71,013	23	46,692	5,324	5,324
NH Absolute Mezzanine General Private Placement Investment Trust No.2	23,202	205	3,979	1,739	1,739
NH Absolute KOSDAQ Venture Mezzanine Alpha General Private Placement Investment Trust No.1	16,767	206	7,221	2,128	2,128
Eugene Avitation Private Equity Fund No. 9	16,844	21	2,044	767	767
Absolute Lion Private Fund No.1	3,660	391	1,170	395	395
Tiger Active Long Biased No.3 Private Fund	6,116	1,205	2,024	304	304
Absolute dividend & initial public offering Private Investment Trust 1	3,788	1	218	196	196
NH Absolute KOSDAQ Venture Mezzanine General Private Placement Investment Trust No.1	65,043	679	59,464	7,215	7,215

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Subsidiaries	As of and for the year ended December 31, 2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the year	Comprehensive income (loss)
NH Absolute Equity Multi General Private Placement Investment Trust No.1	8,700	2,553	8,717	716	716
NH Absolute Equity Multi General Private Placement Investment Trust No.2	24,231	6,842	1,815	184	184
NH Absolute Project On Plus General Private Placement Investment Trust	52,874	25	4,408	3,030	3,030
EIP Solar One	42,567	-	-	(5)	(1,875)
Suimei LP	64,122	34,627	-	(2,745)	(4,093)
FIP Acquisition GK	64,734	64,995	-	(223)	(217)
TAI TCI DIME REIT LLC	50,932	15	2,407	1,145	1,843
TAI TCI DIME JV LLC	79,871	89	4,213	3,901	5,296
TAI TCI DIME Owner LLC	208,418	132,481	-	925	2,296
yongintechnologisno1.,Ltd	9,637	10,202	1,228	(312)	(312)
Song Am Park 2nd	9,969	10,181	707	(40)	(40)
Newstartsecond Co., Ltd.	17,905	20,643	1,986	(1,952)	(1,952)
Mimi Day 2nd Co., Ltd.	12,258	13,242	1,558	(764)	(764)
CheongJu Express D-Two Co., Ltd.	21,633	22,265	2,006	43	43
New World Myeongji Tres Co., Ltd.	9,463	10,011	976	(301)	(301)
SMART KAMSAM 2ND Co., Ltd.	21,794	23,517	1,607	(232)	(232)
PV Landscape Co., Ltd.	5,309	3,915	-	(586)	(586)
YRD 1st Co., Ltd.	29,408	31,048	2,277	622	622
Pinemilkthree Co., Ltd.	9,635	10,179	1,788	79	79
Uncas The Second	24,860	25,639	4,215	714	714
Uncas The First	23,514	24,203	2,094	(198)	(198)
Industry Kimhae 1st Co., Ltd.	3,795	3,915	337	65	65
Industry Kimhae 2nd Co., Ltd.	9,850	10,159	1,071	96	96
PLN 5th Co, Ltd.	9,915	10,661	900	(1,049)	(1,049)
HeyYS 1st Co., Ltd.	100,224	100,368	7,191	2,995	2,995
MJ Hangdong 5th Co., Ltd.	7,065	7,361	584	(39)	(39)
MJ Hangdong 4th Co., Ltd.	15,652	16,283	915	160	160
MJ Hangdong 3rd Co., Ltd.	20,946	21,915	874	(336)	(336)
Blue Sea Jinhae	349	12,229	355	(11,283)	(11,283)
RA2nd	9,400	9,540	2,747	(24)	(24)
The Sharp Gwangyang Ma-dong.inc	24,659	26,461	1,969	133	133
RA3rd	149,912	163,596	969	(3,957)	(3,957)
ModernBeta Co., Ltd.	7,042	10,990	770	(3,321)	(3,321)
RA4th	16,650	18,019	1,262	(918)	(918)
Cloud 1st Co., Ltd.	20,214	20,815	1,547	(86)	(86)
PrimaNonhyun Charlie Co., Ltd.	12,357	12,722	2,840	145	145
Busan Minam 2nd Co., Ltd.	9,743	10,738	1,083	(240)	(240)
Busan Minam 1st Co., Ltd.	9,454	10,450	877	(239)	(239)
NewworldGeol-dong 1st Co., Ltd.	2,995	3,044	264	(2)	(2)
NewworldGeol-dong 2nd Co., Ltd.	3,001	3,050	324	(2)	(2)
Newforest 2nd Co., Ltd.	10,601	12,220	1,826	(1,424)	(1,424)
Newforest 3rd Co., Ltd.	6,229	7,177	1,415	(830)	(830)
GyeongsanLogis 3rd Co., Ltd.	9,853	10,147	1,033	(47)	(47)
GoyangLogis 1st Co., Ltd.	12,810	13,269	1,223	(69)	(69)
CubeSkyline	50,441	50,577	2,647	(63)	(63)
RASupyo 1st Co., Ltd.	30,107	30,579	2,573	(196)	(196)
RAHaeundae 4th Co., Ltd.	30,346	31,247	4,526	696	696
NewWorld Jeonbang 4th	40,441	40,616	3,907	(181)	(181)
Gangreung Mono 1st	9,390	10,172	662	(525)	(525)
NewWorld Echo 3th	2,548	3,130	207	(582)	(582)
Newworld Yonggye 5th	23,457	23,249	2,215	207	207
Bluepatio namcheon	19,899	21,240	1,589	(1,342)	(1,342)
Mir One 9th Co., Ltd.	51,431	50,992	3,930	(84)	440
NH Geomdan 1st Co., Ltd.	35,331	37,127	2,011	(1,796)	(1,796)
Wood Rose First Co., Ltd.	52,780	51,101	3,411	1,679	1,679
CUBE INTHE CO.,LTD.	31,756	30,500	1,856	1,256	1,256
J On Pro Co., Ltd.	10,308	10,465	256	(156)	(156)
Newworld IP 6th	7,912	8,087	181	(175)	(175)
Exit Sixth Co., Ltd	5,912	5,916	369	(5)	(5)
Landmark Yeoido No.2	36,784	36,979	970	(195)	(195)
YonginSeocheonNH	61,440	66,787	1,542	(5,348)	(5,348)
cubesp Co., Ltd.	72,629	76,838	12	(4,209)	(4,209)
NHHunin 3rd Co., Ltd.	122,118	124,899	186	(2,781)	(2,781)
Money Market Trust ("MMT")	300,001	-	1	1	1
	₩ 6,102,267	₩ 2,734,526	₩ 733,084	₩ 102,973	₩ 119,251

The summarized financial information of subsidiaries whose application of the consolidation has been discontinued due to disposal, etc. as of December 31, 2023 are excluded.

Subsidiaries included in and excluded from the consolidation scope for the year ended December 31, 2024 are as follows:

Subsidiaries included in the consolidation scope for the year ended December 31, 2024 are as follows:

Name of Subsidiary	Reason
NH Absolute Return General Private Placement Investment Trust No.1	Newly acquired
NH Absolute Project K Private Equity Fund	Newly acquired
NH ABSOLUTE Venture Secondary Private Investment	Newly acquired
NH KOREA HEDGE FUND VCC	Newly acquired
NH Hedge KOSDAQ Venture SPAC General Private Placement Investment Trust	Newly acquired
Tiger Genesis 543 general private fund	Newly acquired
Monetary Bond Trust No.115	Newly acquired
Monetary Bond Trust No.116	Newly acquired
NEWGONGDUCK 3rd. Co., Ltd.	Credit enhancement etc.
RICE 1ST.Co., Ltd.	Credit enhancement etc.
K-Bio Futures First Co., Ltd	Credit enhancement etc.
NH CENTERM 1ST Co., Ltd.	Credit enhancement etc.
Cube H Solution Co., Ltd.	Credit enhancement etc.
Grand Smart 3rd Co., Ltd.	Credit enhancement etc.
JS Manseon 1st Co., Ltd.	Credit enhancement etc.
LANDMARK SONGPABIZ 1ST Co., Ltd.	Credit enhancement etc.
MK YOUNGDEUNGPO 1st Co., Ltd.	Credit enhancement etc.
SMARTANSAN1ST	Credit enhancement etc.
MKdaeduck 1st	Credit enhancement etc.
Kiensendaeduck 2nd	Credit enhancement etc.
Namcheonlandmark 1st	Credit enhancement etc.
Seunsamisam 2nd	Credit enhancement etc.

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Subsidiaries excluded from the consolidation scope for the year ended December 31, 2024 are as follows:

Name of Subsidiary	Reason
Absolute dividend & initial public offering Private Investment Trust 1	Disposal
NH Absolute Project K Private Equity Fund	Liquidation
NH Absolute KOSDAQ Venture Mezzanine General Private Placement Investment Trust No.1	Disposal
GEN-NH Sub-Fund II	Disposal
Absolute Lion Private Fund No.1	Disposal
Tiger Active Long Biased No.3 Private Fund	Liquidation
NH Hedge KOSDAQ Venture SPAC Private Placement Investment Trust	Disposal
yongintechnologisno1.,Ltd	Termination of duty of credit offering
HeyYS 1st Co., Ltd.	Termination of duty of credit offering
RA3rd	Termination of duty of credit offering
Cloud 1st Co., Ltd.	Termination of duty of credit offering
PrimaNonhyun Charlie Co., Ltd.	Termination of duty of credit offering
Busan Minam 2nd Co., Ltd.	Termination of duty of credit offering
Busan Minam 1st Co., Ltd.	Termination of duty of credit offering
CubeSkyline	Termination of duty of credit offering
RAHaeundae 4th Co., Ltd.	Termination of duty of credit offering
Newworld Yonggye 5th	Termination of duty of credit offering
Bluepatio namcheon	Termination of duty of credit offering
NH Geomdan 1st Co., Ltd.	Termination of duty of credit offering
J On Pro Co., Ltd.	Termination of duty of credit offering
Exit Sixth Co., Ltd	Termination of duty of credit offering
Landmark Yeoido No.2	Termination of duty of credit offering
NEWGONGDUCK 3rd. Co., Ltd.	Termination of duty of credit offering
RICE 1ST.Co., Ltd.	Termination of duty of credit offering
K-Bio Futures First Co., Ltd	Termination of duty of credit offering
Grand Smart 3rd Co., Ltd.	Termination of duty of credit offering
JS Manseon 1st Co., Ltd.	Termination of duty of credit offering
MK YOUNGDEUNGPO 1st Co., Ltd.	Termination of duty of credit offering
Monetary Bond Trust No.115	Disposal
Monetary Bond Trust No.116	Disposal

The non-controlling interests related to the subsidiaries which account for significant portions in the Parent Company as of December 31, 2024 and 2023 are as follows:

Accumulated non-controlling interests as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

Subsidiaries	2024	2023
PT. NH Korindo Securities Indonesia	₩ 4,989	₩ 1,649

Net loss attributable to non-controlling interests for each of the two years in the two-year period ended December 31, 2024 is as follows:

(in millions of Korean won)

Subsidiaries	2024	2023
PT. NH Korindo Securities Indonesia	₩ (21)	₩ (3,392)

The financial support provided to the consolidated structured entities:

As of December 31, 2024, the nature and intent of the contractual agreements including the Parent Company's financial support with consolidated structured entities are as follows:

	Contractual arrangements for provision of financial support	Intentions of providing financial or other support
NH Investment & Securities Trust	The Parent Company provides principal and interest payment agreements and principal preservation agreements to certain products in trust products. As a result of the operation of trust products, NH Investment & Securities Co., Ltd requires the Group to maintain the deficit in case of insufficient principal or principal.	Credit enhancement for money management of trust account
Pinemilkthree Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Pinemilkthree Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 9,000 million).	Enhance the credit through securitization plan
Song Am Park 2nd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Song Am Park 2nd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 9,700 million).	Enhance the credit through securitization plan
New World Myeongji Tres Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by New World Myeongji Tres Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 10,000 million).	Enhance the credit through securitization plan
CheongJu Express D-Two Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by CheongJu Express D-Two Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 22,000 million).	Enhance the credit through securitization plan
Newstartsecond Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Newstartsecond Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 20,000 million).	Enhance the credit through securitization plan
YRD 1st Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by YRD 1st Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 28,325 million).	Enhance the credit through securitization plan

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	Contractual arrangements for provision of financial support	Intentions of providing financial or other support
Uncas The Second	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Uncas The Second as of the maturity date of asset backed securities (limited to ₩ 25,000 million).	Enhance the credit through securitization plan
Uncas The First	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Uncas The First as of the maturity date of asset backed securities (limited to ₩ 25,000 million).	Enhance the credit through securitization plan
Industry Kimhae 1st Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Industry Kimhae 1st Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 3,800 million).	Enhance the credit through securitization plan
Industry Kimhae 2nd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Industry Kimhae 2nd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 10,000 million).	Enhance the credit through securitization plan
PLN 5th Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by PLN 5th Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 10,000 million).	Enhance the credit through securitization plan
The Sharp Gwangyang Ma- dong.inc	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by The Sharp Gwangyang Ma-dong.inc as of the maturity date of asset backed securities (limited to ₩ 28,448 million).	Enhance the credit through securitization plan
NewworldGeol-dong 1st Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by NewworldGeol-dong 1st Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 3,000 million).	Enhance the credit through securitization plan
NewworldGeol-dong 2nd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by NewworldGeol-dong 2nd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 3,000 million).	Enhance the credit through securitization plan
Newforest 2nd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Newforest 2nd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 12,000 million).	Enhance the credit through securitization plan
Newforest 3rd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Newforest 3rd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 7,000 million).	Enhance the credit through securitization plan
GyeongsanLogis 3rd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by GyeongsanLogis 3rd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 10,000 million).	Enhance the credit through securitization plan
GoyangLogis 1st Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by GoyangLogis 1st Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 13,000 million).	Enhance the credit through securitization plan
RASupyo 1st Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by RASupyo 1st Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 30,000 million).	Enhance the credit through securitization plan

	Contractual arrangements for provision of financial support	Intentions of providing financial or other support
NewWorld Jeonbang 4th	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by NewWorld Jeonbang 4th as of the maturity date of asset backed securities (limited to ₩ 50,000 million).	Enhance the credit through securitization plan
RA2nd	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by RA2nd as of the maturity date of asset backed securities (limited to ₩ 32,000 million).	Enhance the credit through securitization plan
Mir One 9th Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Mir One 9th Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 52,000 million).	Enhance the credit through securitization plan
Wood Rose First Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Wood Rose First Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 51,000 million).	Enhance the credit through securitization plan
CubeInder Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by CubeInder Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 30,500 million).	Enhance the credit through securitization plan
Newworld IP 6th	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Newworld IP 6th as of the maturity date of asset backed securities (limited to ₩ 8,000 million).	Enhance the credit through securitization plan
YonginSeocheonNH	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by YonginSeocheonNH as of the maturity date of asset backed securities (limited to ₩ 15,200 million).	Enhance the credit through securitization plan
cubesp Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by cubesp Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 82,000 million).	Enhance the credit through securitization plan
NHHunin 3rd Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by NHHunin 3rd Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 18,760 million).	Enhance the credit through securitization plan
NH CENTERM 1ST Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by NH CENTERM 1ST Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 20,000 million).	Enhance the credit through securitization plan
Cube H Solution Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Cube H Solution Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 51,000 million).	Enhance the credit through securitization plan
LANDMARK SONGPABIZ 1ST Co., Ltd.	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by LANDMARK SONGPABIZ 1ST Co., Ltd. as of the maturity date of asset backed securities (limited to ₩ 33,000 million).	Enhance the credit through securitization plan
Seunsamisam 2nd	The Parent Company is required to take over private placed bond issued in size equivalent to the loss by Seunsamisam 2nd as of the maturity date of asset backed securities (limited to ₩ 506,000 million).	Enhance the credit through securitization plan

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Interests in the unconsolidated structured entities

The nature and purpose of the Group's unconsolidated structure entities are as follows:

	The nature and the purpose
Asset securitization	The unconsolidated structured entities issue asset backed securities (ABS) and redeem the principal and interest or distribute dividends on ABS with profits made from collection of cash flows or sale of securitized assets. The Group, as a secondary guarantor, provides purchase commitments for its ABS or guarantees to such asset securitization and recognizes commission revenue or interest revenue related to the commitment or guarantees. Therefore, the Group would be exposed to risks of purchasing or paying back ABS issued by the unconsolidated structured entities when a primary guarantor fails to provide the financing asset securitization vehicles.
Structured finance	Structured finance includes investments in project financing on real estates, social overhead capital (SOC), infrastructure and shipping (aircraft) finance. They are formed as special-purpose entities by funding through equity investments and loans from various investors. Investment decisions are made by the Group based on business outlook of such projects. In relation to such investments, the Group recognizes interest revenue on loans, gains or losses on valuation of equity investments or dividend revenue. The structured finance is secured by additional funding agreements, guarantees or credit facilities. However, the structured financing project would fail to return the capital of equity investments or the principal of loans to the Group if it is discontinued or did not achieve business goal.
Investment funds	Investment funds include trusts and private equity funds. The trust is operated by a manager engaged for the trust and distributes proceeds from sales of investments to the investors. A private equity fund is established in order to acquire ownership interests to implement financial and operational restructuring of the Group and the generated proceeds are distributed to the investors. The Group recognizes gains or losses on valuation of equity investment and dividend revenue in proportion of its ownership. The Group would be exposed to risks of loss when the value of the principal decreases.

The total assets of the unconsolidated structured entities, the carrying value of the related items recorded, the maximum exposure to risks and the loss recognized as of December 31, 2024 and 2023 and for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024		
	Asset securitization	Structured finance	Investment funds
Total assets of the unconsolidated structured entities	₩ 5,768,638	₩ 77,972,539	₩ 142,978,852
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	1,596,300	4,093,428	4,044,394
Financial assets at FVTPL	1,214,353	411,984	3,582,096
Financial assets at FVOCI	381,947	-	-
Associates	-	-	461,200
Financial assets at amortized cost	-	3,681,444	1,098
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	120,299	12,281	3
Maximum exposure to risks:	1,596,301	5,634,062	4,850,648
Investments	1,596,301	4,093,428	4,044,394
Purchase agreements	-	281,482	803,354
Credit facilities	-	1,259,152	2,900
Loss recognized in unconsolidated structured entities	3,765	71,708	171,160

(in millions of Korean won)

	2023		
	Asset securitization	Structured finance	Investment funds
Total assets of the unconsolidated structured entities	₩ 11,205,624	₩ 73,857,677	₩ 104,713,449
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	1,559,587	2,296,666	3,671,876
Financial assets at FVTPL	1,272,575	498,199	3,325,567
Financial assets at FVOCI	287,012	-	-
Associates	-	-	324,679
Financial assets at amortized cost	-	1,798,467	21,630
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	120,185	4,874	85
Maximum exposure to risks:	1,559,587	2,983,932	4,165,796
Investments	1,559,587	2,296,666	3,671,876
Purchase agreements	-	151,800	493,920
Credit facilities	-	535,466	-
Loss recognized in unconsolidated structured entities	23,734	43,593	207,170

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

2. Basis of Preparation and Summary of Significant Accounting Policies

2.1 Basis of Consolidated Financial Statements Preparation

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

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements. In the event of any differences in interpreting the financial statements or the independent auditor's report thereon, Korean version, which is used for regulatory reporting purposes, shall prevail.

The consolidated financial statements of the Group have been prepared in accordance with KIFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea in accordance with the Act on External Audit of Stock Companies.

2.2 Material Accounting Policies

2.2.1 Changes in Accounting Policies and Disclosures

2.2.1.1 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing January 1, 2024.

Amendments to KIFRS 1001 - Classification of Liabilities as Current or Non-current

The amendments to KIFRS 1001 specify the requirements for classifying liabilities as current or non-current.
The amendments clarify:

- what is meant by a right to defer settlement;
- that a right to defer must exist at the end of the reporting period;
- that classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- that terms of a liability that could result in its settlement by the transfer of the entity's own equity instruments do not affect its classification as current or non-current if the entity classifies the option as an equity instrument, recognizing it separately from the liability as an equity component of a compound financial instrument.

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as noncurrent and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments do not have a material impact on the consolidated financial statements.

Amendments to KIFRS 1001 – Disclosure of Virtual Assets

The amendments require additional disclosures regarding holding virtual assets, holding virtual assets on behalf of customers, and issuing virtual assets. The amendments do not have a material impact on the consolidated financial statements.

Amendments to KIFRS 1007 and KIFRS 1107 - Supplier Finance Arrangements

The amendments to KIFRS 1007 Statement of Cash Flows and KIFRS 1107 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments do not have a material impact on the consolidated financial statements.

Amendments to KIFRS 1116 - Lease Liability in a Sale and Leaseback

The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments do not have a material impact on the consolidated financial statements.

Amendments to KIFRS 1012 – International Tax Reform: Pillar Two Model Rules

The Group has applied KIFRS 1012 Income Taxes to account for income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the OECD (the "Global Minimum Taxes"). The amendments to KIFRS 1012 include mandatory temporary exceptions for recognizing deferred taxes related to the Global Minimum Taxes, along with requirements for additional disclosures regarding the impact on current income taxes and related effects.

The amendments are applicable to fiscal years beginning on or after January 1, 2024. Accordingly, the Group has applied the exceptions concerning the recognition and disclosure of deferred taxes under the Pillar Two Tax Rules.

2.2.1.2 New standards and interpretations not yet adopted by the Group

The following new accounting standards and interpretations that have been published but are not mandatory for the reporting period ended December 31, 2024 have not been early adopted by the Group.

Amendments to KIFRS 1021 - Lack of exchangeability

The amendments to KIFRS 1021 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after January 1, 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information. The Group is currently assessing the impact of the amendments on its consolidated financial statements.

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Amendments to KIFRS 1109 and KIFRS 1107– Classification and Measurement of Financial Instruments

The amendments to KIFRS 1109 Financial Instruments and KIFRS 1107 Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments include the following:

- clarifying that a financial liability is derecognized on the settlement date and introducing an accounting policy choice to derecognize financial liabilities that are settled by using electronic payment system before the settlement date (if specific criteria are met);
- providing additional guidance as to how to assess contractual cash flows of financial assets that include environmental, social and governance (ESG)-linked features and similar features;
- clarifying what constitutes non-recourse features and the characteristics of contractually linked financial instruments; and
- introducing new disclosures for financial instruments with contingent features and adding a disclosure requirement for equity instruments measured at fair value through other comprehensive income.

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, and only the amendments related to the classification of financial assets and associated disclosure requirements may be early adopted. The Group does not plan to early apply the amendments.

In relation to the derecognition of financial liabilities that are settled via electronic payment systems, the Group is performing assessment on all the major electronic payment systems used in various jurisdictions in which the Group operates. The Group is assessing whether the amendments will have a material impact on the current practices and whether the criteria for the accounting policy choice to derecognize financial liabilities are met. In order to assess if a financial asset is derecognized on the date on which the contractual rights to the cash flows expire, and if a financial liability is derecognized on the settlement date, the Group is currently assessing all payment systems such as cheques, credit cards, and debit cards.

Furthermore, the Group is assessing the impact of the amendments on financial assets with ESG-linked and similar contingent features, financial instruments with non-recourse features, and contractually linked financial instruments. The amendments are not expected to have a material impact on its consolidated financial statements based on the initial assessment performed but the assessment has not been completed.

Annual Improvements to KIFRS - Volume 11

Annual Improvements to KIFRS - Volume 11 have been announced for the purpose of improving consistency of requirements set out in each standard, enhancing clarity, and providing better understanding of the amendments.

- Amendments to KIFRS 1101 First-time adoption of KIFRS: Hedge accounting by a first-time adopter
- Amendments to KIFRS 1107 Financial Instruments: Disclosures: Gain or loss on derecognition, Guidance for application of amendments in practice
- Amendments to KIFRS 1109 Financial Instruments: Accounting for derecognition of lease liabilities and definition of transaction prices
- Amendments to KIFRS 1110 Consolidated Financial Statements: Determination of a 'de facto agent'
- Amendments to KIFRS 1007 Statement of Cash Flows: Cost Method

The amendments will be effective for annual periods beginning on or after January 1, 2026. Earlier adoption is permitted, but will need to be disclosed. The Group expects these amendments to have no material impact on its consolidated financial statements.

2.2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent Company and entities (including structured entities) controlled by the Parent Company (and its subsidiaries). Control is achieved where the Parent Company 1) has the power over the investee 2) is exposed, or has rights, to variable returns from its involvement with the investee and 3) has the ability to use its power to affect its returns. The Parent Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions and related assets and liabilities, income and expenses are eliminated in full during the consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

When the Parent Company loses control of a subsidiary, a gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Parent Company had directly disposed of the relevant assets (i.e., reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under KIFRS 1109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.2.3 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with KIFRS 1012 Income Taxes and KIFRS 1019 Employee Benefits, respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or sharebased payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with KIFRS 1102 Share-based Payment at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with KIFRS Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of: a) the consideration transferred, b) the amount of any noncontrolling interests in the acquiree and c) the fair value of the acquirer's previously held equity interest in the acquiree (if any); over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of: a) the consideration transferred; b) the amount of any non-controlling interests in the acquiree and c) the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of noncontrolling interests are measured at fair value or, when applicable, on the basis specified in another KIFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement-period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement-period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement-period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with KIFRS 1109 Financial Instruments as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in

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other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

2.2.4 Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed-upon sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with KIFRS 1105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

Upon disposal of an associate or a joint venture that results in the Group losing significant influence over that associate or joint venture, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with KIFRS 1109 Financial Instruments. The difference between the previous carrying amount of the associate or joint venture attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate or joint venture on the same basis we would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as reclassification adjustment) when it loses significant influence over that associate or joint venture.

When the Group reduces its ownership interest in an associate or a joint venture, but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. In addition, the Group applies KIFRS 1105 to a portion of investment in an associate or a joint venture that meets the criteria to be classified as held for sale.

If there is an objective evidence of impairment for the investment in an associate or a joint venture, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with KIFRS 1036 Impairment of Assets by comparing its recoverable amount (higher of value in use and fair value, less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with KIFRS 1036 to the extent that the recoverable amount of the investment subsequently increases.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

2.2.5 Goodwill

Goodwill resulting from an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cashgenerating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill

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allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal. The Group's policy for goodwill resulting from the acquisition of an associate is described at Note 2.2.4.

2.2.6 Accounting for foreign currencies translations

The individual financial statements of each entity in the consolidation scope of the Group are presented in the currency of the primary economic environment in which the entity operates (i.e., its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity of the Group are expressed in Korean won, which are the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the consolidated financial statements of the entities in the consolidation scope, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences are recognized in profit or loss in the period in which they arise, except for:

- foreign exchange differences arising from transactions for hedging certain foreign currency risks (See Note 2.2.8 for accounting policies on hedge.); and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore, forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are expressed in Korean won using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognized, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e., no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests in equity and are not recognized in profit or loss. For all other partial disposals (i.e., partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate. Exchange differences arising are recognized in equity.

2.2.7 Cash and cash equivalents

Cash and short-term deposits in the statements of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

2.2.8 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case, the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of recognized assets or liabilities or firm commitments (fair value hedges), hedges of highly probable forecast transactions or hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability.

2.2.8.1 Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

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2.2.8.2 Hedge accounting

The Group designates certain hedging instruments, which include derivatives, embedded derivatives and nonderivatives in respect of foreign currency risk, as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items.

2.2.8.3 Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The changes in the fair value of the hedging instrument and the changes in the hedged item attributable to the hedged risk are recognized in the line of the consolidated statements of comprehensive income relating to the hedged item.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized to profit or loss from that date.

2.2.8.4 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognized in profit or loss, in the same line of the income statement as the recognized hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in profit or loss.

2.2.8.5 Hedges of net investments in foreign operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to profit or loss in the same way as exchange differences relating to the foreign operation.

2.2.9 Property and equipment

Property and equipment are stated at cost, less subsequent accumulated depreciation and accumulated impairment losses. The cost of an item of property and equipment is directly attributable to their purchase or construction, which includes any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as an asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

Depreciation expense is computed using the straight-line method based on the estimated useful lives of the assets as follows:

	Estimated useful lives
Buildings and structures	40 years
Delivery equipment or vehicles	4 years
Equipment	4 years

If each part of an item of property and equipment has a cost that is significant in relation to the total cost of the item, it is depreciated separately.

The Group reviews the depreciation method, the estimated useful lives and residual values of property and equipment at the end of each annual reporting period. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the property and equipment (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property and equipment is derecognized.

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2.2.10 Investment property

Investment property, which is property held to earn rentals and/or for capital appreciation (including property under construction for such purposes), is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of an asset or as an asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably. And the parts transferred due to the subsequent costs Routine maintenance and repairs are expensed as incurred.

Amongst the investment properties, land is not depreciated. However, investment properties other than land are depreciated over 40~53 years of their useful lives using the straight-line method.

The depreciation method, residual value and useful lives of investment properties are reassessed or reviewed at the end of each annual reporting period, and any changes from them are treated as change in accounting estimates.

An investment property is derecognized on disposal, or when no future economic benefits are expected from its use. Gains or losses arising from derecognition of an investment property are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the property is derecognized.

2.2.11 Lease

2.2.11.1 Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognizes the lease payments as an operating expense on a straightline basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable; variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as 'other financial liabilities' in the consolidated statements of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under KIFRS 1037. To the extent that the costs relate to a rightof-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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The right-of-use assets are presented as a separate line in the consolidated statements of financial position.

The Group applies KIFRS 1036 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the accounting policies for 'Impairment of property and equipment and intangible assets other than goodwill' (Note 2.2.13).

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss.

As a practical expedient, KIFRS 1116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contain a lease component and one or more additional lease or nonlease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.2.11.2 Group as a lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of KIFRS 1109, recognizing an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortized cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies KIFRS 1115 to allocate the consideration under the contract to each component.

2.2.12 Intangible assets

2.2.12.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost, less accumulated impairment losses.

2.2.12.2 Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost, less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

2.2.12.3 Derecognition of intangible assets

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss when the asset is derecognized.

2.2.13 Impairment of property and equipment and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, assets are also allocated to individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value, less costs to sell and value in use. If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount and the reduced amount is recognized in profit or loss.

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Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

2.2.14 Bonds under resale or repurchase agreements

Bonds purchased under resale agreements are recorded as loans and bonds sold under repurchase agreements are recorded as borrowings when the Group purchases or sells securities under resale or repurchase agreements.

Interests incurred on resale or repurchase agreements are reported as interest income or expense.

2.2.15 Securities held for trading

The Group has short-selling transactions. When the Group borrows securities, the Group recognizes borrowed securities and when the Group sells the securities, the securities are recognized as securities in short position. The difference between the selling price and the buying price when buying and redeeming is recognized as gain or loss on disposals of financial liabilities held for trading. Also, the difference between the fair value and the carrying value of the securities in short position is recognized as gain or loss on valuation of securities in short position.

2.2.16 Employee benefits

2.2.16.1 Short-term employee benefits

The Group recognizes the undiscounted amount of short-term employee benefits expecting payment in exchange for the services, when employee renders services. Also, the Group recognizes expenses and liabilities in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences. Though the Group may have no legal obligation to pay a bonus, considering some cases, the Group has a practice of paying bonuses. In such cases, the Group has a constructive obligation, and thus the Group recognizes expenses and liabilities when the employees render service.

2.2.16.2 Other long-term employee benefits

The Group's net obligation in respect of other long-term employee benefits that are not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in profit or loss in the period in which they arise.

2.2.16.3 Retirement benefits

The Group operates various types of retirement benefit plans. The Group generally provides retirement benefits by making payments, regularly computed using actuarial calculation, to the fund managed by trustee or insurance company.

For defined benefit retirement plans, the retirement benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation, less fair value of plan assets and adjustment for unrecognized past service cost.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statements of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income), and remeasurement.

The Group presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statements of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is up to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

2.2.16.4 Termination benefits

Termination benefits are paid at the earlier of an involuntary termination by the Group before the nominal retirement date or the acceptance of retirement by an employee in exchange for benefits.

2.2.17 Share-based payments

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The fair value of liability is remeasured annually until the liability is settled. Any changes in the fair value of the liability are recognized as employee benefits in profit or loss.

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2.2.18 Current tax payable and deferred tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.2.18.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period

2.2.18.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if, and only if the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

For the purpose of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale.

2.2.18.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.2.18.4 Global minimum taxes

The Organization for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalization of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two Model Rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements

The Pillar Two Model Rules were adopted in the Republic of Korea at the end of 2023 and are applicable starting from January 1, 2024. According to these rules, the Group is considered a multinational enterprise as an intermediate parent company partially-owning constituent entities incurring additional surtax to which the Pillar Two Model Rules shall be applied.

The Group has performed an assessment of its potential exposure to Pillar Two income taxes for the constituent entities in the Group and estimates that a Pillar Two current tax expense will arise from Hong Kong where the Group's subsidiary operates as of December 31, 2024.

The Group applies a temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules and accordingly recognizes such taxes as the current income taxes as incurred.

2.2.19 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material). The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage is recognized in profit or loss as borrowing cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

At the end of each reporting period, the remaining provision balance is reviewed and assessed to determine if the current best estimate is being recognized. If the existence of an obligation to transfer economic benefit is no longer probable, the related provision is reversed during the period.

2.2.20 Recognition of interest income and expenses

The Group recognizes interest income and expenses from financial instruments measured at amortized cost on an accrual basis using the effective interest method.

Effective interest method is the method of calculating the amortized cost of financial assets or liabilities and allocating the interest income or expense over the relevant period. The effective interest rate reconciles the expected future cash in and out through the expected life of financial instruments or shorter period if appropriate, and net carrying value of financial assets or liabilities.

2.2.21 Earnings per share (EPS)

Basic EPS is calculated by earnings subtracting the dividends paid to holders of preferred stock and hybrid securities from the net income attributable to ordinary shareholders from the statements of comprehensive income and dividing by the weighted-average number of common shares outstanding. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential common shares.

2.2.22 Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.2.2.22.1 Classification of financial assets.

2.2.22.1 Classification of financial assets

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Despite the foregoing, the Group may make the following irrevocable election / designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met (see 2.2.22.1.3 below); and
- the Group may irrevocably designate a debt investment that meets the amortized cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (see 2.2.22.1.4 below).

2.2.22.1.1 Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. Except for financial assets that are credit-impaired at the time of acquisition, effective interest rate is the rate at which the present value of the expected future cash receipts, including the fees and points paid or received (if appropriate) and the principal component of the effective interest rate, transaction costs and other premiums or discounts is exactly the same as the gross carrying amount at initial recognition, without taking into account ECLs.

For financial assets that are credit-impaired at the time of acquisition, the credit-adjusted effective interest rate is calculated by discounting the present value of expected cash flows taking into account ECLs to amortized cost at initial recognition.

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

Interest income is recognized using the effective interest method for debt instruments that are subsequently mea-

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sured at amortized cost and fair value through other comprehensive income. Except financial assets that are impaired from acquisition, interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset (except financial assets that are impaired after acquisition).

For financial asset that are impaired after acquisition, interest income is recognized using the effective interest rate at the amortized cost of the financial asset.

If the credit risk of the credit-impaired financial instrument improves in subsequent reporting periods and the financial asset is no longer impaired, interest revenue is recognized by applying the effective interest rate to the total carrying amount of the financial asset.

For financial assets that are impaired from acquisition, interest income is recognized from initial recognition by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset. Even though the financial asset is no longer impaired due to the improved credit risk of the financial asset, subsequently, the calculation of interest revenue is not changed to the gross carrying amount.

Interest income is recognized in profit or loss and is included in the "interest income applied at effective interest rate" line item (see Note 31).

2.2.22.1.2 Debt instruments classified as at FVOCI

Fair value is determined by the method described in Note 9. At initial recognition, the debt instrument is measured by adding transaction costs to its fair value. Subsequent changes in the carrying amount of the debt instrument are recognized in profit or loss as a result of foreign currency translation gains and losses (returns) and interest income calculated under the effective interest method. The amount recognized in profit or loss is the same amount that would have been recognized in profit or loss if the debt instrument had been measured at amortized cost. Except this, all changes in the carrying amount of the debt instrument are recognized in other comprehensive income and are accumulated in accumulated valuation gains and losses. When a debt instrument is derecognized, the cumulative gain or loss recognized in other comprehensive income is reclassified to profit or loss.

2.2.22.1.3 Equity instruments designated as at FVOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with KIFRS 1109, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other operating revenue' line item (see Note 35) in profit or loss.

The Group designated all investments in equity instruments that are not held for trading as at FVOCI on initial recognition (see Note 6). The Group classifies equity instruments, not held for trading with the objective of generating a profit through investment, as financial assets at FVOCI (see Note 6).

2.2.22.1.4 Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition (see 2.2.22.1.3 above).
- Debt instruments that do not meet the amortized cost criteria or the FVOCI criteria (see 2.2.22.1.1 and 2.2.22.1.2 above) are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship (see hedge accounting policy). Dividends obtained from financial assets at FVTPL are included in the other operating revenue line item (see Note 35), and interest income is recognized in profit or loss (Note 31). Fair value is determined in the manner described in Note 9.

2.2.22.2 Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically;

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- for financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item;
- for debt instruments measured at FVOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the 'other gains and losses' line item. As the foreign currency element recognized in profit or loss is the same as if it was measured at amortized cost, the residual foreign currency element based on the translation of the carrying amount (at fair value) is recognized in other comprehensive income in the investments revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the 'other gains and losses' line item as part of the fair value gain or loss (see Note 28); and
- for equity instruments measured at FVOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

2.2.22.3 Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on investments in debt instruments that are measured at amortized cost or at FVOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The Group recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

2.2.22.3.1 Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forwardlooking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:
(1) the financial instrument has a low risk of default,
(2) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
(3) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

For financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

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The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2.2.22.3.2 Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

2.2.22.3.3 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see 2.2.22.3.2 above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

2.2.22.3.4 Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty, such as bankruptcy, compulsory execution, dissolution, business closure, and it is not possible to recovery due to the debtor's death, disappearance, or unknown whereabouts, or there is no realistic prospect of recovery even by the legal procedures or any other ways to recover. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate.

2.2.22.3.5 Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as of the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with KIFRS 1116 Leases.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognized in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statements of financial position.

2.2.22.4 Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

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2.2.23 Financial liabilities and equity instruments

2.2.23.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of financial liability and an equity instrument.

2.2.23.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.2.23.3 Compound instruments

The component parts of compound instruments (convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to share premium. Where the conversion option remains unexercised at the maturity date of the convertible loan note, the balance recognized in equity will be transferred to other equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

2.2.23.4 Financial liabilities

All financial liabilities are measured subsequently at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

2.2.23.5 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination, (ii) held for trading or (iii) it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and KIFRS 1109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extent that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'gains and losses on financial instruments at FVTPL' line item (Note 28) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognized in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognized in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

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Gains or losses on financial guarantee contracts issued by the Group that are designated by the Group as at FVTPL are recognized in profit or loss.

Fair value is determined in the manner described in Note 9.

2.2.23.6 Financial liabilities measured subsequently at amortized cost

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) heldfor-trading, or (iii) designated as at FVTPL, are measured subsequently at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

2.2.23.7 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instruments.

Financial guarantee contract liabilities are measured initially at their fair values and, if not designated as at FVTPL and do not arise from a transfer of an asset, are measured subsequently at the higher of:

- the amount of the loss allowance determined in accordance with KIFRS 1109 (see financial assets above); and
- the amount recognized initially less, where appropriate, cumulative amortization recognized in accordance with KIFRS 1115 the revenue recognition policies set out above.

2.2.23.8 Foreign exchange gains and losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in 'gain or loss on foreign exchange transaction' line item in profit or loss. They are deferred in other comprehensive income if they relate to qualifying cash flow hedges and qualifying effective portion of net investment hedges, or are attributable to monetary part of the net investment in a foreign operation.

2.2.23.9 Derecognition of financial liabilities

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification should be recognized in profit or loss as the modification gain or loss within other non-operating income and expenses.

2.2.24 Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of KIFRS 1102 Share-based Payment, leasing transactions that are within the scope of KIFRS 1116 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in KIFRS 1002 Inventories or value in use in KIFRS 1036 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorized into Levels 1, 2 and 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 : inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 : inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 : inputs are unobservable inputs for the asset or liability.

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2.2.25 Business transfer under the corporate governance of the same ultimate parent company

The companies accounted for a business transfer under the corporate governance of the same ultimate parent company on a book value basis. As of the date of the business transfer, the assets and liabilities of an acquired company were recognized at book value, and a difference between a transfer price and an acquired interest was reflected in equity.

2.2.26 Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed Asset-related grants are recognized as a deduction from assets and are recognized in profit or loss in a manner that reduces depreciation over the useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by the government or related institutions, with an interest rate below the current applicable market rate, the effect of this preferential interest is regarded as a government grant. The loan or assistance is initially recognized and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received.

3. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may be different from those estimates.

The estimates and underlying assumptions are continuously reviewed. The changes in accounting estimates are recognized in the period in which the estimate is changed if the change affects only that period, or in the period of change and future periods if the change affects both current and future periods.

3.1 Impairment of goodwill

The Group performs impairment test of goodwill annually or more frequently when there is indication that a CGU may be impaired. Determining whether goodwill is impaired requires an estimation of the value in use of the CGU to which goodwill has been allocated. The value in use calculation requires the Group's management to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value.

3.2 Fair value of financial instruments

As described in Note 9, the Group recognizes an impairment loss on financial instruments by using valuation technique with observable inputs not based on market information. Note 9 provides details of major assumptions used to determine fair value of financial instruments and related sensitivity analysis. The management believes that valuation technique and assumptions used to determine the fair value of financial instruments are adequate.

3.3 Impairment loss on financial assets

The Group assesses whether objective evidence of impairment exists individually for the financial assets or collectively evaluates the impairment for the set of financial assets with similar characters. Impairment of financial assets are calculated by discounting the expected future cash flows and comparing the resultant present value with the carrying amount of financial assets. The estimation of future cash flows requires management judgment.

3.4 Defined benefit plan

The Group's defined benefit obligation is determined based on the actuarial valuation carried out at the end of each annual reporting period. Actuarial assumptions are the Group's best estimates of the variables in determining the cost of providing postretirement benefits such as discount rates, rates of expected future salary increases and mortality rates. Significant estimation uncertainty is likely to persist in making such assumptions due to the long-term nature of postretirement benefit plan.

3.5 Income tax

The Group recognizes current tax and deferred tax through the best estimating for tax effects expected to be incurred in the future as a result of operating activities until the end of the reporting period. However, the final tax outcome may not equal to the relevant assets and liabilities recognized, and such differences may have impacts on the current tax and deferred tax assets/liabilities at the time in which the final tax effects are determined.

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4. Financial Assets at Fair Value through Profit or Loss ("FVTPL")

Details of financial assets at FVTPL as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Securities at FVTPL:		
Equity securities	₩ 1,703,611	₩ 1,349,041
Debt securities	13,653,294	11,447,376
Beneficiary certificates	5,054,295	5,049,472
Derivatives-linked securities	116,520	121,347
Repurchase of bonds under repurchase agreements	2,904,882	1,913,214
Reserve for claims of customers' deposits (trust)	3,584,167	3,541,205
Commercial paper securities	1,895,708	1,960,957
Other securities in foreign currency	10,324	9,155
Other	814,460	722,617
	29,737,261	26,114,384
Loan receivables	1,337,334	601,866
Derivative assets held for trading [1]	1,056,993	620,329
	₩ 32,131,588	₩ 27,336,579

1. See Note 5.

Securities at FVTPL (excluding derivative assets held for trading) as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Equity securities:		
Marketable securities	₩ 681,023	₩ 479,737
Non-marketable securities	395,972	404,217
Equity securities in foreign currency	182,559	174,235
Other equity securities	444,057	290,852
	1,703,611	1,349,041

	2024	2023
Debt securities:		
Government bonds	2,219,007	2,752,196
Financial bonds	1,904,646	816,824
Corporate bonds	7,715,858	7,075,985
Debt securities in foreign currency	1,774,157	802,371
Loaned securities	39,626	-
	13,653,294	11,447,376
Beneficiary certificates:		
Beneficiary certificates unsold	37	469
Beneficiary certificates (equity funds)	2,027,992	2,029,559
Beneficiary certificates (others)	2,414,164	2,473,019
Beneficiary certificates in foreign currency	600,241	527,016
Loaned securities	11,861	19,409
	5,054,295	5,049,472
Derivatives-linked securities:		
Equity-linked securities	67,326	76,689
Other derivatives-linked securities	45,295	42,509
Exchange Traded Notes	3,899	2,149
	116,520	121,347
Other securities:		
Repurchase of bonds under repurchase agreements	2,904,882	1,913,214
Reserve for claims of customers' deposits (trust)	3,584,167	3,541,205
Commercial paper securities	1,895,708	1,960,957
Other securities in foreign currency	10,324	9,155
Others	814,460	722,617
	9,209,541	8,147,148
Loan receivables:		
Loan receivables	1,337,334	601,866
	₩ 31,074,596	₩ 26,716,250

The Group does not own any financial assets designated at FVTPL as of December 31, 2024 and 2023.

Notes to the Consolidated Financial Statements

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5. Derivatives

Details of derivative assets and derivative liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024				
	Nominal amount	Assets		Liabilities	
		For hedging	For trading	For hedging	For trading
Forwards	₩ 9,992,717	₩ -	₩ 262,944	₩ -	₩ 313,768
Swaps	148,213,768	-	159,560	-	797,724
Long options	20,000	-	336	-	-
Short options	200,000	-	-	-	11,405
	158,426,485	-	422,840	-	1,122,897
Currency:					
Forwards	14,409,212	-	310,158	-	305,990
Swaps	1,057,852	-	24,891	-	101,922
	15,467,064	-	335,049	-	407,912
Equity:					
Long options	934,853	-	12,312	-	-
Short options	3,447,979	-	-	-	39,992
Swaps	3,082,695	-	150,004	-	108,531
	7,465,527	-	162,316	-	148,523
Credit:					
Swaps	4,452,126	-	33,383	-	5,180
Commodity:					
Short options	6,326	-	-	-	564
Swaps	2,228,516	-	6,562	-	9,117
	2,234,842	-	6,562	-	9,681
Others:					
Interest rate futures	3,273,345	-	544	-	2,235
Currency futures	734,194	-	-	-	318
Equity futures	514,017	-	953	-	3,270
Commodity futures	42,066	-	2,078	-	178
	4,563,622	-	3,575	-	6,001
Adjustment of valuation of derivatives:					
Adjustment of valuation of credit risk	-	-	(4,933)	-	(29)
Adjustment of valuation of day 1 profits and losses	-	-	98,201	-	(71,724)
	-	-	93,268	-	(71,753)
	₩ 192,609,666	₩ -	₩ 1,056,993	₩ -	₩ 1,628,441

(in millions of Korean won)

	2023				
	Nominal amount	Assets		Liabilities	
		For hedging	For trading	For hedging	For trading
Interest rate:					
Forwards	₩ 7,557,999	₩ -	₩ 192,198	₩ -	₩ 204,725
Swaps	96,297,747	-	105,911	-	670,864
Long options	116,705	-	1,790	-	-
Short options	347,364	-	-	-	15,673
	104,319,815	-	299,899	-	891,262
Currency:					
Forwards	7,673,083	-	73,682	-	49,892
Swaps	616,232	-	8,319	-	52,614
Short options	13,104	-	-	-	189
	8,302,419	-	82,001	-	102,695
Equity:					
Long options	1,572,092	-	10,662	-	-
Short options	5,537,241	-	-	-	44,121
Swaps	3,251,867	-	101,352	-	189,024
	10,361,200	-	112,014	-	233,145
Credit:					
Swaps	5,439,353	-	35,315	-	4,268
Commodity:					
Short options	1,109	-	-	-	61
Swaps	527,027	-	14,074	-	13,457
	528,136	-	14,074	-	13,518
Others:					
Interest rate futures	4,882,729	-	1,284	-	5,324
Currency futures	1,585,912	-	-	-	-
Equity futures	659,846	-	2,162	-	463
Commodity futures	45,847	-	1,474	-	192
	7,174,334	-	4,920	-	5,979
Adjustment of valuation of derivatives:					
Adjustment of valuation of credit risk	-	-	(755)	-	(20)
Adjustment of valuation of day 1 profits and losses	-	-	72,861	-	(100,188)
	-	-	72,106	-	(100,208)
	₩ 136,125,257	₩ -	₩ 620,329	₩ -	₩ 1,150,659

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

6. Financial Assets at Fair Value through Other Comprehensive Income ("FVOCI")

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

(in millions of Korean won)

	2024		
	Book amount	Gross unrealized gain (loss)[1]	Provisions for losses[1]
Equity securities:			
Non-marketable securities	₩ 552,931	₩ 447,982	₩ -
Other equity securities	927,468	14,401	-
	1,480,399	462,383	-
Debt securities:			
Government bonds	317,135	(3,893)	-
Financial bonds	1,695,793	3,037	426
Corporate bonds	3,585,844	5,763	1,636
Debt securities in foreign currency	1,078,712	10,104	652
Other debt securities	70,219	(601)	-
Discounts	-	1,893	-
	6,747,703	16,303	2,714
	₩ 8,228,102	₩ 478,686	₩ 2,714

1. Presenting the amounts before reflecting the effect of deferred tax from unrealized gains or losses.

(in millions of Korean won)

	2023		
	Book amount	Gross unrealized gain (loss)[1]	Provisions for losses[1]
Equity securities:			
Non-marketable securities	₩ 698,644	₩ 514,958	₩ -
Other equity securities	398,725	(9,343)	-
	1,097,369	505,615	-
Debt securities:			
Government bonds	492,180	(10,510)	-
Financial bonds	1,498,281	1,624	282
Corporate bonds	3,018,519	(1,688)	1,773
Debt securities in foreign currency	802,315	6,851	531
Other debt securities	100,527	(302)	-
	-	(3,797)	-
	₩ 5,911,822	₩ (7,822)	₩ 2,586

1. Presenting the amounts before reflecting the effect of deferred tax from unrealized gains or losses.

Details of financial assets designated at FVOCI as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		
	Book amount	Fair value	Dividends[1]
Equity securities:			
Non-marketable securities	₩ 552,931	₩ 552,931	₩ 18,965
Other equity securities	927,468	927,468	32,239
	₩ 1,480,399	₩ 1,480,399	₩ 51,204

1. Dividends arising from the equity securities that were derecognized due to disposal and others amount to ₩ 11,350 million for the year ended December 31, 2024.

(in millions of Korean won)

	2023		
	Book amount	Fair value	Dividends[1]
Equity securities:			
Non-marketable securities	₩ 698,644	₩ 698,644	₩ 12,660
Other equity securities	398,725	398,725	28,095
	₩ 1,097,369	₩ 1,097,369	₩ 40,755

1. Dividends arising from the equity securities that were derecognized due to disposal and others amount to ₩ 6,386 million for the year ended December 31, 2023.

The Group designates investments as financial assets at FVOCI if the Group holds the investment for strategic purpose and not capital gains through investment, and otherwise classifies the investment as financial assets at FVTPL.

The Group has disposed of equity instruments at FVOCI amounting to ₩ 140,204 million due to the early redemption for the year ended December 31, 2024 (2023: ₩ 431,286 million). The cumulative loss on the equity instruments is ₩ 1 million (2023: gain of ₩ 77 million), at the disposal date. In addition, equity instruments at FVOCI amounting to ₩ 133,895 million were reclassified to investments in associates for the year ended December 31, 2024 upon obtaining significant influence over an entity, and the accumulated profit (loss) on these equity instruments as of the reclassification date amounts to ₩ 40,480 million. Regarding the accumulated gain (loss) on the early redemption and classification of equity instruments, no other comprehensive income has been transferred to retained earnings for each of the two years in the two-year period ended December 31, 2024.

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December 31, 2024 and 2023

Details of provisions for losses on debt securities at FVOCI for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 2,586	₩ -	₩ -	₩ 2,586
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision	56	-	-	56
Others	72	-	-	72
Ending balance	₩ 2,714	₩ -	₩ -	₩ 2,714

(in millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 2,557	₩ -	₩ -	₩ 2,557
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision	35	-	-	35
Others	(6)	-	-	(6)
Ending balance	₩ 2,586	₩ -	₩ -	₩ 2,586

Changes in the amount of total book amount of debt securities at FVOCI for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 5,911,822	₩ -	₩ -	₩ 5,911,822
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Purchase, disposal and redemption	721,470	-	-	721,470
Foreign currency translation	98,525	-	-	98,525
Others	15,886	-	-	15,886
Ending balance	₩ 6,747,703	₩ -	₩ -	₩ 6,747,703

(in millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 7,025,422	₩ -	₩ -	₩ 7,025,422
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Purchase, disposal and redemption	(1,239,907)	-	-	(1,239,907)
Foreign currency translation	(3,363)	-	-	(3,363)
Others	129,670	-	-	129,670
Ending balance	₩ 5,911,822	₩ -	₩ -	₩ 5,911,822

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December 31, 2024 and 2023

Changes in unrealized gains or losses on financial assets at FVOCI for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	Beginning balance	Gain (loss) on valuation	Realized gain (loss) on disposal	Ending balance
Equity securities:				
Non-marketable securities	₩ 381,983	₩ (8,903)	₩ (40,480)	₩ 332,600
Other equity securities	(6,877)	17,474	1	10,598
	375,106	8,571	(40,479)	343,198
Debt securities:				
Government bonds	(7,746)	5,849	(925)	(2,822)
Financial bonds	1,201	1,054	-	2,255
Corporate bonds	(1,242)	5,484	-	4,242
Debt securities in foreign currency	5,042	8,191	(5,796)	7,437
Other debt securities	(222)	(77)	(143)	(442)
Discounts	(2,795)	4,189	-	1,394
	(5,762)	24,690	(6,864)	12,064
	₩ 369,344	₩ 33,261	₩ (47,343)	₩ 355,262

(in millions of Korean won)

	2023			
	Beginning balance	Gain (loss) on valuation	Realized gain (loss) on disposal	Ending balance
Equity securities:				
Non-marketable securities	₩ 392,681	₩ (10,698)	₩ -	₩ 381,983
Other equity securities	(39,308)	32,508	(77)	(6,877)
	353,373	21,810	(77)	375,106
Debt securities:				
Government bonds	(35,058)	19,772	7,540	(7,746)
Financial bonds	(12,037)	13,238	-	1,201
Corporate bonds	(39,254)	38,012	-	(1,242)
Debt securities in foreign currency	(9,913)	10,754	4,201	5,042
Other debt securities	(10,019)	10,364	(567)	(222)
Discounts	-	(2,795)	-	(2,795)
	(106,281)	89,345	11,174	(5,762)
	₩ 247,092	₩ 111,155	₩ 11,097	₩ 369,344

7. Financial Assets at Amortized Cost

Details of financial assets at amortized cost as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Deposits:		
Reserve for claims of customers' deposits	₩ 2,178,002	₩ 1,579,931
Deposits for exchange-traded derivatives transactions	252,362	94,619
Clearing margin for exchange-traded derivatives transactions	284,597	328,638
Guarantee deposits for stock borrowings from KSFC	-	1,335
Guarantee deposits for KSFC trading	250,000	250,000
Deposits for opening of a cheque account	47	47
Others	2,162,780	1,322,459
	5,127,788	3,577,029
Loan receivables:		
Broker's loans	3,327,790	3,470,800
Bonds purchased under resale agreements	602,500	1,639,800
Other loans	30,276	28,401
Loan receivables	4,831,186	3,470,201
Loans purchased	130,873	216,924
Advances for customers on guarantees	3,181	3,262
Privately placed bonds	14,625	16,540
Other securitization loans	702,366	1,032,045
Discounts	(1,218)	(805)
Deferred loan origination fees and costs	(41,044)	(11,616)
	9,600,535	9,865,552
Account receivables:		
Securities receivables	2,790,310	3,574,239
Others	1,564,556	1,628,322
	4,354,866	5,202,561
Accrued income:		
Accrued fees and commissions income	79,366	80,739
Accrued interest income	336,709	344,264
Accrued dividends income	20	613
Accrued distribution income	161	2,869
Others	343	888
	416,599	429,373
Other receivables:		
Deposits	68,886	79,901
Others	136,446	308,118
Discounts	(3,509)	(4,248)
	201,823	383,771
Provisions	(377,680)	(323,388)
	₩ 19,323,931	₩ 19,134,898

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The provision for loss on financial assets at amortized cost as of December 31, 2024 and 2023 consists of the following:

(in millions of Korean won)

	2024	2023
Deposits	₩ 3,076	₩ 2,306
Loan receivables	289,972	229,842
Account receivables	74,700	80,478
Accrued income	9,932	10,762
	₩ 377,680	₩ 323,388

Changes in the provision for loss on financial assets at amortized cost for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 61,944	₩ 21,868	₩ 239,576	₩ 323,388
Transfer to 12-month expected credit losses	5,563	(4,194)	(1,369)	-
Transfer to lifetime expected credit losses	(3,724)	3,724	-	-
Transfer to credit-impaired financial assets	(692)	(5,826)	6,518	-
Provision	18,174	18,502	40,968	77,644
Write-off	-	-	(15,295)	(15,295)
Repayment	-	-	181	181
Unwinding effect	-	-	(5,350)	(5,350)
Foreign currency translation and other	708	46	(3,642)	(2,888)
Ending balance	₩ 81,973	₩ 34,120	₩ 261,587	₩ 377,680

(in millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 48,709	₩ 26,795	₩ 173,396	₩ 248,900
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	(5,345)	5,345	-	-
Transfer to credit-impaired financial assets	(3,880)	(17,185)	21,065	-
Provision	22,445	6,913	80,074	109,432
Write-off	-	-	(35,083)	(35,083)
Repayment	-	-	4,728	4,728
Unwinding effect	-	-	(6,601)	(6,601)
Foreign currency translation and other	15	-	1,997	2,012
Ending balance	₩ 61,944	₩ 21,868	₩ 239,576	₩ 323,388

Changes in total book amount of financial assets at amortized cost for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 18,744,786	₩ 224,394	₩ 489,106	₩ 19,458,286
Transfer to 12-month expected credit losses	83,316	(65,816)	(17,500)	-
Transfer to lifetime expected credit losses	(263,203)	263,203	-	-
Transfer to credit-impaired financial assets	(12,695)	(38,889)	51,584	-
Purchase, disposal and redemption	245,789	(58,690)	(160,684)	26,415
Write-off	-	-	(15,295)	(15,295)
Foreign currency translation and other	228,590	(5)	3,620	232,205
Ending balance	₩ 19,026,583	₩ 324,197	₩ 350,831	₩ 19,701,611

(in millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Not impaired	Impaired	
Beginning balance	₩ 16,913,803	₩ 352,073	₩ 196,797	₩ 17,462,673
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	(136,817)	136,817	-	-
Transfer to credit-impaired financial assets	(95,727)	(222,546)	318,273	-
Purchase, disposal and redemption	2,037,934	(41,950)	8,685	2,004,669
Write-off	-	-	(35,083)	(35,083)
Foreign currency translation and other	25,593	-	434	26,027
Ending balance	₩ 18,744,786	₩ 224,394	₩ 489,106	₩ 19,458,286

Broker's loans

The Group finances stock acquisition funds for customers in credit transactions and the margin to customers from the transactions is financed by borrowings from Korea Securities Finance Co. and the Group's capital, and the annual interest rate ranges from 5.4% to 9.9% (annual overdue interest rate ranges annual interest rate+3%, maximum from 11.0% to 13.0%). The Group records this transaction as margin to customers.

The Group provides loans secured by securities; the annual interest rate ranges from 5.0% to 10.0% (annual overdue interest rate ranges annual interest rate+3%, maximum from 11.0% to 13.0%) and such rate can be readjusted depending on the market condition.

For margin loans, an amount equivalent to from 140% to 170% of loans in the form of securities or cash is set to be pledged as collateral and the amount is calculated by summing margins to customers and loans. The securities purchased by the customers using such loans are pledged as collateral.

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December 31, 2024 and 2023

8. Restricted Use of Deposits and Others

Details of restricted use of deposits and others as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Financial assets at FVTPL:		
Reserve for claims of customers' deposits(trust)[1]	₩ 3,584,167	₩ 3,541,205
Financial assets at amortized cost - Deposits:		
Deposits for securities lending and borrowing[1]	2,178,002	1,579,931
Deposits for exchange-traded derivatives transaction	186,428	51,443
Clearing margin for exchange-traded derivatives transaction	279,187	328,638
Guarantee deposits for stock borrowings from KSFC	-	1,335
Guarantee deposits for KSFC trading	250,000	250,000
Deposits for opening of a checking account	47	47
Others (deposits)	839,134	617,340
	₩ 3,732,798	₩ 2,828,734
	₩ 7,316,965	₩ 6,369,939

1. Pursuant to the Financial Investment Services and Capital Markets Act, the Group is required to deposit with the Korean Securities Finance Corporation ("KFSC") for the payment of its customers' deposits and those amounts are recalculated daily.

9. Fair Value of Financial Instruments

The following three levels are used to classify fair value measurements.

1) Level 1

Unadjusted quoted prices in active markets for identical assets or liabilities

2) Level 2

Inputs other than quoted prices that are observable for the asset or liability either directly (that is, prices) or indirectly (that is, derived from prices).

3) Level 3

Inputs that are not based on observable market data.

If the financial instruments are traded in active markets, best estimate of fair value is the quoted price (Level 1). Quoted prices are easily available on a regular basis through exchanges, seller, broker, group of industry, rating agencies or regulatory agencies, and if that price represents any actual market transaction between independent parties, then it is considered that the price of the financial instrument is presented in an active market. If there is no active market for the financial instrument, the fair value is measured using valuation techniques. The Group maximizes the use of market information and minimizes the use of the Group's internal information when applying the chosen valuation technique.

The valuation techniques include all the elements that participants will consider when determining the price. The Group periodically uses similar financial instrument's observable current market price with same valuation techniques (i.e. not modified or restructured), or reviews the validity based on observable market data.

9.1 Financial Instruments Measured at Fair Value

The fair value and the related hierarchy of financial instruments measured at fair value as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024				
	Book amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Securities at FVTPL[1]	₩ 29,737,261	₩ 29,737,261	₩ 7,188,944	₩ 17,555,176	₩ 4,993,141
Loans at FVTPL	1,337,334	1,337,334	-	-	1,337,334
Derivative assets held for trading	1,056,993	1,056,993	10,750	958,068	88,175
Financial assets at FVOCI	8,228,102	8,228,102	609,919	7,065,252	552,931
	₩ 40,359,690	₩ 40,359,690	₩ 7,809,613	₩ 25,578,496	₩ 6,971,581
Financial liabilities:					
Financial liabilities at FVTPL	₩ 2,763,804	₩ 2,763,804	₩ 2,763,804	₩ -	₩ -
Financial liabilities designated at FVTPL	7,771,234	7,771,234	20,944	911,601	6,838,689
Derivative liabilities held for trading	1,628,441	1,628,441	45,140	1,001,952	581,349
	₩ 12,163,479	₩ 12,163,479	₩ 2,829,888	₩ 1,913,553	₩ 7,420,038

1. Securities at FVTPL include derivative-linked securities, of which the amount classified as Level 3 is ₩ 99,037 million.

(in millions of Korean won)

	2023				
	Book amount	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Securities at FVTPL[1]	₩ 26,114,384	₩ 26,114,384	₩ 6,916,807	₩ 14,514,534	₩ 4,683,043
Loans at FVTPL	601,866	601,866	-	-	601,866
Derivative assets held for trading	620,329	620,329	13,409	509,736	97,184
Financial assets at FVOCI	7,009,191	7,009,191	1,055,357	5,255,190	698,644
	₩ 34,345,770	₩ 34,345,770	₩ 7,985,573	₩ 20,279,460	₩ 6,080,737
Financial liabilities:					
Financial liabilities at FVTPL	₩ 3,613,287	₩ 3,613,287	₩ 3,613,287	₩ -	₩ -
Financial liabilities designated at FVTPL	7,991,030	7,991,030	350,654	1,109,996	6,530,380
Derivative liabilities held for trading	1,150,659	1,150,659	49,396	585,200	516,063
	₩ 12,754,976	₩ 12,754,976	₩ 4,013,337	₩ 1,695,196	₩ 7,046,443

1. Securities at FVTPL include derivative-linked securities, of which the amount classified as Level 3 is ₩ 118,188 million.

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Changes in the financial assets and liabilities measured at fair value, classified in Level 3, for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024						
	Beginning balance	Profit or loss	Other comprehensive income	Purchase/ issuance	Settlement	Others[1]	Ending balance
Financial assets:							
Securities at FVTPL	₩ 4,683,043	₩ 136,490	₩ -	₩ 2,346,551	₩ (2,095,858)	₩ (77,084)	₩ 4,993,142
Loans at FVTPL	601,866	16,932	-	2,651,778	(1,933,242)	-	1,337,334
Derivative assets held for trading	97,184	49,396	-	367	(58,772)	-	88,175
Financial assets at FVOCI	698,644	-	(11,818)	-	(133,895)	-	552,931
	₩ 6,080,737	₩ 202,818	₩ (11,818)	₩ 4,998,696	₩ (4,221,767)	₩ (77,084)	₩ 6,971,582
Financial liabilities:							
Financial liabilities designated at FVTPL	₩ 6,530,380	₩ 275,287	₩ -	₩ 5,151,009	₩ (5,117,987)	₩ -	₩ 6,838,689
Derivative liabilities held for trading	516,063	219,364	-	11,166	(165,244)	-	581,349
	₩ 7,046,443	₩ 494,651	₩ -	₩ 5,162,175	₩ (5,283,231)	₩ -	₩ 7,420,038

1. The movements between fair value hierarchy levels for the financial instruments occurred due to change in the availability of observable market data.

(in millions of Korean won)

	2023						
	Beginning balance	Profit or loss	Other comprehensive income	Purchase/ issuance	Settlement	Others[1]	Ending balance
Financial assets:							
Securities at FVTPL	₩ 4,969,615	₩ (86,211)	₩ -	₩ 1,303,329	₩ (1,432,589)	₩ (71,101)	₩ 4,683,043
Loans at FVTPL	524,210	(14,065)	-	1,740,409	(1,648,688)	-	601,866
Derivative assets held for trading	96,119	25,858	-	2,973	(27,766)	-	97,184
Financial assets at FVOCI	713,842	-	(15,198)	-	-	-	698,644
	₩ 6,303,786	₩ (74,418)	₩ (15,198)	₩ 3,046,711	₩ (3,109,043)	₩ (71,101)	₩ 6,080,737
Financial liabilities:							
Financial liabilities designated at FVTPL	₩ 6,715,651	₩ 630,357	₩ -	₩ 4,900,124	₩ (5,715,752)	₩ -	₩ 6,530,380
Derivative liabilities held for trading	741,966	(186,656)	-	35,308	(74,555)	-	516,063
	₩ 7,457,617	₩ 443,701	₩ -	₩ 4,935,432	₩ (5,790,307)	₩ -	₩ 7,046,443

1. The movements between fair value hierarchy levels for the financial instruments occurred due to change in the availability of observable market data.

The Group recognizes transfers between levels at the date of an event or a circumstance causing the transfer occurs.

Changes in significant unobservable input variables are subject to a sensitivity analysis, which measures the impact on the fair value of financial instruments classified as Level 3. The amounts of impact reported as favorable and unfavorable changes for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Book amount	Profit or loss		Other comprehensive income (loss)	
		Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:					
Securities at FVTPL[1]	₩ 4,993,141	₩ 67,998	₩ 67,998	₩ -	₩ -
Loans at FVTPL[2]	1,337,334	24,956	24,956	-	-
Derivative assets held for trading[3]	88,175	9,956	9,956	-	-
Financial assets at FVOCI[4]	552,931	-	-	31,348	(23,644)
	₩ 6,971,581	₩ 102,910	₩ 102,910	₩ 31,348	₩ (23,644)
Financial liabilities:					
Financial liabilities designated at FVTPL[5]	₩ 6,838,689	₩ 23,402	₩ (20,235)	₩ -	₩ -
Derivative liabilities held for trading[3]	581,349	15,763	(17,989)	-	-
	₩ 7,420,038	₩ 39,165	₩ (38,224)	₩ -	₩ -

1. Fair value changes of securities at FVTPL are calculated based on the increase or decrease in the discount rate, the major unobservable input. Fair value changes of derivatives-linked securities are calculated by an increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.
2. Fair value changes of loans at FVTPL are calculated by an increase or decrease in the interest rate and stock price/variability of the major unobservable inputs by 1%p and 10%.
3. Fair value changes of derivatives related to stock, interest rate, credit, currency and commodity are calculated by an increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.
4. Fair value changes of stocks are calculated by the increase or decrease in the growth rate by -1~1%p and discount rate by -1~1%p, the major unobservable inputs.
5. Fair value changes of financial liabilities designated at FVTPL are calculated by the increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.

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(in millions of Korean won)

	2023				
	Book amount	Profit or loss		Other comprehensive income (loss)	
		Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:					
Securities at FVTPL[1]	₩ 4,683,043	₩ 23,040	₩ (8,364)	₩ -	₩ -
Loans at FVTPL[2]	601,866	14,837	(13,606)	-	-
Derivative assets held for trading[3]	97,184	9,156	(16,299)	-	-
Financial assets at FVOCI[4]	698,644	-	-	47,449	(25,096)
	₩ 6,080,737	₩ 47,033	₩ (38,269)	₩ 47,449	₩ (25,096)
Financial liabilities:					
Financial liabilities designated at FVTPL[5]	₩ 6,530,380	₩ 28,157	₩ (19,340)	₩ -	₩ -
Derivative liabilities held for trading[3]	516,063	12,635	(14,453)	-	-
	₩ 7,046,443	₩ 40,792	₩ (33,793)	₩ -	₩ -

1. Fair value changes of securities at FVTPL are calculated based on the increase or decrease in the discount rate, the major unobservable input. Fair value changes of derivatives-linked securities are calculated by an increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.
2. Fair value changes of loans at FVTPL are calculated by an increase or decrease in the interest rate and stock price/variability of the major unobservable inputs by 1%p and 10%.
3. Fair value changes of derivatives related to stock, interest rate, credit, currency and commodity are calculated by an increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.
4. Fair value changes of stocks are calculated by the increase or decrease in the growth rate by -1~1%p and discount rate by -1~1%p, the major unobservable inputs.
5. Fair value changes of financial liabilities designated at FVTPL are calculated by the increase or decrease in the correlation (Correlation between two or more underlying assets) and variability, the major unobservable inputs, by 10%.

As of December 31, 2024 and 2023, the Group measured the beneficiary certificates whose fair values do not exist in the active market and underlying assets are foreign alternative investments, based on unobservable inputs using the best information available; and used the same valuation techniques in the assessment of derivatives-linked securities (financial liabilities designated at fair value through profit or loss) whose underlying assets are those beneficiary certificates. In addition, as of December 31, 2024, the Group measured the beneficiary certificates related to Optimus Asset Management Funds, whose fair values do not exist in the active market, based on unobservable inputs using the best information available.

Fair value measurement methods and input variables for each type of financial instruments measured at fair value, classified at Level 2, are as follows:

	Fair value measurement methods	Input variables
Financial assets:		
Securities at FVTPL	DCF, NAV method	Interest rate, discount rate, exchange rate
Derivative assets held for trading	DCF, Closed Form, FDM, Monte Carlo Simulation	Underlying asset price, interest rate, credit spread, exchange rate, dividend rate (yield), volatility of stock price, discount rate
Financial assets at FVOCI	DCF, NAV method	Interest rate, discount rate, exchange rate
Financial liabilities:		
Financial liabilities designated at FVTPL	DCF, Closed Form, FDM, Monte Carlo Simulation	Underlying asset price, interest rate, credit spread, exchange rate, dividend rate (yield), volatility of stock price, discount rate
Derivative liabilities held for trading		

Fair value measurement methods, input variables, and significant unobservable inputs for each type of financial instruments measured at fair value, classified at Level 3, are as follows:

	Valuation technique	Significant unobservable inputs	Range (weighted average) (%)	Sensitivity of the input to fair value
Financial assets:				
Financial assets at FVTPL	DCF, NAV method, Binomial model, Closed Form, FDM, Monte Carlo Simulation	Discount rate	3.45~30.49	Decrease in the discount rate would result in increase in fair value
		Growth rate	0.00	Increase in the growth rate would result in increase in fair value
		Correlation of interest rate	15.42~95.24	Increase in the correlation of interest rate would result in decrease in fair value
		Historical volatility	0.72~601.03	Increase in the volatility would result in increase or decrease in fair value
		Correlation	-99.58~97.34	Increase in the correlation would result in increase in fair value
		Swaption volatility	0.46~1.14	Increase in the volatility would result in increase or decrease in fair value
Derivative assets held for trading	DCF, Closed Form, FDM, Monte Carlo Simulation	Correlation of interest rate	15.42~95.24	Increase in the correlation of interest rate would result in decrease in fair value
		Historical volatility	0.72~601.03	Increase in the volatility would result in increase or decrease in fair value
		Correlation	-99.58~97.34	Increase in the correlation would result in increase in fair value
		Swaption volatility	0.46~1.14	Increase in the volatility would result in increase or decrease in fair value
Financial assets at FVOCI	DCF, NAV method, Comparable company analysis	Discount rate	6.81~16.20	Decrease in the discount rate would result in increase in fair value
		Growth rate	0.00~1.00	Increase in the growth rate would result in increase in fair value
Financial liabilities:				
Financial liabilities designated at FVTPL	DCF, NAV method, Closed Form, FDM, Monte Carlo Simulation	Correlation of interest rate	15.42~95.24	Increase in the correlation of interest rate would result in decrease in fair value
		Historical volatility	0.72~601.03	Increase in the volatility would result in increase or decrease in fair value
Derivative liabilities held for trading		Correlation	-99.58~97.34	Increase in the correlation would result in increase in fair value
		Swaption volatility	0.46~1.14	Increase in the volatility would result in increase or decrease in fair value

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9.2 Financial Instruments Not Measured at Fair Value for which Fair Value is Disclosed

Fair value hierarchy of financial instruments of which fair value is not recognized but disclosed as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024				
	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Financial assets at amortized cost	₩ 19,323,931	₩ 18,951,780	₩ -	₩ 6,477,085	₩ 12,474,695
Financial liabilities:					
Deposits due to customers[1]	7,971,818	7,971,818	-	-	7,971,818
Borrowings	24,446,513	24,446,130	-	10,107,200	14,338,930
Debentures	2,850,402	2,876,801	-	2,876,801	-
Other financial liabilities[2]	6,179,344	6,179,344	-	-	6,179,344
	₩ 41,448,077	41,474,093	₩ -	₩ 12,984,001	₩ 28,490,092

1. Most deposits have maturity of less than a year so that the book amount was used as proxy of fair value.
2. Accrued expenses and accounts payables are short-term debt so that book amount was used as reasonable proxy of fair value.

(in millions of Korean won)

	2023				
	Carrying value	Fair value	Level 1	Level 2	Level 3
Financial assets:					
Financial assets at amortized cost	₩ 19,134,898	₩ 18,861,357	₩ -	₩ 6,578,140	₩ 12,283,217
Financial liabilities:					
Deposits due to customers[1]	7,177,425	7,177,425	-	-	7,177,425
Borrowings	18,919,143	18,919,625	-	7,376,416	11,543,209
Debentures	2,914,953	2,903,723	-	2,903,723	-
Other financial liabilities[2]	6,882,009	6,882,009	-	-	6,882,009
	₩ 35,893,530	₩ 35,882,782	₩ -	₩ 10,280,139	₩ 25,602,643

1. Most deposits have maturity of less than a year so that the book amount was used as proxy of fair value.
2. Accrued expenses and accounts payables are short-term debt so that book amount was used as reasonable proxy of fair value.

Fair value hierarchy of financial instruments of which fair value is not recognized but disclosed as of December 31, 2024 and 2023 are as follows:

	Fair value measurement methods
Financial assets at amortized cost	The fair value is measured by discounting the projected cash flows of loan products by applying the market discount rate that has been applied to a proxy company that has similar credit rating to the debtor. For lines of credit and loans that have a short- term maturity (less than six months), it is assumed that the carrying amounts approximate to their fair value.
Deposits due to customers and borrowings	The fair value is measured by discounting the projected cash flows of debt products by applying the market discount rate that is reflecting credit rating of the Group. However, if the carrying value is not significantly different from the fair value, it assumes that the carrying amounts approximate to the fair value.
Debentures	Borrowings are measured by discounting expected future cash flows using current market rate.
Other financial liabilities	For other financial liabilities that consist of suspense accounts derived from various transactions, and whose maturity is relatively short or indeterminable, the carrying value is considered as fair value.

9.3 Day 1 Profits and Losses

Changes in deferred day 1 profits and losses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Beginning balance	₩ 62,868	₩ 72,342
New transactions	35,392	34,090
Amounts recognized in profits or loss	(45,605)	(43,564)
Ending balance	₩ 52,655	₩ 62,868

In the case that the Group measured the fair value of financial instruments with unobservable inputs, the Group recognized the fair value of the instrument at the transaction price if the fair value at initial measurement is different from the transaction price. The difference between the fair value at initial measurement and the transaction price is deferred and amortized using a straight-line method until the maturity of the instrument. However, in the case where inputs of the valuation techniques become observable in markets, the remaining deferred difference is immediately recognized as gain or loss. The table above shows the detailed differences yet to be recognized in gain or loss during the years ended December 31, 2024 and 2023.

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10. Offsetting Financial Assets and Liabilities

Financial assets and liabilities that are subject to offsetting, enforceable master netting agreements and similar agreements as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024					
	Recognized financial assets	Financial liabilities set off	Net amounts of financial assets presented	Related amounts not set off in the statement of financial position		Net amounts
				Financial instruments	Financial collateral received/pledged	
Derivative assets[1,2]	₩ 963,123	₩ -	₩ 963,123	₩ 979,027	₩ 51,198	₩ 545,386
Receivable spot exchange[3]	612,488	-	612,488			
Bonds sold under repurchase agreements (loans)[3]	602,500	-	602,500	602,500	-	-
Loaned securities[3]	51,487	-	51,487	51,487	-	-
Account receivable[4]	5,423,435	2,091,883	3,331,552	1,516,131	-	1,815,421
	₩ 7,653,033	₩ 2,091,883	₩ 5,561,150	₩ 3,149,145	₩ 51,198	₩ 2,360,807

1. Including parts of derivatives assets held for trading, derivative assets held for hedging and financial assets at FVTPL.
2. Certain OTC derivatives are traded under ISDA (International Swaps and Derivatives Association) master netting agreements. Based on the agreement, all derivatives contracts between the parties are cancelled provided that credit accident occurs. In that event, net amounts after deducting the related receivables or payables determined at the time of termination are settled.
3. Similar netting agreements are also entered into with the transactions of reverse repurchase, spot, securities and others.
4. Including receivables and payables in accordance with settlement of exchange-traded securities and presents as net amount in the statement of financial position for the transactions which has an enforceable right to offset and are settled on a net basis.

(in millions of Korean won)

	2023					
	Recognized financial assets	Financial liabilities set off	Net amounts of financial assets presented	Related amounts not set off in the statement of financial position		Net amounts
				Financial instruments	Financial collateral received/pledged	
Derivative assets[1,2]	₩ 684,668	₩ -	₩ 684,668	₩ 1,433,527	₩ 7,846	₩ 263,347
Receivable spot exchange[3]	1,020,052	-	1,020,052			
Bonds sold under repurchase agreements (loans)[3]	1,639,800	-	1,639,800	1,639,800	-	-
Loaned securities[3]	19,409	-	19,409	19,409	-	-
Account receivable[4]	7,725,635	3,774,165	3,951,470	2,390,831	-	1,560,639
	₩ 11,089,564	₩ 3,774,165	₩ 7,315,399	₩ 5,483,567	₩ 7,846	₩ 1,823,986

1. Including parts of derivatives assets held for trading, derivative assets held for hedging and financial assets at FVTPL.
2. Certain OTC derivatives are traded under ISDA (International Swaps and Derivatives Association) master netting agreements. Based on the agreement, all derivatives contracts between the parties are cancelled provided that credit accident occurs. In that event, net amounts after deducting the related receivables or payables determined at the time of termination are settled.
3. Similar netting agreements are also entered into with the transactions of reverse repurchase, spot, securities and others.
4. Including receivables and payables in accordance with settlement of exchange-traded securities and presents as net amount in the statement of financial position for the transactions which has an enforceable right to offset and are settled on a net basis.

Financial liabilities that are subject to offsetting, enforceable master netting agreements and similar agreements as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024					
	Recognized financial liabilities	Financial assets set off	Net amounts of financial liabilities presented	Related amounts not set off in the statement of financial position		Net amounts
				Financial instruments	Financial collateral received/pledged	
Derivative liabilities[1,2]	₩ 3,698,957	₩ -	₩ 3,698,957	₩ 2,256,416	₩ 416,288	₩ 1,638,822
Payable spot exchange[3]	612,569	-	612,569			
Bonds sold under repurchase agreements[3]	10,073,440	-	10,073,440	10,073,440	-	-
Borrowed securities[3]	2,763,804	-	2,763,804	2,763,804	-	-
Account payables[4]	5,680,179	2,091,884	3,588,295	1,516,131	-	2,072,164
	₩ 22,828,949	₩ 2,091,884	₩ 20,737,065	₩ 16,609,791	₩ 416,288	₩ 3,710,986

1. Including parts of derivatives liabilities held for trading, derivative liabilities held for hedging and financial liabilities designated at FVTPL.
2. Certain OTC derivatives are traded under ISDA (International Swaps and Derivatives Association) master netting agreements. Based on the agreement, all derivatives contracts between the parties are cancelled provided that credit accident occurs. In that event, net amounts after deducting the related receivables or payables determined at the time of termination are settled.
3. Similar netting agreements are also entered into with the transactions of reverse repurchase, spot, securities and others.
4. Including receivables and payables in accordance with settlement of exchange-traded securities and presents as net amount in the statement of financial position for the transactions which has an enforceable right to offset and are settled on a net basis.

(in millions of Korean won)

	2023					
	Recognized financial liabilities	Financial assets set off	Net amounts of financial liabilities presented	Related amounts not set off in the statement of financial position		Net amounts
				Financial instruments	Financial collateral received/pledged	
Derivative liabilities[1,2]	₩ 3,792,482	₩ -	₩ 3,792,482	₩ 3,707,872	₩ 24,647	₩ 1,079,826
Payable spot exchange[3]	1,019,863	-	1,019,863			
Bonds sold under repurchase agreements[3]	7,020,436	-	7,020,436	7,020,436	-	-
Borrowed securities[3]	3,613,287	-	3,613,287	3,613,287	-	-
Account payables[4]	7,837,208	3,774,165	4,063,043	2,390,831	-	1,672,212
	₩ 23,283,276	₩ 3,774,165	₩ 19,509,111	₩ 16,732,426	₩ 24,647	₩ 2,752,038

1. Including parts of derivatives liabilities held for trading purpose, derivative liabilities held for hedging and financial liabilities designated at FVTPL.
2. Certain OTC derivatives are traded under ISDA (International Swaps and Derivatives Association) master netting agreements. Based on the agreement, all derivatives contracts between the parties are cancelled provided that credit accident occurs. In that event, net amounts after deducting the related receivables or payables determined at the time of termination are settled.
3. Similar netting agreements are also entered into with the transactions of reverse repurchase, spot, securities and others.
4. Including receivables and payables in accordance with settlement of exchange-traded securities and presents as net amount in the statement of financial position for the transactions which has an enforceable right to offset and are settled on a net basis.

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11. Transfers of Financial Assets

Details of financial instruments in bonds sold under repurchase agreement, that are disposed of under the condition that the securities held by the Group shall be repurchased at confirmed prices and thus do not meet the criteria for derecognition as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Transferred assets:		
Financial assets at FVTPL	₩ 6,956,664	₩ 4,584,990
Financial assets at FVOCI	3,742,213	2,868,072
	₩ 10,698,877	₩ 7,453,062
Related liabilities:		
Bonds sold under repurchase agreements	₩ 10,073,440	₩ 7,020,436

In the case of lending securities held by the Group, ownership of the securities is transferred, but the securities are returned when the period expires. As the Group holds most of the risks and rewards of these securities, the Group continues to recognize the entire securities lent. The details of transferable financial assets in which the entire loan securities have not been derecognized are described in Note 12.

As of December 31, 2024, the structured entity subject to consolidation issued asset-backed securities using loans and corporate bonds held by the Group, and the Parent Company bears related risks through credit offerings. The carrying amounts of financial assets and related liabilities recognized related to the assetbacked securities as of December 31, 2024 are ₩ 731,601 million (2023: ₩ 834,662 million) and ₩ 762,812 million (2023: ₩ 947,808 million), respectively.

12. Pledged Assets and Asset Held by Executing Pledge

Details of pledged assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

Collateral provided to	Pledged assets	2024	2023	Reason for collateral
Samsung Asset Management Co., Ltd, etc.	Financial assets at FVTPL (Equity securities)	₩ 134,393	₩ 34,634	OTC derivatives transaction, etc.
Korea Securities Depository etc.	Financial assets at FVTPL (Equity securities)	701,989	594,054	Securities lending and borrowing
Korea Exchange	Financial assets at FVTPL (Equity securities)	1,305	-	Margins on exchange traded derivatives, etc.
Korea Securities Depository etc.	Financial assets at FVTPL (Beneficiary certificates)	993,836	613,007	Securities lending and borrowing
Mirae Asset Global Investments Co., Ltd, etc.	Financial assets at FVTPL (Beneficiary certificates)	593,063	868,281	OTC derivatives transaction, etc.
KCJ 1st Co., Ltd., etc.	Financial assets at FVTPL (Debt securities)	868,972	864,323	CSA agreement collateral, etc.
Korea Securities Finance Corp.	Financial assets at FVTPL (Debt securities)	2,343,206	2,414,236	Securities lending and borrowing
Korea Securities Depository etc.	Financial assets at FVTPL (Debt securities)	1,356,044	1,719,320	Securities lending and borrowing
Samsung Futures etc.	Financial assets at FVTPL (Debt securities)	4,675	13,152	Margins on exchange traded derivatives
Korea Securities Depository etc.	Financial assets at FVTPL (Debt securities)	6,956,664	4,584,990	RP collateral[1]
Korea Exchange	Financial assets at FVTPL (Debt securities)	57,573	70,013	Margins on exchange traded derivatives
Korea Exchange	Financial assets at FVTPL (Debt securities)	212,278	233,989	Guarantee trading deposits for OTC-CCP, etc.
Korea Securities Finance Corp.	Financial assets at FVTPL (Debt securities)	188,690	189,982	Distribution loan guarantee loan, etc.
Korea Securities Finance Corp.	Financial assets at FVTPL (Certificate of deposit)	-	9,500	Securities lending and borrowing
Korea Securities Finance Corp., etc.	Financial assets at FVTPL (Commercial paper securities)	916,082	944,998	Securities lending and borrowing
Korea Securities Finance Corp.	Financial assets at FVOCI (Equity securities)	41,399	42,181	Mortgage arrangement
Korea Securities Depository etc.	Financial assets at FVOCI (Debt securities)	3,742,213	2,868,072	RP collateral[1]
Korea Securities Finance Corp, etc.	Financial assets at FVOCI (Debt securities)	705,569	843,449	CSA agreement collateral, etc.
Korea Securities Finance Corp.	Financial assets at FVOCI (Debt securities)	535,585	728,875	Securities lending and borrowing
Korea Securities Finance Corp.	Financial assets at FVOCI (Debt securities)	307,621	182,955	Distribution loan guarantee loan
Korea Securities Depository	Financial assets at FVOCI (Debt securities)	177,988	152,257	Securities lending and borrowing
Korea Exchange	Financial assets at FVOCI (Debt securities)	90,468	97,356	Margins on exchange traded derivatives and others
Korea Exchange	Financial assets at FVOCI (Debt securities)	305,282	242,423	Guarantee trading deposits for OTC-CCP, etc.
Korea Exchange	Financial assets at FVOCI (Debt securities)	39,894	34,758	Collective fund for default loss, etc.
Korea Investment & Securities Co., Ltd etc.	Financial assets at FVOCI (Debt securities)	32,938	75,984	Margins on exchange traded derivatives
Electric Contractors' Financial Cooperative	Financial assets at amortized cost (Deposits etc.)	10,000	25,000	CSA agreement collateral, etc.
MIRAE ASSET SECURITIES.Co., Ltd, etc.	Financial assets at amortized cost (Deposits etc.)	2,090,082	1,565,462	Securities lending and borrowing
Woori Bank etc.	Financial assets at amortized cost (Deposits etc.)	208,407	216,319	Loans secured by deposit, etc.
Korea Exchange etc.	Financial assets at amortized cost (Deposits etc.)	-	24,993	Guarantee trading deposits for foreign OTC-CCP, etc.
NH Bank	Financial assets at amortized cost (Deposits etc.)	344	344	Deposits for rents
Shinhan Card etc.	Property and equipment, and investment property (Land)	107,373	101,237	Deposits for rents
Shinhan Card etc.	Property and equipment, and investment property (Building)	189,273	170,513	Deposits for rents
		₩ 23,913,206	₩ 20,526,657	

1. Including collaterals for customer RP transactions.

The Group has pledged assets among borrowed securities, amounting to ₩ 4,281,758 million and ₩ 3,941,932 million as of December 31, 2024 and 2023, respectively.

Notes to the Consolidated Financial Statements

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Details of loaned securities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023	Loaned from
Financial assets at FVTPL			
Beneficiary certificates	₩ 11,861	₩ 19,409	BARCLAYS, etc.
Debt securities	39,626	-	KSFC, etc.
	₩ 51,487	₩ 19,409	

The fair value of the collaterals held with right to sell and repledge in the absence of default by the owner of the collateral as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024		2023	
	Fair value of the collateral	Fair value of the collaterals sold or repledged	Fair value of the collateral	Fair value of the collaterals sold or repledged
Securities	₩ 816,010	₩ 66,558	₩ 1,662,116	₩ 138,245

13. Investments in Associates and Joint Ventures

Investments in associates and joint ventures as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
Blue Ocean Corporate Financial Stability 1st Privately Placed Investment Company[1,2,7]	Other financial business	Korea	2024-12-31	3.6	₩ -	3.5	₩ -
NH-LB Growth Champ 2011-4th PEF[1,3]	Other financial business	Korea	2024-12-31	6.7	567	6.7	673
NH Agri-Biz Value Creative 1st PEF[1,3]	Other financial business	Korea	2024-12-31	0.5	28	0.5	33
Aeneas-NH Private Equity Fund[6]	Other financial business	Korea	-	-	-	1.0	2,002
NH-AJUIB SME Growth 2013 Private Equity Fund[6]	Other financial business	Korea	-	-	-	0.1	14
IBK-NH Small-Giant PEF[1]	Other financial business	Korea	2024-12-31	0.1	2	0.1	3
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd.	Other financial business	Korea	2024-12-31	39.4	1,919	39.4	1,812
Yeouido Cultural Broadcasting Site Development PFV[6]	Other financial business	Korea	-	-	-	5.0	-
Starset-DA value Healthcare Investment Fund No. 2	Other financial business	Korea	2024-12-31	32.1	413	32.1	919
Starset-DA value Healthcare Investment Fund No. 3	Other financial business	Korea	2024-12-31	32.1	253	32.1	275
Ascendo New Generation Healthcare Investment	Other financial business	Korea	2024-12-31	30.7	925	30.7	940
NH_AJU Digital Fund	Other financial business	Korea	2024-12-31	20.0	5,547	20.0	4,739
NH-AJU KOSDAQ SCALEUP FUND[3]	Other financial business	Korea	2024-12-31	28.3	3,186	28.3	8,400
Sprott Global Renewable Private Equity Fund I[6]	Other financial business	Korea	-	-	-	33.3	2,487
NH-Paxtone Private Equity Fund	Other financial business	Korea	2024-12-31	29.8	16,440	29.8	11,826
NH-OPUS Corporate Finamcial Stability Private Equity Fund[1,3,4]	Other financial business	Korea	2024-12-31	14.7	12,230	14.7	17,606
Square-DA value Fund No.1	Other financial business	Korea	2024-12-31	36.6	2,270	36.6	2,271
MK Ventures-K Clavis Growth capital Venture Fund 1[2]	Other financial business	Korea	2024-12-31	26.7	-	26.7	-
Mastern No.51 Yeouido PFV Co.,Ltd[1,2]	Other financial business	Korea	2024-09-30	19.9	-	19.9	-
Smilegate Vietnam Kairos Private Equity Fund #1	Other financial business	Korea	2024-12-31	20.0	1,517	20.0	1,795

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	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
NH-Soo Investment innovative growth M&A fund[3]	Other financial business	Korea	2024-12-31	30.0	9,491	30.0	18,502
NH-OPUS II Corporate Financial Stability Private Equity Fund[1,3,4]	Other financial business	Korea	2024-12-31	1.0	523	1.0	750
NH Co-Investment Private Equity Fund[1,3,4]	Other financial business	Korea	2024-12-31	10.3	24,258	10.3	23,244
Korea Investment-Brick Investment New Technology Investment Fund 1st	Other financial business	Korea	2024-12-31	20.6	2,892	20.6	2,376
Harvest Private Equity Fund II	Other financial business	Korea	2024-12-31	22.1	2,991	22.1	2,971
NH-SYNERGY BIO Fund[6]	Other financial business	Korea	-	-	-	20.6	10,103
NH SYNERGY M.C.E. New Technology Investment Fund[6]	Other financial business	Korea	-	-	-	11.4	1,802
NH-Meritz Contents 1 Fund[6]	Other financial business	Korea	-	-	-	9.1	1,164
NH-IBKC Bio New Technology Fund[6]	Other financial business	Korea	-	-	-	30.1	6,901
NH-Horizon Secondary Fund	Other financial business	Korea	2024-12-31	32.2	896	32.2	922
KYOBO-NH Healthcare New Technology Investment Association No. 1[6]	Other financial business	Korea	-	-	-	11.1	1,980
The Lakebridge-Samsung Securities Growth Fund I	Other financial business	Korea	2024-12-31	33.3	1,893	33.3	1,923
DAYLI Swanson Bio Healthcare Fund 8	Other financial business	Korea	2024-12-31	23.8	951	23.8	949
NH IBKC Dental Solution Investment Fund[6]	Other financial business	Korea	-	-	-	18.0	1,846
LD New Technology Business Investment Fund 2	Other financial business	Korea	2024-12-31	28.6	1,145	28.6	947
Recovery Partners Co., Ltd	Other financial business	Korea	2024-11-30	29.4	2,303	29.4	2,697
KIWOOM AI New Technology Investment Association[6]	Other financial business	Korea	-	-	-	21.5	1,941
Smilegate Aphrodite Serve One Fund	Other financial business	Korea	2024-12-31	28.6	2,863	28.6	2,907
Smart Quaternary Industry Square Investment Fund No. 2[4]	Other financial business	Korea	2024-12-31	20.0	1,873	20.0	1,394
Meritz-NH Healthcare No. 1[1]	Other financial business	Korea	2024-12-31	19.4	2,809	19.4	2,872
K Clavis Cloud New Technology Investment Association No. 1[6]	Other financial business	Korea	-	-	-	19.3	4,240
J&Hercules Private Equity Fund[6]	Other financial business	Korea	-	-	-	17.9	19,562
Credit Minerva Private Equity Fund[6]	Other financial business	Korea	-	-	-	10.0	687
The Overseas Growth Fund 1[6]	Other financial business	Korea	-	-	-	20.0	109

	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
Midas No. 2 Private Equity Joint Co., Ltd.[6]	Other financial business	Korea	-	-	-	14.2	3,523
LB Private Equity Fund III-1[1]	Other financial business	Korea	2024-12-31	16.1	1,011	16.1	1,022
HI YG Win-win Fund No.1[6]	Other financial business	Korea	-	-	-	18.2	1,901
NH-Brain EV Fund[6]	Other financial business	Korea	-	-	-	19.2	8,546
Pentastone Bridge I Funds	Other financial business	Korea	2024-12-31	50.0	1,871	50.0	1,922
SJGP YG Fund No.1	Other financial business	Korea	2024-12-31	44.0	1,018	44.0	1,061
NH-Alpha 1st Fund[1]	Other financial business	Korea	2024-12-31	18.5	1,258	18.5	1,284
NH-J&-IBKC Label Technology Fund[1]	Other financial business	Korea	2024-12-31	14.0	4,859	14.0	4,910
NH EBEST MATERIALS Fund No.1[1]	Other financial business	Korea	2024-12-31	18.2	904	18.2	898
NH-OPUS III Corporate Financial Stability Private Equity Fund[1,4]	Other financial business	Korea	2024-12-31	2.2	1,637	2.2	155
POSITIVE Sobujang Venture Fund #1[3]	Other financial business	Korea	2024-12-31	22.0	940	22.0	1,092
NH-Meritz Hightech Fund[3]	Other financial business	Korea	2024-12-31	20.7	1,704	20.7	1,941
NH-Daishin-Kyobo Healthcare 1 Fund[6]	Other financial business	Korea	-	-	-	18.8	3,022
NH Digital Alliance Fund[4]	Other financial business	Korea	2024-12-31	40.0	16,666	40.0	12,454
NH-Principle Private Equity Fund[1]	Other financial business	Korea	2024-12-31	11.4	3,154	11.4	2,896
NH-U&S-Brain Pre-IPO Investment Fund[4,7]	Other financial business	Korea	2024-12-31	27.0	1,167	25.6	38
NH Agtec Innovation Private Equity Fund[4]	Other financial business	Korea	2024-12-31	28.5	6,786	28.5	4,401
Nextrade Co., Ltd.[1]	Other financial business	Korea	2024-09-30	6.6	8,426	6.6	9,470
Global Materials Parts Equipment Fund[1,3]	Other financial business	Korea	2024-12-31	13.6	1,041	13.6	1,475
NH-IBKC EV Fund[1,3]	Other financial business	Korea	2024-12-31	17.0	6,222	17.0	8,911
DBOrbit-SDH New Technology Business Investment Fund[1]	Other financial business	Korea	2024-12-31	17.6	4,078	17.6	1,976
ESG leaders 1st Private Equity Fund[1]	Other financial business	Korea	2024-12-31	1.5	2,367	1.5	2,455
NH Woori Newdeal Growth Alpha Private Equity Fund I[1,3,4]	Other financial business	Korea	2024-12-31	11.4	22,441	11.4	13,226
Pectus-IBKC Fund No.1	Other financial business	Korea	2024-12-31	22.7	2,502	22.7	2,443

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	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
BNW Recharge Private Equity Fund	Other financial business	Korea	2024-12-31	23.5	8,535	23.5	4,925
Pine Tree III VC Private Equity Fund[4,7]	Other financial business	Korea	2024-12-31	21.7	4,816	23.8	3,660
Meritz-Simone Fund 1[6]	Other financial business	Korea	-	-	-	17.4	1,984
KAI E lectric Fund 1[3]	Other financial business	Korea	2024-12-31	24.9	4,543	24.9	796
Newmain-Wanted Lab I Funds	Other financial business	Korea	2024-12-31	34.0	1,653	34.0	1,689
KNT_Daishin New Technology Investment Fund 3rd	Other financial business	Korea	2024-12-31	24.1	2,061	24.1	2,053
NH-Susung No.1 Mezzanine New Technology Investment Fund[1]	Other financial business	Korea	2024-12-31	11.3	1,312	11.3	1,382
SJGP YG Fund No.4[3]	Other financial business	Korea	2024-12-31	46.8	1,685	46.8	1,998
Cape Rechargeable Battery Fund No.1[6]	Other financial business	Korea	-	-	-	40.0	13,553
NH-IBKS KONEX SCALEUP FUND[1,4]	Other financial business	Korea	2024-12-31	19.6	4,279	19.6	498
Daishin-Atman Healthcare New Technology Investment Fund 1th[1,5]	Other financial business	Korea	2024-12-31	17.2	2,609	-	-
SKF&NHIS Timor Holdings Ltd.[1,5]	Other financial business	Korea	2024-12-31	9.1	1,092	-	-
HI YG Win-win Fund No.1[5]	Other financial business	Korea	2024-12-31	30.7	3,139	-	-
SKYWALK-KAI Titan New Technology Investment Fund No.1[5]	Other financial business	Korea	2024-12-31	63.3	1,986	-	-
NH SPECIAL PURPOSE ACQUISITION 19 COMPANY[6]	Other financial business	Korea	-	-	-	0.3	302
NH SPECIAL PURPOSE ACQUISITION 20 COMPANY[6]	Other financial business	Korea	-	-	-	1.0	461
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY[6]	Other financial business	Korea	2024-12-31	0.1	20	0.1	19
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY[6]	Other financial business	Korea	2024-12-31	0.6	58	0.6	56
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY[6]	Other financial business	Korea	2024-12-31	0.7	38	0.7	37
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY[6]	Other financial business	Korea	2024-12-31	0.6	97	0.6	94
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY[6]	Other financial business	Korea	2024-12-31	0.6	96	0.6	93
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY[6]	Other financial business	Korea	2024-12-31	0.4	97	0.4	95
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY[6]	Other financial business	Korea	2024-12-31	0.6	95	0.6	93
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY[1,5]	Other financial business	Korea	2024-12-31	0.2	29	-	-

	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1[3]	Beneficiary certificates	Korea	2024-12-31	33.3	1,244	33.3	5,005
NH Absolute Mezzanine General Private Placement Investment Trust No.1[3]	Beneficiary certificates	Korea	2024-12-31	30.9	1,661	30.9	5,191
NH Absolute Pre IPO General Private Placement Investment Trust No.1[3]	Beneficiary certificates	Korea	2024-12-31	33.3	13,835	33.3	19,451
NH Absolute Project H General Private Placement Investment Trust[1]	Beneficiary certificates	Korea	2024-12-31	13.0	846	13.0	852
NH Absolute Project L General Private Placement Investment Trust[6]	Beneficiary certificates	Korea	-	-	-	6.3	1,163
NH Absolute Mezzanine General Private Placement Investment Trust No.3[1,3]	Beneficiary certificates	Korea	2024-12-31	10.7	4,057	10.7	9,640
NH Absolute Mezzanine General Private Placement Investment Trust No.4[1,3]	Beneficiary certificates	Korea	2024-12-31	7.7	1,397	7.7	2,150
NH Absolute Project C General Private Placement Investment Trust[1,3,5]	Beneficiary certificates	Korea	2024-12-31	11.8	348	-	-
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1[1,5]	Beneficiary certificates	Korea	2024-12-31	12.7	1,040	-	-
Edupalace Co., Ltd.[1,2]	Real estate development	Korea	-	9.1	-	9.1	-
Seoul Sungbo Development Co., Ltd.[1,2]	Real estate development	China	-	9.8	-	9.8	-
Younggu Daekwang Bangjisan Co., Ltd.[2]	Real estate development	China	-	41.6	-	41.6	-
Shandong Hangsang Development Co., Ltd.[2]	Real estate development	China	-	40.0	-	40.0	-
Edupalace INC[2]	Real estate development	Philippines	-	79.9	-	79.9	-
NH Woori New Deal Co- Investment No.1 Private Equity[1,5]	Other financial business	Korea	2024-12-31	15.6	4,485	-	-
Kbank[1]	Bank	Korea	2024-09-30	5.5	158,576	-	-
NH-Moorim Dental Care Investment Fund No.1[1,5]	Other financial business	Korea	2024-12-31	15.2	1,723	-	-
NH-ARA Value-add No.1 Private Equity Fund[5]	Other financial business	Korea	2024-12-31	20.5	7,915	-	-
NH Absolute Project K Private Equity Fund[1,5]	Beneficiary certificates	Korea	2024-12-31	15.3	27,735	-	-
NH-Susung No.2 Mezzanine New Technology Investment Fund[1,5]	Other financial business	Korea	2024-12-31	15.0	3,199	-	-
Dayli Bio Healthcare No.6 Start-up Venture Specialized Private Equity Fund[5]	Other financial business	Korea	2024-12-31	31.3	3,008	-	-
Hope Agriculture Innovation Private Equity Fund[6]	Other financial business	Korea	2024-12-31	29.6	529	-	-
Magna K-Beauty-I Fund[5]	Other financial business	Korea	2024-12-31	31.9	1,999	-	-
IBKS-YG Turn around Fund[5]	Other financial business	Korea	2024-12-31	29.4	1,999	-	-

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	Main business	Location	Financial statements prepared as of	2024		2023	
				Percentage of ownership (%)	Book amount	Percentage of ownership (%)	Book amount
NH Absolute Mezzanine Private Equity fund No.5[1,5]	Beneficiary certificates	Korea	2024-12-31	16.7	2,024	-	-
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2[1,5]	Beneficiary certificates	Korea	2024-12-31	11.7	995	-	-
NH hedge Kosdaq SPAC Private Equity[1,5]	Beneficiary certificates	Korea	2024-12-31	13.1	993	-	-
NH Hedge Project HD Plus General Private Placement Investment Trust[1,5]	Beneficiary certificates	Korea	2024-12-31	8.6	560	-	-
Changzhou Alan NH Equity Investment Management Ltd[5]	Other financial business	China	2024-12-31	49.0	1,080	-	-
Changzhou Alan NH[5]	Other financial business	China	2024-12-31	49.0	2,205	-	-
					₩ 471,930		₩ 336,846

1. The Group holds less than 20% of shares in the investee, but the investee is classified as associates since the Group has significant influence over the investee by participating in decision making related to the investee's financial and operating policies.
2. There are no book amounts of investments as impairment loss was recognized before 2023.
3. The book amount of investments was decreased for the year ended December 31, 2024 since the investment was distributed.
4. The book amount of investments was increased for the year ended December 31, 2024 since additional investment was made based on the committed investment rate.
5. Included in associates, since the Group considered to have significant influence over the investee as newly acquired during the year ended December 31, 2024.
6. Excluded from associates of the Group as the merger and liquidation procedures are completed for the year ended December 31, 2024.
7. The percentage of ownership was changed due to additional investment and repurchase by other investors for the year ended December 31, 2024.

Changes in investments in associates and joint ventures for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
Blue Ocean Corporate Financial Stability 1st Privately Placed Investment Company	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
NH-LB Growth Champ 2011-4th PEF	673	-	(136)	30	-	-	-	567
NH Agri-Biz Value Creative 1st PEF	33	-	(11)	6	-	-	-	28
Aeneas-NH Private Equity Fund	2,002	-	(2,002)	-	-	-	-	-
NH-AJUIB SME Growth 2013 Private Equity Fund	14	-	(14)	-	-	-	-	-
IBK-NH Small-Giant PEF	3	-	-	-	-	(1)	-	2
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd.	1,812	-	-	157	-	(50)	-	1,919
Yeouido Cultural Broadcasting Site Development PFV	-	-	-	-	-	-	-	-
Starset-DA value Healthcare Investment Fund No. 2	919	-	-	(506)	-	-	-	413
Starset-DA value Healthcare Investment Fund No. 3	275	-	-	(22)	-	-	-	253
Ascendo New Generation Healthcare Investment	940	-	-	(15)	-	-	-	925
NH_AJU Digital Fund	4,739	-	-	808	-	-	-	5,547
NH-AJU KOSDAQ SCALEUP FUND	8,400	-	(5,100)	(114)	-	-	-	3,186
Sprott Global Renewable Private Equity Fund I	2,487	-	(2,487)	-	-	-	-	-
NH-Paxtone Private Equity Fund	11,826	-	-	4,850	-	(236)	-	16,440
NH-OPUS Corporate Finamcial Stability Private Equity Fund	17,606	54	(4,869)	(561)	-	-	-	12,230
Square-DA value Fund No.1	2,271	-	-	(1)	-	-	-	2,270
MK Ventures-K Clavis Growth capital Venture Fund1	-	-	-	-	-	-	-	-
Mastern No.51 Yeouido PFV Co.,Ltd[1]	-	-	-	-	-	-	-	-
Smilegate Vietnam Kairos Private Equity Fund #1	1,795	-	-	(278)	-	-	-	1,517

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	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
NH-Soo Investment innovative growth M&A fund	18,502	-	(12,096)	3,085	-	-	-	9,491
NH-OPUS II Corporate Financial Stability Private Equity Fund	750	2	(226)	(3)	-	-	-	523
NH Co-Investment Private Equity Fund	23,244	2,599	(3,187)	1,602	-	-	-	24,258
Korea Investment-Brick Investment New Technology Investment Fund 1st	2,376	-	-	516	-	-	-	2,892
Harvest Private Equity Fund II	2,971	-	-	20	-	-	-	2,991
NH-SYNERGY BIO Fund	10,103	-	(10,103)	-	-	-	-	-
NH SYNERGY M.C.E. New Technology Investment Fund	1,802	-	(1,802)	-	-	-	-	-
NH-Meritz Contents 1 Fund	1,164	-	(1,164)	-	-	-	-	-
NH-IBKC Bio New Technology Fund	6,901	-	-	-	-	-	(6,901)	-
NH-Horizon Secondary Fund	922	-	-	(26)	-	-	-	896
KYOBO-NH Healthcare New Technology Investment Association No. 1	1,980	-	(1,980)	-	-	-	-	-
The Lakebridge-Samsung Securities Growth Fund I	1,923	-	-	(30)	-	-	-	1,893
DAYLI Swanson Bio Healthcare Fund 8	949	-	-	2	-	-	-	951
NH IBKC Dental Solution Investment Fund	1,846	-	(1,846)	-	-	-	-	-
LD New Technology Business Investment Fund 2	947	-	-	198	-	-	-	1,145
Recovery Partners Co., Ltd	2,697	-	-	(394)	-	-	-	2,303
KIWOOM AI New Technology Investment Association	1,941	-	(1,941)	-	-	-	-	-
Smilegate Aphrodite Serve One Fund	2,907	-	-	(44)	-	-	-	2,863
Smart Quaternary Industry Square Investment Fund No. 2	1,394	500	-	(21)	-	-	-	1,873
Meritz-NH Healthcare No. 1	2,872	-	-	(63)	-	-	-	2,809
K Clavis Cloud New Technology Investment Association No. 1	4,240	-	(4,240)	-	-	-	-	-
J&Hercules Private Equity Fund	19,562	-	1,354	-	-	-	(20,916)	-
Credit Minerva Private Equity Fund	687	-	(137)	-	-	-	(550)	-

	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
The Overseas Growth Fund 1	109	-	(109)	-	-	-	-	-
Midas No. 2 Private Equity Joint Co., Ltd.	3,523	-	(3,523)	-	-	-	-	-
LB Private Equity Fund III-1	1,022	-	-	(11)	-	-	-	1,011
HI YG Win-win Fund No.1	1,901	-	(1,901)	-	-	-	-	-
NH-Brain EV Fund	8,546	-	(8,546)	-	-	-	-	-
Pentastone Bridge I Funds	1,922	-	-	(51)	-	-	-	1,871
SJGP YG Fund No.1	1,061	-	-	(43)	-	-	-	1,018
NH-Alpha 1st Fund	1,284	-	-	(26)	-	-	-	1,258
NH-J&-IBKC Label Technology Fund	4,910	-	-	(51)	-	-	-	4,859
NH EBEST MATERIALS Fund No.1	898	-	-	6	-	-	-	904
NH-OPUS III Corporate Financial Stability Private Equity Fund	155	1,527	-	(45)	-	-	-	1,637
POSITIVE Sobujang Venture Fund #1	1,092	-	(560)	1,472	-	(1,064)	-	940
NH-Meritz Hightech Fund	1,941	-	(167)	(70)	-	-	-	1,704
NH-Daishin-Kyobo Healthcare 1 Fund	3,022	-	(3,022)	-	-	-	-	-
NH Digital Alliance Fund	12,454	4,800	-	(588)	-	-	-	16,666
NH-Principle Private Equity Fund	2,896	-	-	258	-	-	-	3,154
NH-U&S-Brain Pre-IPO Investment Fund	38	1,200	-	(71)	-	-	-	1,167
NH Agtec Innovation Private Equity Fund	4,401	2,624	-	(239)	-	-	-	6,786
Nextrade Co., Ltd.	9,470	-	-	(1,044)	-	-	-	8,426
Global Materials Parts Equipment Fund	1,475	-	(435)	1	-	-	-	1,041
NH-IBKC EV Fund	8,911	-	(3,150)	461	-	-	-	6,222
DBOrbit-SDH New Technology Business Investment Fund	1,976	-	-	2,102	-	-	-	4,078
ESG leaders 1st Private Equity Fund	2,455	-	-	(88)	-	-	-	2,367

Notes to the Consolidated Financial Statements

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	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
NH Woori Newdeal Growth Alpha Private Equity Fund I	13,226	7,513	(1,389)	5,830	-	(2,739)	-	22,441
Pectus-IBKC Fund No.1	2,443	-	-	59	-	-	-	2,502
BNW Recharge Private Equity Fund	4,925	-	-	3,610	-	-	-	8,535
Pine Tree III VC Private Equity Fund	3,660	1,250	-	(94)	-	-	-	4,816
Meritz-Simone Fund 1	1,984	-	(1,984)	-	-	-	-	-
KAI E lectric Fund 1	796	-	(16)	3,763	-	-	-	4,543
Newmain-Wanted Lab I Funds	1,689	-	-	(36)	-	-	-	1,653
KNT_Daishin New Technology Investment Fund 3rd	2,053	-	-	8	-	-	-	2,061
NH-Susung No.1 Mezzanine New Technology Investment Fund	1,382	-	-	(70)	-	-	-	1,312
SJGP YG Fund No.4	1,998	-	(1,360)	1,047	-	-	-	1,685
Cape Rechargeable Battery Fund No.1	13,553	-	(1,514)	-	-	-	(12,039)	-
NH-IBKS KONEX SCALEUP FUND	498	4,000	-	(219)	-	-	-	4,279
Daishin-Atman Healthcare New Technology Investment Fund 1th	-	3,000	-	(391)	-	-	-	2,609
SKF&NHIS Timor Holdings Ltd.	-	1,200	-	(108)	-	-	-	1,092
HI YG Win-win Fund No.1	-	2,980	-	159	-	-	-	3,139
SKYWALK-KAI Titan New Technology Investment Fund No.1	-	2,000	-	(14)	-	-	-	1,986
NH SPECIAL PURPOSE ACQUISITION 19 COMPANY	302	-	(302)	-	-	-	-	-
NH SPECIAL PURPOSE ACQUISITION 20 COMPANY	461	-	(461)	-	-	-	-	-
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	19	-	-	1	-	-	-	20
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	56	-	-	2	-	-	-	58
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	37	-	-	1	-	-	-	38
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY	94	-	-	3	-	-	-	97
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	93	-	-	3	-	-	-	96

	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	95	-	-	2	-	-	-	97
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	93	-	-	2	-	-	-	95
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY	-	15	-	14	-	-	-	29
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1	5,005	-	(1,300)	(981)	-	(1,480)	-	1,244
NH Absolute Mezzanine General Private Placement Investment Trust No.1	5,191	-	(3,680)	459	-	(309)	-	1,661
NH Absolute Pre IPO General Private Placement Investment Trust No.1	19,451	-	(4,333)	(408)	-	(875)	-	13,835
NH Absolute Project H General Private Placement Investment Trust	852	-	-	(6)	-	-	-	846
NH Absolute Project L General Private Placement Investment Trust	1,163	-	(1,163)	-	-	-	-	-
NH Absolute Mezzanine General Private Placement Investment Trust No.3	9,640	-	(5,512)	353	-	(424)	-	4,057
NH Absolute Mezzanine General Private Placement Investment Trust No. 4	2,150	-	(631)	(87)	-	(35)	-	1,397
NH Absolute Project C General Private Placement Investment Trust	-	1,000	(602)	74	-	(124)	-	348
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1	-	1,000	-	40	-	-	-	1,040
NH Woori New Deal Co- Investment No.1 Private Equity	-	4,000	-	485	-	-	-	4,485
Kbank	-	-	-	4,273	448	-	153,855	158,576
NH-Moorim Dental Care Investment Fund No.1	-	1,700	-	23	-	-	-	1,723
NH-ARA Value-add No.1 Private Equity Fund	-	8,246	-	(331)	-	-	-	7,915
NH Absolute Project K Private Equity Fund	-	27,000	-	735	-	-	-	27,735
NH-Susung No.2 Mezzanine New Technology Investment Fund	-	3,234	-	(35)	-	-	-	3,199
Dayli Bio Healthcare No.6 Start-up Venture Specialized Private Equity Fund	-	3,000	-	8	-	-	-	3,008
Hope Agriculture Innovation Private Equity Fund	-	798	-	(269)	-	-	-	529
Magna K-Beauty-I Fund	-	2,000	-	(1)	-	-	-	1,999
IBKS-YG Turn around Fund	-	2,000	-	(1)	-	-	-	1,999
NH Absolute Mezzanine Private Equity fund No.5	-	2,000	-	24	-	-	-	2,024

Notes to the Consolidated Financial Statements

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(in millions of Korean won)

	2024							
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Changes in equity under the equity method	Dividend	Transfer	Ending balance
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2	-	1,000	-	(5)	-	-	-	995
NH hedge Kosdaq SPAC Private Equity	-	1,000	-	(7)	-	-	-	993
NH Hedge Project HD Plus General Private Placement Investment Trust	-	500	-	60	-	-	-	560
Changzhou Alan NH Equity Investment Management Ltd	-	1,080	-	-	-	-	-	1,080
Changzhou Alan NH	-	2,205	-	-	-	-	-	2,205
	₩ 336,846	₩ 97,027	₩ (97,647)	₩ 29,144	₩ 448	₩ (7,337)	₩ 113,449	₩ 471,930

1. The application of equity method was discontinued for the investments in Mastern No.51 Yeouido PFV Co.,Ltd due to recognition of an impairment loss and the unrecognized loss for the year ended December 31, 2024 and the accumulated losses as of December 31, 2024 regarding the entity amounts to ₩ 1,850 million and ₩ 36,029 million, respectively.

	2023						
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Dividend	Transfer	Ending balance
Blue Ocean Corporate's Financial Stabilization Private Equity Fund No.1	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -
NH-LB Growth Champ 2011-4 PEF	674	-	-	(1)	-	-	673
NH Agri-biz Value PEF	45	-	(7)	(5)	-	-	33
Aeneas-NH Private Equity Fund	2,088	-	-	29	(115)	-	2,002
NH AJUIB Growth 2013 Private Equity Fund	14	-	-	-	-	-	14
IBK-NH Small Giant Private Equity Fund	9	-	-	(1)	(5)	-	3
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd	1,873	-	-	(13)	(48)	-	1,812
Yeouido Cultural Broadcasting Site Development PFV[1]	-	-	-	-	-	-	-
Stassets DA value Investment Association No.2	928	-	-	(9)	-	-	919
Stassets DA value Investment Association No.3	273	-	-	2	-	-	275
Midas PEF No.1	2,549	-	(2,549)	-	-	-	-
Global Opportunity Private Equity Joint Venture	6,448	-	-	-	-	(6,448)	-
Ascendo New Generation Healthcare Investment	945	-	-	(5)	-	-	940
NH-AJU Digital Fund	5,977	-	(2,020)	1,282	(500)	-	4,739
NH-AJU KOSDAQ ScaleUp Fund	16,738	-	(11,880)	3,542	-	-	8,400
Sprott Global Renewable Private Equity Fund No.1	2,495	-	-	(8)	-	-	2,487
NH-Paxtone Private Equity Fund	14,447	-	-	(2,621)	-	-	11,826
NH-OPUS Corporate Financial Stability Private Equity Fund	17,228	2,410	(6,306)	4,274	-	-	17,606
Square-DA value Fund No.1	2,273	-	-	(2)	-	-	2,271
MK Ventures-K Clavis Growth Capital Venture Fund No.1	-	-	-	-	-	-	-
Mastern No.51 Yeouido PFV Co., Ltd[2]	-	-	-	-	-	-	-
Smile Gate Vietnam Cairo Partnership PEF No.1	1,840	-	-	(45)	-	-	1,795
NH-Soo Investment Innovative Growth M&A Fund	10,230	6,300	-	1,972	-	-	18,502

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

	2023						
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Dividend	Transfer	Ending balance
NH-OPUS II Corporate Financial Stability Private Equity Fund	661	100	(248)	237	-	-	750
NH Co-Investment Private Equity Fund	21,120	-	-	2,124	-	-	23,244
Lodestone Second Private Equity Fund	742	-	(742)	-	-	-	-
Genesis No.1 Private Equity Fund	74,282	120	(57,990)	-	(16,412)	-	-
NH IBKC High-tech 1 Fund	761	-	(761)	-	-	-	-
Korea Investment-Brick Investment New Technology Investment Fund 1st	2,820	-	-	(444)	-	-	2,376
Incheon Hangdong Officetel PF (NS Partners Inc.)[3]	-	-	-	-	-	-	-
Harvest Private Equity Fund II	3,134	-	-	(137)	(26)	-	2,971
HIZE EBEST The Current Fund No.2	1,264	-	(1,264)	-	-	-	-
NH-SYNERGY BIO Fund	11,303	-	-	(1,200)	-	-	10,103
NH SYNERGY M.C.E. New Technology Investment Fund	1,957	-	-	(155)	-	-	1,802
NH-Meritz Contents 1 Fund	2,011	-	(750)	(97)	-	-	1,164
NH-IBKC Bio New Technology Fund	10,650	-	-	(3,749)	-	-	6,901
NH-Horizon Secondary Fund	949	-	-	(27)	-	-	922
Kyobo NH Healthcare Fund 1	2,113	-	-	(133)	-	-	1,980
NH Kyobo AI Solution Investment Fund	2,183	-	(2,183)	-	-	-	-
Daishin-GVA New Technology Investment Fund 1st	1,844	-	(1,844)	-	-	-	-
The Lakebridge-Samsung Securities Growth Fund I	1,953	-	-	(30)	-	-	1,923
DAYLI Swanson Bio Healthcare Fund 8	971	-	-	(22)	-	-	949
NH IBKC Dental Solution Investment Fund	2,801	-	(1,118)	163	-	-	1,846
LD New Technology Business Investment Fund 2	971	-	-	(24)	-	-	947
Recovery Partners Co., Ltd	3,021	-	-	(324)	-	-	2,697
NH MIDAS 1st Private Equity Fund	10	-	(10)	-	-	-	-
Kiwoom AI New Technology Business Investment Fund	1,813	-	-	128	-	-	1,941

	2023						
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Dividend	Transfer	Ending balance
Smilegate Aphrodite Sub One Fund	2,950	-	-	(43)	-	-	2,907
Smart Quaternary Industry Square Investment Fund	944	500	-	(50)	-	-	1,394
Meritz-NH healthcare 1 Fund	2,934	-	-	(62)	-	-	2,872
IBKS Green Private Equity Fund	11,819	-	(11,819)	-	-	-	-
KCLAVIS Cloud Fund No.1	1,881	-	(558)	6,592	(3,675)	-	4,240
The Lakebridge Growth Fund I PEF	3,833	-	(3,833)	-	-	-	-
J&Hercules Private Equity Fund	18,165	-	-	1,397	-	-	19,562
Credit Minerva Private Equity Fund	968	-	(500)	219	-	-	687
The Overseas Growth Fund 1	384	-	-	(275)	-	-	109
MIDAS No.2 PRIVATE EQUITY FUND	3,533	-	-	(10)	-	-	3,523
LB Private Equity Fund III-1	4,872	-	(4,992)	1,720	(578)	-	1,022
Future Healthcare Fund	3,039	-	(3,039)	-	-	-	-
Global Robot Healthcare Investment Fund	1,905	-	(1,905)	-	-	-	-
DAYLI Swanson Bio Healthcare Fund 7	666	-	(666)	-	-	-	-
Kyobo Hanyang ESG Investment Fund	1,250	-	(1,250)	-	-	-	-
HI YG Win-win Fund No.1	1,706	-	-	195	-	-	1,901
NH-Brain EV Fund	8,935	-	-	(389)	-	-	8,546
Pentastone Bridge 1 Funds	1,967	-	-	(45)	-	-	1,922
SJGP YG Fund No.1	1,968	-	(1,120)	213	-	-	1,061
NH-Alpha 1st Fund	1,307	-	-	(23)	-	-	1,284
NH-J&-IBKC Label Technology Fund	4,976	-	-	(66)	-	-	4,910
NH EBEST MATERIALS Fund No.1	999	-	-	(101)	-	-	898
NH-OPUS III Corporate Financial Stability Private Equity Fund	-	188	-	(33)	-	-	155
POSITIVE Sobujang Venture Fund #1	989	-	-	103	-	-	1,092

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	2023						
	Beginning balance	Acquisition	Disposal	Share of profit (loss)	Dividend	Transfer	Ending balance
NH-Meritz Hightech Fund	1,638	-	-	303	-	-	1,941
NH-Daishin-Kyobo healthcare 1 Fund	2,961	-	-	61	-	-	3,022
NH Digital Alliance Fund	3,050	10,000	-	(596)	-	-	12,454
NH-Principle Private Equity Fund	2,976	-	(79)	(1)	-	-	2,896
NH-U&S-Brain Pre-IPO Investment Fund	100	-	-	(62)	-	-	38
NH Agtech Innovation Private Equity Fund	754	3,994	-	(347)	-	-	4,401
Nextrade Co., Ltd.	9,700	-	-	(230)	-	-	9,470
Global Materials Parts Equipment Fund	-	1,500	-	(25)	-	-	1,475
NH-IBKC EV Fund	-	11,000	(1,999)	(90)	-	-	8,911
DBOrbit-SDH New Technology Business Investment Fund	-	2,000	-	(24)	-	-	1,976
ESG Leaders No.1 Private Equity Fund	-	37,500	(35,000)	(45)	-	-	2,455
NH Woori Newdeal Growth Alpha Private Equity Fund	-	11,819	-	1,407	-	-	13,226
Pectus-IBKC Fund No.1	-	3,000	-	(557)	-	-	2,443
BNW Recharge Private Equity Fund	-	5,000	-	(75)	-	-	4,925
Pine Tree III VC Private Equity Fund	-	3,750	-	(90)	-	-	3,660
Meritz-Simone Fund 1	-	2,000	-	(16)	-	-	1,984
KAI E lectric Fund 1	-	800	-	(4)	-	-	796
Newmain-Wanted Lab I Funds	-	1,700	-	(11)	-	-	1,689
KNT-Daishin New Technology Investment Fund 3rd	-	2,000	-	53	-	-	2,053
NH-Susung No.1 Mezzanine New Technology Investment Fund	-	1,385	-	(3)	-	-	1,382
SJGP YG Fund No.4	-	2,000	-	(2)	-	-	1,998
Cape Rechargeable Battery Fund No.1	-	13,620	-	(67)	-	-	13,553
NH-IBKS KONEX SCALEUP FUND	-	500	-	(2)	-	-	498
NH Special Purpose Acquisition 19 Co., Ltd	291	-	-	11	-	-	302
NH Special Purpose Acquisition 20 Co., Ltd	448	-	-	13	-	-	461
NH Special Purpose Acquisition 22 Co., Ltd	38	-	-	-	-	(38)	-
NH Special Purpose Acquisition 23 Co., Ltd.	18	-	-	1	-	-	19
NH Special Purpose Acquisition 24 Co., Ltd.	55	-	-	1	-	-	56
NH Special Purpose Acquisition 25 Co., Ltd.	36	-	-	1	-	-	37
NH Special Purpose Acquisition 26 Co., Ltd.	91	-	-	3	-	-	94
NH Special Purpose Acquisition 27 Co., Ltd.	688	-	(663)	68	-	-	93
NH Special Purpose Acquisition 28 Co., Ltd.	19	-	-	-	-	(19)	-
NH Special Purpose Acquisition 29 Co., Ltd.	-	50	-	45	-	-	95
NH Special Purpose Acquisition 30 Co., Ltd.	-	50	-	43	-	-	93
NH Absolute Pre IPO Mezzanine Private Equity Fund No.1	10,089	-	(6,277)	1,664	(471)	-	5,005
NH Absolute Mezzanine Private Equity Fund No.1	22,266	-	(15,725)	1,028	(2,378)	-	5,191
NH Absolute Pre IPO Private Equity Fund No.1	19,689	-	(1,161)	1,521	(598)	-	19,451
NH Absolute Project H General Private Placement Investment Trust	-	900	-	(48)	-	-	852
NH Absolute Project L General Private Placement Investment Trust	-	1,200	(114)	89	(12)	-	1,163
NH Absolute Mezzanine Private Equity Fund No.3	4,939	5,000	(460)	247	(86)	-	9,640
NH Absolute Mezzanine Private Equity Fund No.4	-						2,150
	₩ 398,244	₩ 132,386	₩ (180,832)	₩ 18,457	₩ (24,904)	₩ (6,505)	₩ 336,846

1. The application of equity method was discontinued for the investments in Yeouido Cultural Broadcasting Site Development PFV due to recognition of an impairment loss and the unrecognized loss for the year ended December 31, 2023 and the accumulated losses as of December 31, 2023 regarding the entity amounts to ₩ 4,705 million and ₩ 6,251 million, respectively.
2. The application of equity method was discontinued for the investments in Mastern No.51 Yeouido PFV Co.,Ltd due to recognition of an impairment loss and the unrecognized loss for the year ended December 31, 2023 and the accumulated loss as of December 31, 2023 regarding the entity amounts to ₩ 7,990 million and ₩ 34,179 million, respectively.
3. The application of equity method was discontinued for the investments in Incheon Hangdong Officetel PF due to recognition of an impairment loss and the unrecognized loss for the year ended December 31, 2023 and the accumulated loss as of December 31, 2023 regarding the entity amounts to ₩ 1,025 million and ₩ 1,906 million, respectively.

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The summarized financial information of associates and joint ventures as of December 31, 2024 and 2023 and for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

[1]	2024				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
NH-LB Growth Champ 2011-4th PEF	8,508	4	473	462	462
NH Agri-Biz Value Creative 1st PEF	7,290	1,761	1,366	1,053	1,053
IBK-NH Small-Giant PEF	167	-	-	(818)	(818)
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd.	5,101	110	-	396	396
Starset-DA value Healthcare Investment Fund No. 2	1,430	141	-	(1,578)	(1,578)
Starset-DA value Healthcare Investment Fund No. 3	930	142	-	(70)	(70)
Ascendo New Generation Healthcare Investment	3,013	-	-	(47)	(47)
NH_AJU Digital Fund	28,094	357	8,782	4,043	4,043
NH-AJU KOSDAQ SCALEUP FUND	11,258	-	1,920	(402)	(402)
NH-Paxtone Private Equity Fund	55,183	-	16,836	16,281	16,281
NH-OPUS Corporate Finamcial Stability Private Equity Fund	83,198	292	7,451	(1,121)	(1,121)
Square-DA value Fund No.1	6,216	20	-	(5)	(5)
Smilegate Vietnam Kairos Private Equity Fund #1	7,726	140	-	(1,392)	(1,392)
NH-Soo Investment innovative growth M&A fund	32,403	476	14,071	10,281	10,281
NH-OPUS II Corporate Financial Stability Private Equity Fund	51,020	189	4,538	(261)	(261)
NH Co-Investment Private Equity Fund	240,155	4,962	27,004	15,525	15,525
Korea Investment-Brick Investment New Technology Investment Fund 1st	14,024	-	2,133	2,498	2,498
Harvest Private Equity Fund II	13,809	250	367	94	94
NH-Horizon Secondary Fund	2,786	-	-	(82)	(82)
The Lakebridge-Samsung Securities Growth Fund I	5,690	-	-	(90)	(90)
DAYLI Swanson Bio Healthcare Fund 8	4,098	104	93	7	7
LD New Technology Business Investment Fund 2	4,034	26	828	694	694
Recovery Partners Co., Ltd	2,546	13	136	(463)	(463)
Smilegate Aphrodite Serve One Fund	10,063	42	2	(154)	(154)

[1]	2024				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
Smart Quaternary Industry Square Investment Fund No. 2	9,367	-	128	(104)	(104)
Meritz-NH Healthcare No. 1	15,002	488	-	(323)	(323)
LB Private Equity Fund III-1	6,260	24	4	(68)	(68)
Pentastone Bridge I Funds	3,781	40	-	(104)	(104)
SJGP YG Fund No.1	2,319	2	-	(97)	(97)
NH-Alpha 1st Fund	6,794	-	-	(138)	(138)
NH-J&-IBKC Label Technology Fund	35,059	465	7	(364)	(364)
NH EBEST MATERIALS Fund No.1	4,971	-	154	32	32
NH-OPUS III Corporate Financial Stability Private Equity Fund	73,287	436	-	(2,017)	(2,017)
POSITIVE Sobujang Venture Fund #1	4,303	26	7,542	6,700	6,700
NH-Meritz Hightech Fund	8,238	-	21	(339)	(339)
NH Digital Alliance Fund	42,043	377	61	(1,470)	(1,470)
NH-Principle Private Equity Fund	27,739	91	2,597	2,262	2,262
NH-U&S-Brain Pre-IPO Investment Fund	4,304	-	6	(264)	(264)
NH Agtec Innovation Private Equity Fund	24,129	309	466	(835)	(835)
Nextrade Co., Ltd.	125,776	2,563	-	(15,726)	(15,737)
Global Materials Parts Equipment Fund	7,639	4	233	5	5
NH-IBKC EV Fund	36,638	-	14	2,716	2,716
DBOrbit-SDH New Technology Business Investment Fund	23,143	-	12,166	11,929	11,929
ESG leaders 1st Private Equity Fund	141,187	-	-	(5,926)	(5,926)
NH Woori Newdeal Growth Alpha Private Equity Fund I	161,506	762	46,519	35,025	35,025
Pectus-IBKC Fund No.1	11,010	-	3,193	262	262
BNW Recharge Private Equity Fund	36,519	160	15,700	15,378	15,378
Pine Tree III VC Private Equity Fund	22,191	-	8	(430)	(430)
KAI E lectric Fund 1	18,256	-	15,186	15,121	15,121
Newmain-Wanted Lab I Funds	4,865	3	5	(106)	(106)
KNT_Daishin New Technology Investment Fund 3rd	8,556	2	167	34	34

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

[1]	2024				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
NH-Susung No.1 Mezzanine New Technology Investment Fund	11,660	-	41	(627)	(627)
SJGP YG Fund No.4	3,596	-	2,333	2,236	2,236
NH-IBKS KONEX SCALEUP FUND	22,107	284	17	(1,111)	(1,111)
Daishin-Atman Healthcare New Technology Investment Fund 1th	15,131	2	3	(2,271)	(2,271)
SKF&NHIS Timor Holdings Ltd.	2,183	1	-	(216)	(216)
HI YG Win-win Fund No.1	10,216	-	652	516	516
SKYWALK-KAI Titan New Technology Investment Fund No.1	3,137	-	1	(23)	(23)
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	15,770	1,623	-	400	400
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	10,432	625	-	238	238
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	6,258	432	-	146	146
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY	18,969	1,560	-	473	473
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	15,736	640	-	412	412
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	30,932	2,642	-	581	581
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	20,385	2,563	-	421	421
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY	15,000	2,366	-	114	114
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1	6,667	2,936	2,258	(2,945)	(2,945)
NH Absolute Mezzanine General Private Placement Investment Trust No.1	6,851	1,480	2,533	1,488	1,488
NH Absolute Pre IPO General Private Placement Investment Trust No.1	42,599	1,074	2,443	(1,201)	(1,201)
NH Absolute Project H General Private Placement Investment Trust	6,512	27	430	(45)	(45)
NH Absolute Mezzanine General Private Placement Investment Trust No.3	38,262	147	7,568	2,822	2,822
NH Absolute Mezzanine General Private Placement Investment Trust No.4	17,941	92	1,468	(1,011)	(1,011)
NH Absolute Project C General Private Placement Investment Trust	2,875	12	1,561	429	429
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1	8,206	-	377	367	367
NH Woori New Deal Co-Investment No.1 Private Equity	29,069	254	3,369	3,115	3,115
Kbank[2]	24,677,229	22,552,213	943,595	77,464	85,329
NH-Moorim Dental Care Investment Fund No.1	11,351	-	236	151	151
NH-ARA Value-add No.1 Private Equity Fund	38,847	262	-	(1,615)	(1,615)
NH Absolute Project K Private Equity Fund	181,761	666	12,416	4,594	4,594
NH-Susung No.2 Mezzanine New Technology Investment Fund	21,327	-	12	(236)	(236)
Dayli Bio Healthcare No.6 Start-up Venture Specialized Private Equity Fund	9,639	12	39	27	27
Hope Agriculture Innovation Private Equity Fund	2,086	295	-	(910)	(910)
Magna K-Beauty-I Fund	6,261	-	1	(2)	(2)
IBKS-YG Turn around Fund	6,804	7	-	(3)	(3)
NH Absolute Mezzanine Private Equity fund No.5	12,489	37	680	451	451
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2	8,630	111	4,021	(43)	(43)
NH hedge Kosdaq SPAC Private Equity	7,702	96	3,751	(54)	(54)
NH Hedge Project HD Plus General Private Placement Investment Trust	7,352	24	1,533	1,508	1,508
Changzhou Alan NH Equity Investment Management Ltd	2,145	-	-	2	136
Changzhou Alan NH[1]	4,305	30	4	(78)	188
	₩ 26,822,046	₩ 22,587,294	₩ 1,181,519	₩ 191,568	₩ 199,822

1. The summarized financial information of associates whose application of the consolidation and equity method has been discontinued due to disposal, etc. as of December 31, 2024 or financial information cannot be obtained are excluded.
2. The amount was determined after reflecting fair value adjustments upon the acquisition of equity interests in the entity and differences in accounting policies between the investee and the Company.

Notes to the Consolidated Financial Statements

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(in millions of Korean won)

[1]	2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
NH-LB Growth Champ 2011-4 PEF	₩ 10,089	₩ 4	₩ 71	₩ (15)	₩ (15)
NH Agri-biz Value PEF	8,081	1,405	192	(1,094)	(1,094)
Aeneas-NH Private Equity Fund	218,584	23,234	32,215	2,910	2,910
NH AJUIB Growth 2013 Private Equity Fund	11,394	-	691	686	686
IBK-NH Small Giant Private Equity Fund	1,519	3	1,398	(532)	(532)
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd	4,905	183	-	(31)	(31)
Stassets DA value Investment Association No.2	3,008	141	-	(29)	(29)
Stassets DA value Investment Association No.3	1,000	142	-	6	6
Ascendo New Generation Healthcare Investment	3,060	-	-	(16)	(16)
NH-AJU Digital Fund	23,985	291	18,429	6,409	6,409
NH-AJU KOSDAQ ScaleUp Fund	30,294	613	15,086	12,515	12,515
Sprott Global Renewable Private Equity Fund No.1	7,469	2	103	(21)	(21)
NH-Paxtone Private Equity Fund	39,924	230	1,001	(8,800)	(8,800)
NH-OPUS Corporate Financial Stability Private Equity Fund	120,170	413	39,928	37,713	37,713
Square-DA value Fund No.1	6,223	22	-	(5)	(5)
Smile Gate Vietnam Cairo Partnership PEF No.1	9,031	55	-	(223)	(223)
NH-Soo Investment Innovative Growth M&A Fund	62,583	616	7,488	6,575	6,575
NH-OPUS II Corporate Financial Stability Private Equity Fund	73,133	242	20,626	23,028	23,028
NH Co-Investment Private Equity Fund	227,961	2,593	22,544	20,593	20,593
Korea Investment-Brick Investment New Technology Investment Fund 1st	11,528	2	-	(2,152)	(2,152)
Harvest Private Equity Fund II	13,655	190	130	(620)	(620)
NH-SYNERGY BIO Fund	49,171	69	1	(5,830)	(5,830)
NH SYNERGY M.C.E. New Technology Investment Fund	15,905	45	-	(1,364)	(1,364)

[1]	2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
NH-Meritz Contents 1 Fund	12,808	-	-	(1,067)	(1,067)
NH-IBKC Bio New Technology Fund	23,309	411	-	(12,441)	(12,441)
NH-Horizon Secondary Fund	2,868	-	-	(84)	(84)
Kyobo NH Healthcare Fund 1	17,870	46	1	(1,190)	(1,190)
The Lakebridge-Samsung Securities Growth Fund I	5,779	-	-	(90)	(90)
DAYLI Swanson Bio Healthcare Fund 8	4,012	25	-	(91)	(91)
NH IBKC Dental Solution Investment Fund	10,340	63	-	909	909
LD New Technology Business Investment Fund 2	3,316	2	1	(85)	(85)
Recovery Partners Co., Ltd	3,013	16	332	(381)	(381)
Kiwoom AI New Technology Business Investment Fund	9,050	26	692	592	592
Smilegate Aphrodite Sub One Fund	10,215	39	9	(147)	(147)
Smart Quaternary Industry Square Investment Fund[1]	6,971	-	12	(249)	(249)
Meritz-NH healthcare 1 Fund	15,002	165	1	(323)	(323)
KCLAVIS Cloud Fund No.1	27,028	5,535	28,996	34,113	34,113
J&Hercules Private Equity Fund	111,086	1,867	9,309	7,800	7,800
Credit Minerva Private Equity Fund	7,867	1	2,349	2,187	2,187
The Overseas Growth Fund 1	677	129	-	(1,377)	(1,377)
MIDAS No.2 PRIVATE EQUITY FUND	24,976	81	247	(70)	(70)
LB Private Equity Fund III-1	6,452	147	11,108	10,699	10,699
HI YG Win-win Fund No.1	10,512	58	1	1,074	1,074
NH-Brain EV Fund	44,437	-	4	(2,023)	(2,023)
Pentastone Bridge 1 Funds	3,868	23	2	(90)	(90)
SJGP YG Fund No.1	2,441	27	591	485	485
NH-Alpha 1st Fund	6,932	-	1	1	1

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

[1]	2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
NH-J&-IBKC Label Technology Fund	35,301	342	13	(473)	(473)
NH EBEST MATERIALS Fund No.1	4,940	-	-	(554)	(554)
NH-OPUS III Corporate Financial Stability Private Equity Fund	7,010	321	-	(1,469)	(1,469)
POSITIVE Sobujang Venture Fund #1	4,994	23	75	472	472
NH-Meritz Hightech Fund	9,383	-	1,618	1,462	1,462
NH-Daishin-Kyobo healthcare 1 Fund	16,116	-	403	326	326
NH Digital Alliance Fund	31,516	380	35	(1,489)	(1,489)
NH-Principle Private Equity Fund	25,492	105	326	(6)	(6)
NH-U&S-Brain Pre-IPO Investment Fund	224	75	9	(242)	(242)
NH Agtech Innovation Private Equity Fund	15,755	309	43	(1,219)	(1,219)
Nextrade Co., Ltd.	139,245	295	-	(3,459)	(3,459)
Global Materials Parts Equipment Fund	10,825	5	17	(180)	(180)
NH-IBKC EV Fund	52,472	-	6	(528)	(528)
DBOrbit-SDH New Technology Business Investment Fund	11,214	-	2	(136)	(136)
ESG Leaders No.1 Private Equity Fund	166,913	-	-	(3,087)	(3,087)
NH Woori Newdeal Growth Alpha Private Equity Fund	116,197	1,588	2	12,377	12,377
Pectus-IBKC Fund No.1	10,749	-	-	(2,451)	(2,451)
BNW Recharge Private Equity Fund	21,100	119	-	(319)	(319)
Pine Tree III VC Private Equity Fund	15,492	121	4	(379)	(379)
Meritz-Simone Fund 1	11,410	-	1	(90)	(90)
KAI Electric Fund 1	3,200	-	-	(15)	(15)
Newmain-Wanted Lab I Funds	4,996	28	1	(32)	(32)
KNT-Daishin New Technology Investment Fund 3rd	8,551	31	251	220	220
NH-Susung No.1 Mezzanine New Technology Investment Fund	12,287	-	-	(23)	(23)

[1]	2023				
	Assets	Liabilities	Operating revenue	Profit (loss) for the period	Comprehensive income (loss)
SJGP YG Fund No.4	4,270	6	-	(6)	(6)
Cape Rechargeable Battery Fund No.1	33,019	41	-	(165)	(165)
NH-IBKS KONEX SCALEUP FUND	2,550	15	-	(15)	(15)
NH Special Purpose Acquisition 19 Co., Ltd	120,939	16,465	-	3,808	3,808
NH Special Purpose Acquisition 20 Co., Ltd	51,867	4,490	-	1,343	1,343
NH Special Purpose Acquisition 23 Co., Ltd.	15,344	1,589	-	468	468
NH Special Purpose Acquisition 24 Co., Ltd.	10,181	616	-	260	260
NH Special Purpose Acquisition 25 Co., Ltd.	6,092	415	-	150	150
NH Special Purpose Acquisition 26 Co., Ltd.	18,446	1,505	-	522	522
NH Special Purpose Acquisition 27 Co., Ltd.	15,301	619	-	457	457
NH Special Purpose Acquisition 29 Co., Ltd.	30,182	2,472	-	426	426
NH Special Purpose Acquisition 30 Co., Ltd.	19,809	2,401	-	35	35
NH Absolute Pre IPO Mezzanine Private Equity Fund No.1	16,796	1,781	12,143	4,765	4,765
NH Absolute Mezzanine Private Equity Fund No.1	19,307	2,524	6,480	2,505	2,505
NH Absolute Pre IPO Private Equity Fund No.1	59,480	1,130	9,561	4,876	4,876
NH Absolute Project H General Private Placement Investment Trust	6,591	28	73	(337)	(337)
NH Absolute Project L General Private Placement Investment Trust	18,863	65	1,955	1,625	1,625
NH Absolute Mezzanine Private Equity Fund No.3	91,132	339	6,309	3,203	3,203
NH Absolute Mezzanine Private Equity Fund No.4	27,620	100	2,612	1,520	1,520
	₩ 2,626,672	₩ 79,499	₩ 255,093	₩ 152,001	₩ 152,001

1. The summarized financial information of associates whose application of the consolidation and equity method has been discontinued due to disposal, etc. as of December 31, 2023, or financial information cannot be obtained are excluded.

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Adjustments made to calculate the carrying value of investments in associates and joint ventures out of net asset amounts of associates and joint ventures as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
NH-LB Growth Champ 2011-4th PEF	₩ 8,504	6.7%	₩ 567	₩ -	₩ 567
NH Agri-Biz Value Creative 1st PEF	5,529	0.5%	28	-	28
IBK-NH Small-Giant PEF	167	0.1%	-	2	2
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd.	4,991	39.4%	1,967	(48)	1,919
Starset-DA value Healthcare Investment Fund No. 2	1,289	32.1%	413	-	413
Starset-DA value Healthcare Investment Fund No. 3	788	32.1%	253	-	253
Ascendo New Generation Healthcare Investment	3,013	30.7%	925	-	925
NH_AJU Digital Fund	27,737	20.0%	5,547	-	5,547
NH-AJU KOSDAQ SCALEUP FUND	11,258	28.3%	3,186	-	3,186
NH-Paxtone Private Equity Fund	55,182	29.8%	16,440	-	16,440
NH-OPUS Corporate Finamcial Stability Private Equity Fund	82,906	14.7%	12,192	38	12,230
Square-DA value Fund No.1	6,196	36.6%	2,270	-	2,270
Smilegate Vietnam Kairos Private Equity Fund #1	7,585	20.0%	1,517	-	1,517
NH-Soo Investment innovative growth M&A fund	31,928	30.0%	9,578	(87)	9,491
NH-OPUS II Corporate Financial Stability Priv ate Equity Fund	50,831	1.0%	523	-	523
NH Co-Investment Private Equity Fund	235,193	10.3%	24,258	-	24,258
Korea Investment-Brick Investment New Technology Investment Fund 1st	14,024	20.6%	2,892	-	2,892
Harvest Private Equity Fund II	13,559	22.1%	2,991	-	2,991
NH-Horizon Secondary Fund	2,786	32.2%	896	-	896
The Lakebridge-Samsung Securities Growth Fund I	5,690	33.3%	1,893	-	1,893
DAYLI Swanson Bio Healthcare Fund 8	3,994	23.8%	951	-	951
LD New Technology Business Investment Fund 2	4,008	28.6%	1,145	-	1,145

	2024				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
Recovery Partners Co., Ltd	2,534	29.4%	745	1,558	2,303
Smilegate Aphrodite Serve One Fund	10,022	28.6%	2,863	-	2,863
Smart Quaternary Industry Square Investment Fund No. 2	9,367	20.0%	1,873	-	1,873
Meritz-NH Healthcare No. 1	14,514	19.4%	2,809	-	2,809
LB Private Equity Fund III-1	6,236	16.1%	1,003	8	1,011
Pentastone Bridge I Funds	3,741	50.0%	1,871	-	1,871
SJGP YG Fund No.1	2,317	44.0%	1,018	-	1,018
NH-Alpha 1st Fund	6,794	18.5%	1,258	-	1,258
NH-J&-IBKC Label Technology Fund	34,594	14.0%	4,859	-	4,859
NH EBEST MATERIALS Fund No.1	4,971	18.2%	904	-	904
NH-OPUS III Corporate Financial Stability Private Equity Fund	72,850	2.2%	1,631	6	1,637
POSITIVE Sobujang Venture Fund #1	4,278	22.0%	940	-	940
NH-Meritz Hightech Fund	8,238	20.7%	1,704	-	1,704
NH Digital Alliance Fund	41,665	40.0%	16,666	-	16,666
NH-Principle Private Equity Fund	27,649	11.4%	3,154	-	3,154
NH-U&S-Brain Pre-IPO Investment Fund	4,304	27.0%	1,163	4	1,167
NH Agtec Innovation Private Equity Fund	23,820	28.5%	6,786	-	6,786
Nextrade Co., Ltd.	123,213	6.6%	8,180	246	8,426
Global Materials Parts Equipment Fund	7,635	13.6%	1,041	-	1,041
NH-IBKC EV Fund	36,638	17.0%	6,222	-	6,222
DBOrbit-SDH New Technology Business Investment Fund	23,143	17.6%	4,078	-	4,078
ESG leaders 1st Private Equity Fund	141,187	1.5%	2,076	291	2,367
NH Woori Newdeal Growth Alpha Private Equity Fund I	160,744	11.4%	18,261	4,180	22,441
Pectus-IBKC Fund No.1	11,010	22.7%	2,502	-	2,502

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

	2024				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
BNW Recharge Private Equity Fund	36,359	23.5%	8,535	-	8,535
Pine Tree III VC Private Equity Fund	22,191	21.7%	4,824	(8)	4,816
KAI E lectric Fund 1	18,256	24.9%	4,543	-	4,543
Newmain-Wanted Lab I Funds	4,862	34.0%	1,653	-	1,653
KNT_Daishin New Technology Investment Fund 3rd	8,554	24.1%	2,061	-	2,061
NH-Susung No.1 Mezzanine New Technology Investment Fund	11,660	11.3%	1,312	-	1,312
SJGP YG Fund No.4	3,596	46.8%	1,685	-	1,685
NH-IBKS KONEX SCALEUP FUND	21,823	19.6%	4,279	-	4,279
Daishin-Atman Healthcare New Technology Investment Fund 1th	15,129	17.2%	2,609	-	2,609
SKF&NHIS Timor Holdings Ltd.	2,183	9.1%	199	893	1,092
HI YG Win-win Fund No.1	10,216	30.7%	3,139	-	3,139
SKYWALK-KAI Titan New Technology Investment Fund No.1	3,137	63.3%	1,986	-	1,986
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	14,147	0.1%	20	-	20
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	9,807	0.6%	58	-	58
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	5,825	0.7%	39	(1)	38
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY	17,408	0.6%	99	(2)	97
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	15,096	0.6%	97	(1)	96
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	28,291	0.4%	99	(2)	97
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	17,822	0.6%	98	(3)	95
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY	12,634	0.2%	30	(1)	29
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1	3,731	33.3%	1,244	-	1,244
NH Absolute Mezzanine General Private Placement Investment Trust No.1	5,371	30.9%	1,661	-	1,661
NH Absolute Pre IPO General Private Placement Investment Trust No.1	41,525	33.3%	13,842	(7)	13,835
NH Absolute Project H General Private Placement Investment Trust	6,484	13.0%	846	-	846
NH Absolute Mezzanine General Private Placement Investment Trust No.3	38,115	10.7%	4,076	(19)	4,057
NH Absolute Mezzanine General Private Placement Investment Trust No.4	17,849	7.7%	1,373	24	1,397
NH Absolute Project C General Private Placement Investment Trust	2,863	11.8%	337	11	348
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1	8,206	12.7%	1,039	1	1,040
NH Woori New Deal Co-Investment No.1 Private Equity	28,815	15.6%	4,484	1	4,485
Kbank[2]	2,125,017	5.5%	117,204	41,372	158,576
NH-Moorim Dental Care Investment Fund No.1	11,351	15.2%	1,723	-	1,723
NH-ARA Value-add No.1 Private Equity Fund	38,585	20.5%	7,914	1	7,915
NH Absolute Project K Private Equity Fund	181,094	15.3%	27,707	28	27,735
NH-Susung No.2 Mezzanine New Technology Investment Fund	21,327	15.0%	3,199	-	3,199
Dayli Bio Healthcare No.6 Start-up Venture Specialized Private Equity Fund	9,627	31.3%	3,008	-	3,008
Hope Agriculture Innovation Private Equity Fund	1,790	29.6%	529	-	529
Magna K-Beauty-I Fund	6,261	31.9%	1,999	-	1,999
IBKS-YG Turn around Fund	6,797	29.4%	1,999	-	1,999
NH Absolute Mezzanine Private Equity fund No.5	12,451	16.7%	2,075	(51)	2,024
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2	8,519	11.7%	995	-	995
NH hedge Kosdaq SPAC Private Equity	7,606	13.1%	993	-	993
NH Hedge Project HD Plus General Private Placement Investment Trust	7,328	8.6%	629	(69)	560
Changzhou Alan NH Equity Investment Management Ltd	2,145	49.0%	1,051	29	1,080
Changzhou Alan NH	4,275	49.0%	2,095	110	2,205
	₩ 4,234,750		₩ 423,426	₩ 48,504	₩ 471,930

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	2023				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
NH-LB Growth Champ 2011-4 PEF	₩ 10,085	6.7%	₩ 673	₩ -	₩ 673
NH Agri-biz Value PEF	6,676	0.5%	33	-	33
Aeneas-NH Private Equity Fund	195,350	1.0%	1,915	87	2,002
NH AJUIB Growth 2013 Private Equity Fund	11,394	0.1%	6	8	14
IBK-NH Small Giant Private Equity Fund	1,517	0.1%	1	2	3
TRUBEN-Global Healthcare Private Equity Joint Co., Ltd	4,722	39.4%	1,860	(48)	1,812
Stassets DA value Investment Association No.2	2,867	32.1%	919	-	919
Stassets DA value Investment Association No.3	858	32.1%	275	-	275
Ascendo New Generation Healthcare Investment	3,060	30.7%	940	-	940
NH-AJU Digital Fund	23,693	20.0%	4,739	-	4,739
NH-AJU KOSDAQ ScaleUp Fund	29,681	28.3%	8,400	-	8,400
Sprott Global Renewable Private Equity Fund No.1	7,467	33.3%	2,487	-	2,487
NH-Paxtone Private Equity Fund	39,694	29.8%	11,826	-	11,826
NH-OPUS Corporate Financial Stability Private Equity Fund	119,757	14.7%	17,611	(5)	17,606
Square-DA value Fund No.1	6,201	36.6%	2,271	-	2,271
Smile Gate Vietnam Cairo Partnership PEF No.1	8,977	20.0%	1,795	-	1,795
NH-Soo Investment Innovative Growth M&A Fund	61,967	30.0%	18,590	(88)	18,502
NH-OPUS II Corporate Financial Stability Private Equity Fund	72,891	1.0%	750	-	750
NH Co-Investment Private Equity Fund	225,368	10.3%	23,244	-	23,244
Korea Investment-Brick Investment New Technology Investment Fund 1st	11,526	20.6%	2,376	-	2,376
Harvest Private Equity Fund II	13,465	22.1%	2,971	-	2,971
NH-SYNERGY BIO Fund	49,102	20.6%	10,103	-	10,103
NH SYNERGY M.C.E. New Technology Investment Fund	15,860	11.4%	1,802	-	1,802
NH-Meritz Contents 1 Fund	12,808	9.1%	1,164	-	1,164

	2023				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
NH-IBKC Bio New Technology Fund	22,898	30.1%	6,901	-	6,901
NH-Horizon Secondary Fund	2,868	32.2%	922	-	922
Kyobo NH Healthcare Fund 1	17,824	11.1%	1,980	-	1,980
The Lakebridge-Samsung Securities Growth Fund I	5,779	33.3%	1,923	-	1,923
DAYLI Swanson Bio Healthcare Fund 8	3,987	23.8%	949	-	949
NH IBKC Dental Solution Investment Fund	10,277	18.0%	1,846	-	1,846
LD New Technology Business Investment Fund 2	3,314	28.6%	947	-	947
Recovery Partners Co., Ltd	2,997	29.5%	884	1,813	2,697
Kiwoom AI New Technology Business Investment Fund	9,024	21.5%	1,941	-	1,941
Smilegate Aphrodite Sub One Fund	10,176	28.6%	2,907	-	2,907
Smart Quaternary Industry Square Investment Fund	6,971	20.0%	1,394	-	1,394
Meritz-NH healthcare 1 Fund	14,837	19.4%	2,872	-	2,872
KCLAVIS Cloud Fund No.1	21,492	19.3%	4,153	87	4,240
J&Hercules Private Equity Fund	109,219	17.9%	19,562	-	19,562
Credit Minerva Private Equity Fund	7,866	10.0%	787	(100)	687
The Overseas Growth Fund 1	547	20.0%	109	-	109
MIDAS No.2 PRIVATE EQUITY FUND	24,895	14.2%	3,523	-	3,523
LB Private Equity Fund III-1	6,305	16.1%	1,014	8	1,022
HI YG Win-win Fund No.1	10,454	18.2%	1,901	-	1,901
NH-Brain EV Fund	44,437	19.2%	8,546	-	8,546
Pentastone Bridge 1 Funds	3,845	50.0%	1,922	-	1,922
SJGP YG Fund No.1	2,414	44.0%	1,061	-	1,061
NH-Alpha 1st Fund	6,932	18.5%	1,284	-	1,284
NH-J&-IBKC Label Technology Fund	34,959	14.0%	4,910	-	4,910

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	2023				
	Net assets (a)	Share attributable to the Group (b)	Interest in net assets (a x b)	(+) Goodwill and others	Carrying value
NH EBEST MATERIALS Fund No.1	4,940	18.2%	898	-	898
NH-OPUS III Corporate Financial Stability Private Equity Fund	6,689	2.2%	150	5	155
POSITIVE Sobujang Venture Fund #1	4,971	22.0%	1,092	-	1,092
NH-Meritz Hightech Fund	9,383	20.7%	1,941	-	1,941
NH-Daishin-Kyobo healthcare 1 Fund	16,116	18.8%	3,022	-	3,022
NH Digital Alliance Fund	31,136	40.0%	12,454	-	12,454
NH-Principle Private Equity Fund	25,386	11.4%	2,896	-	2,896
NH-U&S-Brain Pre-IPO Investment Fund	148	25.6%	38	-	38
NH Agtech Innovation Private Equity Fund	15,446	28.5%	4,401	-	4,401
Nextrade Co., Ltd.	138,950	6.6%	9,225	245	9,470
Global Materials Parts Equipment Fund	10,820	13.6%	1,475	-	1,475
NH-IBKC EV Fund	52,472	17.0%	8,911	-	8,911
DBOrbit-SDH New Technology Business Investment Fund	11,214	17.6%	1,976	-	1,976
ESG Leaders No.1 Private Equity Fund	166,913	1.5%	2,455	-	2,455
NH Woori Newdeal Growth Alpha Private Equity Fund I	114,609	11.4%	13,032	194	13,226
Pectus-IBKC Fund No.1	10,749	22.7%	2,443	-	2,443
BNW Recharge Private Equity Fund	20,981	23.5%	4,925	-	4,925
Pine Tree III VC Private Equity Fund	15,371	23.8%	3,660	-	3,660
Meritz-Simone Fund 1	11,410	17.4%	1,984	-	1,984
KAI Electric Fund 1	3,200	24.9%	796	-	796
Newmain-Wanted Lab I Funds	4,968	34.0%	1,689	-	1,689
KNT-Daishin New Technology Investment Fund 3rd	8,521	24.1%	2,053	-	2,053
NH-Susung No.1 Mezzanine New Technology Investment Fund	12,287	11.3%	1,382	-	1,382
SJGP YG Fund No.4	4,264	46.8%	1,998	-	1,998
Cape Rechargeable Battery Fund No.1	32,978	40.9%	13,484	69	13,553
NH-IBKS KONEX SCALEUP FUND	2,535	19.6%	498	-	498
NH Special Purpose Acquisition 19 Co., Ltd	104,475	0.3%	306	(4)	302
NH Special Purpose Acquisition 20 Co., Ltd	47,376	1.0%	465	(4)	461
NH Special Purpose Acquisition 23 Co., Ltd.	13,756	0.1%	19	-	19
NH Special Purpose Acquisition 24 Co., Ltd.	9,565	0.6%	57	(1)	56
NH Special Purpose Acquisition 25 Co., Ltd.	5,677	0.7%	38	(1)	37
NH Special Purpose Acquisition 26 Co., Ltd.	16,941	0.6%	96	(2)	94
NH Special Purpose Acquisition 27 Co., Ltd.	14,682	0.6%	94	(1)	93
NH Special Purpose Acquisition 29 Co., Ltd.	27,710	0.4%	97	(2)	95
NH Special Purpose Acquisition 30 Co., Ltd.	17,408	0.6%	96	(3)	93
NH Absolute Pre IPO Mezzanine Private Equity Fund No.1	15,015	33.3%	5,005	-	5,005
NH Absolute Mezzanine Private Equity Fund No.1	16,783	30.9%	5,191	-	5,191
NH Absolute Pre IPO Private Equity Fund No.1	58,350	33.3%	19,450	1	19,451
NH Absolute Project H General Private Placement Investment Trust	6,563	13.0%	856	(4)	852
NH Absolute Project L General Private Placement Investment Trust	18,799	6.3%	1,175	(12)	1,163
NH Absolute Mezzanine Private Equity Fund No.3	90,793	10.7%	9,710	(70)	9,640
NH Absolute Mezzanine Private Equity Fund No.4	27,520	7.7%	2,116	34	2,150
	₩ 2,547,173		₩ 334,638	₩ 2,208	₩ 336,846

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14. Property and Equipment

Details of property and equipment as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		
	Acquisition cost	Accumulated depreciation	Net carrying value
Land	₩ 54,239	₩ -	₩ 54,239
Building	37,851	(15,319)	22,532
Furniture and fixtures	337,575	(279,717)	57,858
Constriction-in-progress	1,798	-	1,798
Others	4,069	(1,888)	2,181
	₩ 435,532	₩ (296,924)	₩ 138,608

(in millions of Korean won)

	2023		
	Acquisition cost	Accumulated depreciation	Net carrying value
Land	₩ 56,425	₩ -	₩ 56,425
Building	40,254	(14,740)	25,514
Furniture and fixtures	362,943	(269,093)	93,850
Constriction-in-progress	4,890	-	4,890
Others	3,773	(1,739)	2,034
	₩ 468,285	₩ (285,572)	₩ 182,713

Changes in property and equipment for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024						
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfers	Others[1]	Ending balance
Land	₩ 56,425	₩ -	₩ -	₩ -	₩ (2,186)	₩ -	₩ 54,239
Building	25,514	2	-	(1,824)	(1,160)	-	22,532
Furniture and fixtures	93,850	24,431	(1,477)	(45,110)	(14,772)	936	57,858
Constriction-in-progress	4,890	7,344	(643)	-	(9,790)	(3)	1,798
Others	2,034	359	(63)	(103)	-	(46)	2,181
	₩ 182,713	₩ 32,136	₩ (2,183)	₩ (47,037)	₩ (27,908)	₩ 887	₩ 138,608

1. Composed of provisions of restoration, gain (loss) on translation of overseas operations and others.

(in millions of Korean won)

	2023						
	Beginning balance	Acquisitions	Disposals	Depreciation	Transfers	Others[1]	Ending balance
Land	₩ 52,730	₩ 40	₩ -	₩ -	₩ 3,655	₩ -	₩ 56,425
Building	19,997	144	-	(1,242)	6,615	-	25,514
Furniture and fixtures	96,927	19,121	(1,725)	(42,207)	20,841	893	93,850
Constriction-in-progress	10,972	21,130	-	-	(26,798)	(414)	4,890
Others	1,512	747	(116)	(122)	-	13	2,034
	₩ 182,138	₩ 41,182	₩ (1,841)	₩ (43,571)	₩ 4,313	₩ 492	₩ 182,713

1. Composed of provisions of restoration, gain (loss) on translation of overseas operations and others.

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15. Investment Properties

Investment properties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		
	Acquisition cost	Accumulated depreciation	Net carrying value
Land	₩ 96,409	₩ -	₩ 96,409
Building	208,582	(15,465)	193,117
	₩ 304,991	₩ (15,465)	₩ 289,526

(in millions of Korean won)

	2023		
	Acquisition cost	Accumulated depreciation	Net carrying value
Land	₩ 88,306	₩ -	₩ 88,306
Building	181,077	(9,924)	171,153
	₩ 269,383	₩ (9,924)	₩ 259,459

Changes in investment properties for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024						
	Beginning balance	Acquisitions	Disposals	Amortization	Transfers	Others	Ending balance
Land	₩ 88,306	₩ -	₩ (219)	₩ -	₩ 2,186	₩ 6,136	₩ 96,409
Building	171,153	2,935	(843)	(3,881)	1,161	22,592	193,117
	₩ 259,459	₩ 2,935	₩ (1,062)	₩ (3,881)	₩ 3,347	₩ 28,728	₩ 289,526

(in millions of Korean won)

	2023				
	Beginning balance	Disposals	Depreciation	Transfers	Ending balance
Land	₩ 48,156	₩ -	₩ (3,656)	₩ 43,806	₩ 88,306
Building	9,162	(3,753)	(657)	166,401	171,153
	57,318	₩ (3,753)	₩ (4,313)	₩ 210,207	259,459

Rental income and operating expenses arising from the Group's investment properties for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Rental income	₩ 15,239	₩ 14,705
Depreciation	(3,881)	(3,753)
	₩ 11,358	₩ 10,952

The fair value of the investment properties provided by independent value appraisers amounts to ₩ 307,792 million as of December 31, 2024. All investment properties are classified as the Level 3 in the fair value hierarchy as described in Note 9.

16. Intangible Assets

Details of intangible assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Net carrying value
Goodwill	₩ 43,774	₩ -	₩ (3,992)	₩ 39,782
Development costs	66,344	(48,271)	(179)	17,894
Software	18,261	(9,671)	(15)	8,575
Membership deposits	29,670	-	(5,045)	24,625
Others	42,609	(34,860)	-	7,749
	₩ 200,658	₩ (92,802)	₩ (9,231)	₩ 98,625

(in millions of Korean won)

	2024			
	Acquisition cost	Accumulated amortization	Accumulated impairment loss	Net carrying value
Goodwill	₩ 43,774	₩ -	₩ (3,992)	₩ 39,782
Development costs	34,906	(34,447)	(179)	280
Software	6,195	(4,314)	(15)	1,866
Membership deposits	20,489	-	(5,045)	15,444
Others	40,606	(32,599)	-	8,007
	₩ 145,970	₩ (71,360)	₩ (9,231)	₩ 65,379

Changes in intangible assets for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024						
	Beginning balance	Acquisitions	Disposals	Amortization	Transfer	Others	Ending balance
Goodwill	₩ 39,782	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 39,782
Development costs	280	160	-	(83)	17,439	98	17,894
Software	1,866	390	-	(743)	7,122	(60)	8,575
Membership deposits	15,444	9,219	-	-	-	(38)	24,625
Others	8,007	2,055	-	(2,339)	-	26	7,749
	₩ 65,379	₩ 11,824	₩ -	₩ (3,165)	₩ 24,561	₩ 26	₩ 98,625

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(in millions of Korean won)

	2023					
	Beginning balance	Acquisitions	Disposals	Amortization	Others	Ending balance
Goodwill	₩ 39,782	₩ -	₩ -	₩ -	₩ -	₩ 39,782
Development costs	245	102	-	(71)	4	280
Software	2,115	439	-	(697)	9	1,866
Membership deposits	12,772	2,872	(213)	-	13	15,444
Others	8,997	1,144	-	(2,136)	2	8,007
	₩ 63,911	₩ 4,557	₩ (213)	₩ (2,904)	₩ 28	₩ 65,379

Details of impairment evaluation on intangible assets as of December 31, 2024 are as follows:

The Group performed an impairment test on the following intangible asset acquired through a business combination:

(in millions of Korean won)

	2024	2023
Goodwill	₩ 39,782	₩ 39,782

The Group performed an impairment test by comparing the carrying amount and recoverable amount of cashgenerating units to which goodwill was allocated as of December 31, 2024. The recoverable amount was evaluated based on the value in use and the discounted cash flow method (DCF) was applied among the traditional approaches, taking into account the characteristics of financial institutions.

- Evaluation date and forecast period
The evaluation date for the recoverable value is December 31, 2024 and when evaluating the value in use, the forecast period is 5 years after the evaluation date, and the value after the forecast period is calculated as a permanent value.

- Discount rate and permanent growth rate
The discount rate was applied by calculating the shareholders' required rate of return and cost of equity capital, and the permanent growth rate of 0% was applied after the forecast period.

- The main assumptions used in estimating future cash flows are the labor productivity growth rate, inflation rate, and wage increase rate among macroeconomic indicators.

According to the impairment assessment result for goodwill, there is no amount to be recognized as an impairment loss as the recoverable amount of CGU which goodwill was allocated exceeds the carrying amount by ₩ 13,323 million.

17. Right-of-use Assets

Details of right-of-use assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		
	Acquisition cost	Accumulated depreciation	Net carrying value
Properties	₩ 200,683	₩ (120,219)	₩ 80,464
Vehicles	3,421	(1,882)	1,539
Others	18	(5)	13
	₩ 204,122	₩ (122,106)	₩ 82,016

(in millions of Korean won)

	2023		
	Acquisition cost	Accumulated depreciation	Net carrying value
Properties	₩ 184,325	₩ (92,879)	₩ 91,446
Vehicles	3,049	(1,328)	1,721
Others	12	(4)	8
	₩ 187,386	₩ (94,211)	₩ 93,175

Changes in right-of-use assets for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Beginning balance	Added	Terminated	Others	Ending balance
Properties	₩ 184,325	₩ 26,123	₩ (11,588)	₩ 1,823	₩ 200,683
Vehicles	3,049	900	(583)	55	3,421
Others	12	19	(13)	-	18
	₩ 187,386	₩ 27,042	₩ (12,184)	₩ 1,878	₩ 204,122

(in millions of Korean won)

	2023			
	Beginning balance	Added	Terminated	Ending balance
Properties	₩ 114,651	₩ 75,095	₩ (5,421)	₩ 184,325
Vehicles	2,687	1,469	(1,107)	3,049
Others	12	13	(13)	12
	₩ 117,350	₩ 76,577	₩ (6,541)	₩ 187,386

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Changes in accumulated depreciation of right-of-use assets for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Beginning balance	Depreciation	Terminated	Others	Ending balance
Properties	₩ 92,879	₩ 32,592	₩ (6,195)	₩ 943	₩ 120,219
Vehicles	1,328	1,028	(508)	34	1,882
Others	4	15	(14)	-	5
	94,211	₩ 33,635	₩ (6,717)	₩ 977	122,106

(in millions of Korean won)

	2023			
	Beginning balance	Depreciation	Terminated	Ending balance
Properties	₩ 69,137	₩ 27,658	₩ (3,916)	₩ 92,879
Vehicles	1,525	891	(1,088)	1,328
Others	4	12	(12)	4
	₩ 70,666	₩ 28,561	₩ (5,016)	₩ 94,211

Details of variable lease payments, short-term lease payments and leases payments of low-value assets that are not included in the measurement of lease liabilities for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Lease payments of low-value assets	₩ 8,678	₩ 6,099
Variable lease payments	401	166
Value-added taxes of lease payments	3,030	2,971
	₩ 12,109	₩ 9,236

The Group recognized lease income of ₩ 426 million through subleases for each of the two years in the year ended December 31, 2024.

The Group has determined to apply the recognition exemption in accordance with KIFRS 1116 Leases for leases of low-value assets with fair values of less than KRW 5 million and recognizes lease payments associated with these leases as expenses on a straight-line basis over the lease term.

18. Other Assets

Details of other assets as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Advance payments	₩ 15,509	₩ 52,917
Prepaid expenses	13,250	12,392
Prepaid taxes	1,636	193
Commodities	164	174
Carbon emissions rights	16,929	8,591
Others	1,015	999
Net defined benefit assets	60	182
	₩ 48,563	₩ 75,448

Movements in the carbon emissions rights for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Beginning balance	Acquisitions	Disposals	Loss on valuation	Ending balance
Carbon emissions rights	₩ 8,591	₩ 65,908	₩ (56,793)	₩ (777)	₩ 16,929

(in millions of Korean won)

	2023				
	Beginning balance	Acquisitions	Disposals	Loss on valuation	Ending balance
Carbon emissions rights	₩ -	₩ 10,849	₩ (32)	₩ (2,226)	₩ 8,591

19. Deposits due to Customers

Details of deposits as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Customers' deposits:		
Customers' deposits for brokerage	₩ 5,623,734	₩ 5,265,540
Customers' deposits for derivatives transactions	930,609	760,148
Customers' deposits for subscription	34	42
Customers' deposits for savings	24,582	23,336
Customers' deposits for beneficiary certificates	932,727	576,436
Others	460,132	550,588
	7,971,818	7,176,090
Collateral of income:		
Collateral of credit lender	-	1,335
	₩ 7,971,818	₩ 7,177,425

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20. Financial Liabilities at FVTPL

Details of financial liabilities at FVTPL as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Financial liabilities at FVTPL:		
Securities in short position	₩ 2,763,804	₩ 3,613,287
Financial liabilities designated at FVTPL:		
Derivatives-linked securities sold	2,351,916	3,953,473
Derivatives-linked bonds sold	5,419,318	4,037,557
	7,771,234	7,991,030
Derivative liabilities held for trading[1]	1,628,441	1,150,659
	₩ 12,163,479	₩ 12,754,976

1. See Note 5.

The Group designates a financial liability at FVTPL, if such designation eliminates or significantly reduces accounting mismatch, and if financial instruments are managed on a fair value basis and its performance is assessed. As of December 31, 2024, the Group designated certain financial liabilities that did not meet the definition of fair value measurement but were managed and assessed by fair value at fair value through profit or loss. The designation of financial instruments at FVTPL is irrevocable.

Details of financial liabilities designated at FVTPL as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Derivatives-linked securities sold:		
Equity-linked securities	₩ 1,256,255	₩ 2,303,296
Other derivatives-linked securities	1,074,717	1,299,523
Exchange Traded Notes	20,944	350,654
	2,351,916	3,953,473
Derivatives-linked bonds sold:		
Equity-linked bonds	3,143,216	2,204,964
Other derivatives-linked bonds	2,276,102	1,832,593
	5,419,318	4,037,557
	₩ 7,771,234	₩ 7,991,030

Credit risk adjustments to financial liabilities designated at FVTPL as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Financial liabilities designated at FVTPL – other comprehensive income		
Changes in fair value for credit risk adjustments	₩ 3,071	₩ (33,036)
Accumulated changes in credit risk adjustments	(8,790)	(11,861)
Financial liabilities designated at FVTPL – profit or loss		
Changes in fair value for credit risk adjustments	(10,102)	16,982
Accumulated changes in credit risk adjustments	(245)	(15)

Details of fair value changes of financial liabilities designated at FVTPL attributable to changes in credit risk of the liability for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Beginning balance	₩ (8,730)	₩ 15,563
Increase of credit risk recognized in other comprehensive income	3,071	(33,036)
Effect of corporation tax	(811)	8,743
Ending balance	₩ (6,470)	₩ (8,730)

The maturity repayment amount, the carrying amount and the difference between the two amounts of the principal under the contractual terms of the financial liabilities designated at FVTPL as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024		
	Contractual maturity repayment amount	Book amount	Difference
Stock-linked securities	₩ 1,227,276	₩ 1,256,255	₩ (28,979)
Other derivatives-linked securities	1,051,091	1,074,717	(23,626)
Exchange Traded Notes	20,944	20,944	-
Stock-linked bonds	3,166,919	3,143,216	23,703
Other derivatives-linked bonds	2,114,810	2,276,102	(161,292)

(in millions of Korean won)

	2023		
	Contractual maturity repayment amount	Book amount	Difference
Stock-linked securities	₩ 2,258,084	₩ 2,303,296	₩ (45,212)
Other derivatives-linked securities	1,280,997	1,299,523	(18,526)
Exchange Traded Notes	350,654	350,654	-
Stock-linked bonds	2,220,410	2,204,964	15,446
Other derivatives-linked bonds	1,672,038	1,832,593	(160,555)

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

21. Borrowings and Debentures

Details of borrowings as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Lender	Interest rate (%)	2024	2023
Call money	Korea Investment Management and others	3.10 ~ 3.43	₩ 560,000	₩ 670,000
Borrowings	Korea Securities Finance Corp., Eugene Investment & Securities Co., Ltd and others	3.10 ~ 8.99	6,479,296	5,117,248
Subordinated borrowings	NH Bank and others	6.41 ~ 9.11	18,348	16,469
Bonds sold under repurchase agreements	Hana Bank Trust and others	0.10 ~ 8.00	10,073,440	7,020,436
Others		-	786,912	1,004,808
Issued notes	Individual and others	2.55 ~ 7.00	6,606,585	5,148,478
Present value discount			(78,068)	(58,296)
			₩ 24,446,513	₩ 18,919,143

Details of debentures as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Bond series	Issuance date	Maturity date	Interest rate (%)	2024	2023
Corporate bonds	Series 60-2nd corporate bonds	2019-04-12	2024-04-12	2.06	-	250,000
	Series 61-2nd corporate bonds	2020-09-28	2025-09-28	1.55	150,000	150,000
	Series 62-2nd corporate bonds	2020-11-27	2025-11-27	1.64	130,000	130,000
	Series 62-3rd corporate bonds	2020-11-27	2027-11-26	1.86	70,000	70,000
	Series 63rd corporate bonds	2021-02-16	2026-02-13	1.55	110,000	110,000
	Series 64-1st corporate bonds	2021-04-29	2024-04-29	1.53	-	170,000
	Series 64-2nd corporate bonds	2021-04-29	2026-04-29	1.95	80,000	80,000
	Series 64-3rd corporate bonds	2021-04-29	2028-04-29	2.25	50,000	50,000
	Series 65-1st corporate bonds	2021-10-27	2024-10-25	2.45	-	160,000
	Series 65-2nd corporate bonds	2021-10-27	2026-10-27	2.71	130,000	130,000
	Series 66-1st corporate bonds	2022-04-08	2025-04-08	3.63	330,000	330,000
	Series 66-2nd corporate bonds	2022-04-08	2027-04-08	3.70	70,000	70,000
	Series 67-1st corporate bonds	2022-07-26	2025-07-25	4.27	195,000	195,000
	Series 67-2nd corporate bonds	2022-07-26	2027-07-26	4.28	80,000	80,000
	Series 68-1st corporate bonds	2023-09-19	2025-09-19	4.58	150,000	150,000
	Series 68-2nd corporate bonds	2023-09-19	2026-09-18	4.65	120,000	120,000
	Series 69-1st corporate bonds	2024-02-06	2026-02-06	3.94	50,000	-
	Series 69-2nd corporate bonds	2024-02-06	2027-02-05	4.00	200,000	-
	Series 70-1st corporate bonds	2024-10-08	2027-10-08	3.42	280,000	-
	Series 70-2nd corporate bonds	2024-10-08	2029-10-08	3.52	220,000	-
	Less: discounts				(3,449)	(2,942)
					2,411,551	2,242,058
Bonds in foreign currency	Series 1st corporate bonds	2021-10-07	2026-10-07	1.88	441,000	386,820
	Less: discounts				(2,149)	(2,923)
					438,851	383,897
Asset backed short-term bond	SK Securities Co.,Ltd and others	2023-10-24	2024-02-14	3.96~4.61	-	290,000
	Less: discounts				-	(1,002)
					-	288,998
					₩ 2,850,402	₩ 2,914,953

22. Other Financial Liabilities

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

(in millions of Korean won)

	2024	2023
Accounts payable	₩ 4,460,675	₩ 5,268,016
Accrued expenses	502,270	424,773
Leasehold deposits received	8,622	7,597
Present value discount	(320)	(305)
Lease liabilities	85,731	96,492
Present value discount	(4,709)	(6,270)
Others	1,127,075	1,091,706
	₩ 6,179,344	₩ 6,882,009

The amounts of lease liabilities by maturity as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	₩ 2,970	₩ 5,551	₩ 24,188	₩ 52,557	₩ 465	₩ 85,731

(in millions of Korean won)

	2023					
	Within 1 month	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Lease liabilities	₩ 2,715	₩ 5,270	₩ 20,329	₩ 68,178	₩ -	₩ 96,492

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23. Provisions

Details of provisions as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Provision for restoration	₩ 8,862	₩ 9,885
Provision for unused commitment	15,578	6,164
Provision for payment guarantee	341	339
Provision for other losses [1,2]	80,018	37,997
	₩ 104,799	₩ 54,385

1. Of the total of ₩ 432,700 million of Optimus Asset Management Funds with suspension of redemption the Group sold, the Group recognized partial provisions for ₩ 113,900 million of sales principal of professional investors, excluding the amount which Company refunded the entire of sales principal according to the decision on the dispute settlement committee of the Financial Supervisory Service and agreement with individual customers and non-professional investors, the Group will reflect the amounts in the financial statements by reviewing judgement of independent external experts, objective evidence to estimate outflows and the results of related lawsuits of resources in the future.
2. The Group has recognized provisions for a portion of the principal of German Heritage derivative-linked securities sold to institutional investors. The amount of these provisions will continue to be reflected in the financial statements based on ongoing reviews, considering independent external expert assessments, objective evidence of expected resource outflows, and outcomes of related litigation.

Changes in provisions for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

2024	Provision for restoration	Provision for unused commitment	Provision for payment guarantee	Others	Total
Beginning balance	₩ 9,885	₩ 6,164	₩ 339	₩ 37,997	₩ 54,385
Provisions provided	2,302	9,346	2	73,608	85,258
Provisions used	(420)	-	-	(41,948)	(42,368)
Reversal of unused amount	(2,206)	-	-	-	(2,206)
Foreign currency translation	-	68	-	-	68
Write-off	380	-	-	-	380
Additional allocation	(1,079)	-	-	10,461	9,382
Others	-	-	-	(100)	(100)
Ending balance	8,862	₩ 15,578	₩ 341	₩ 80,018	104,799

(in millions of Korean won)

2023	Provision for restoration	Provision for unused commitment	Provision for payment guarantee	Others	Total
Beginning balance	₩ 11,573	₩ 5,947	₩ -	₩ 70,976	₩ 88,496
Provisions provided	2,196	208	339	98,401	101,144
Provisions used	(792)	-	-	(131,380)	(132,172)
Reversal of unused amount	(2,455)	-	-	-	(2,455)
Foreign currency translation	-	9	-	-	9
Write-off	606	-	-	-	606
Additional allocation	(1,243)	-	-	-	(1,243)
Ending balance	9,885	₩ 6,164	₩ 339	₩ 37,997	54,385

Changes in provision for unused commitment and payment guarantee for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

2024	Provision for unused commitment			Provision for payment guarantee			Total
	12-month expected credit losses	Lifetime expected credit losses	Impairment	12-month expected credit losses	Lifetime expected credit losses	Impairment	
Beginning balance	₩ 5,794	₩ 370	₩ -	₩ 339	₩ -	₩ -	₩ 6,503
Transfer to 12-month expected credit losses	-	-	-	-	-	-	-
Transfer to lifetime expected credit losses	(69)	69	-	-	-	-	-
Transfer to credit-impaired	-	-	-	-	-	-	-
Provision (reversal) of allowance for expected credit losses	9,383	(37)	-	2	-	-	9,348
Foreign currency translation	68	-	-	-	-	-	68
Ending balance	₩ 15,176	₩ 402	₩ -	₩ 341	₩ -	₩ -	₩ 15,919

(in millions of Korean won)

2023	Provision for unused commitment			Provision for payment guarantee			Total
	12-month expected credit losses	Lifetime expected credit losses	Impairment	12-month expected credit losses	Lifetime expected credit losses	Impairment	
Beginning balance	₩ 5,847	₩ 100	₩ -	₩ -	₩ -	₩ -	₩ 5,947
Transfer to 12-month expected credit losses	-	-	-	-	-	-	-
Transfer to lifetime expected credit losses	(227)	227	-	-	-	-	-
Transfer to credit-impaired	-	-	-	-	-	-	-
Provision (reversal) of allowance for expected credit losses	164	43	-	339	-	-	546
Foreign currency translation	10	-	-	-	-	-	10
Ending balance	₩ 5,794	₩ 370	₩ -	₩ 339	₩ -	₩ -	₩ 6,503

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Changes in loan arrangement and financial guarantee contract for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024						
	Loan arrangement[1]			Financial guarantee contract[1]			Total
	12-month expected credit losses	Lifetime expected credit losses	Credit-impaired	12-month expected credit losses	Lifetime expected credit losses	Credit-impaired	
Beginning balance	₩ 1,905,197	₩ 9,781	₩ -	₩ 32,800	₩ -	₩ -	₩ 1,947,778
Transfer to 12-month expected credit losses	-	-	-	-	-	-	-
Transfer to lifetime expected credit losses	(16,118)	16,118	-	-	-	-	-
Transfer to credit-impaired	-	-	-	-	-	-	-
Increase (decrease)	1,835,765	(10,651)	-	98,700	-	-	1,923,814
Ending balance	₩ 3,724,844	₩ 15,248	₩ -	₩ 131,500	₩ -	₩ -	₩ 3,871,592

1. The exposures of the loan agreement and the financial guarantee contract exclude the contracts for the purchase and sale of beneficiary certificates and non-fulfillment commitment.

(in millions of Korean won)

	2023						
	Loan arrangement[1]			Financial guarantee contract[1]			Total
	12-month expected credit losses	Lifetime expected credit losses	Creditimpaired	12-month expected credit losses	Lifetime expected credit losses	Creditimpaired	
Beginning balance	₩ 543,827	₩ 2,466	₩ -	₩ 23,800	₩ -	₩ -	₩ 570,093
Transfer to 12-month expected credit losses	-	-	-	-	-	-	-
Transfer to lifetime expected credit losses	(9,097)	9,097	-	-	-	-	-
Transfer to credit-impaired	-	-	-	-	-	-	-
Increase (decrease)	1,370,467	(1,782)	-	9,000	-	-	1,377,685
Ending balance	₩ 1,905,197	₩ 9,781	₩ -	₩ 32,800	₩ -	₩ -	₩ 1,947,778

1. The exposures of the loan agreement and the financial guarantee contract exclude the contracts for the purchase and sale of beneficiary certificates and non-fulfillment commitment.

24. Other Liabilities

Other liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Net defined benefit liabilities	₩ 71,638	₩ 30,822
Accrued expenses	20,723	21,700
Advance received	151	248
Unearned revenue	105,016	91,973
Withholding income taxes	93,133	70,193
Others	46	46
	₩ 290,707	₩ 214,982

25. Net Defined Benefit Liabilities

Details of net defined benefit liabilities as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Present value of defined benefit obligations	₩ 329,692	₩ 275,863
Fair value of plan assets	(258,115)	(245,223)
Net defined benefit liability (asset)	₩ 71,577	₩ 30,640

Changes in the carrying value of defined benefit obligation for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Beginning balance	₩ 275,863	₩ 225,771
Past service cost	4,570	-
Current service cost	22,604	20,306
Interest expense	11,205	10,980
Transfer succession	1,094	737
Actuarial losses (gains)	55,418	42,107
Benefits paid	(40,058)	(24,079)
Others	(1,004)	41
Ending balance	₩ 329,692	₩ 275,863

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Changes in plan assets for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Beginning balance	₩ 245,223	₩ 240,481
Expected return on plan assets	10,267	12,040
Actuarial gains (losses)	2,854	1,557
Employer's contributions	20,294	7,298
Transfer succession	1,094	737
Benefits paid	(20,722)	(16,225)
Others	(895)	(665)
Ending balance	₩ 258,115	₩ 245,223

Plan assets as of December 31, 2024 and 2023 consist of:

(in millions of Korean won)

	2024	2023
Deposits and others	₩ 44,699	₩ 34,225
Insurer's guaranteed interest deposits and others	213,416	210,998
	₩ 258,115	₩ 245,223

Expenses included in the statements of comprehensive income for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Retirement pension benefits	₩ 23,830	₩ 20,553
Past service cost	4,570	-
Current service cost	22,604	20,306
Interest expense	11,205	10,980
Expected return of plan assets	(10,267)	(12,040)
Others	2,006	61
	₩ 53,948	₩ 39,860

The main actuarial assumptions used in the assessment of the retirement benefit obligation as of December 31, 2024 and 2023 are as follows:

	2024	2023
Discount rate	3.69%~3.83%	4.37%~4.48%
Expected return rate of plan assets	3.69%~3.83%	4.37%~4.48%
Future wage growth rate	3.41%~4.08%	1.95%~3.88%
Mortality ratio	0.02%	0.03%

The sensitivity of actuarial assumptions used in assessment of defined benefit obligation as of December 31, 2024 and 2023 is as follows

(in millions of Korean won)

	2024		2023	
	Increase by 1% point	Decrease by 1% point	Increase by 1% point	Decrease by 1% point
Discount rate	₩ 306,143	354,998	₩ 256,322	298,135
Future wage growth rate	354,490	304,573	297,897	256,203

The sensitivity analysis indicates the amounts of defined benefit obligation when each assumption changes without change in the remaining assumptions. The sensitivity of defined benefit obligations is determined by the projected unit credit method used in calculating net defined benefit liability recognized in the statements of financial position.

The expected maturity analysis of undiscounted pension benefits as of December 31, 2024 is as follows:

(in millions of Korean won)

	Year 1	Year 2	Years 3~4	Year 5~9	After Year 10	Total
Pension benefits	₩ 23,489	₩ 40,981	₩ 63,839	₩ 150,640	₩ 591,199	₩ 870,148

As of December 31, 2024, the expected contribution to pay to defined benefit plan for the next fiscal year amounts to ₩ 27,756 million, and the weighted-average maturity of defined benefit obligation is 8.09 years.

Notes to the Consolidated Financial Statements

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26. Equity Attributable to Equity Holders of the Parent

Details of equity attributable to equity holders of the parent as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Capital stock:		
Common share	₩ 1,683,205	₩ 1,683,205
Preferred stock	99,355	99,355
	1,782,560	1,782,560
Capital surplus:		
Capital in excess of par value	1,851,566	1,851,566
Gains on sale of treasury stock	15,297	15,297
Other capital surpluses	15,582	15,582
Treasury stock[1]	(14,565)	(14,565)
Losses on sale of treasury stock	(1,567)	(1,567)
Other capital adjustments	867	867
	1,867,180	1,867,180
Components of other equity:		
Gain and loss on valuation of financial assets at FVOCI	400,220	373,823
Provision for expected credit loss of financial assets at FVOCI	1,998	1,903
Loss on financial liabilities designated at FVTPL due to the change of credit risk	(6,470)	(8,730)
Gain on equity method investments	330	-
Loss on valuation of derivative held for hedging	(10,449)	(10,449)
Gain or loss on translation of overseas operations	244,329	88,290
Remeasurement of the defined benefit plan	(106,166)	(67,464)
	523,792	377,373
Retained earnings:		
Legal reserve[2]	265,760	237,865
Regulatory reserve for credit losses	118,280	85,902
Voluntary reserve	2,487,328	2,443,060
Unappropriated retained earnings	1,062,135	810,494
Other retained earnings[3]	7,344	7,345
	3,940,847	3,584,666
	₩ 8,114,379	₩ 7,611,779

1. Treasury stocks that the Group holds as of December 31, 2024 are acquired to stabilize the stock price, increase the shareholder value, and compensate for the employees' performance.
2. Commercial law requires the Group to appropriate a minimum of 10% of profit dividends as a legal reserve until the legal reserve equals 50% of capital stock. The reserve may not be utilized for cash dividends but only be used to offset a deficit, or be transferred to capital.
3. Gain on revaluation of the assets in accordance with Assets Revaluation Law, may not be utilized for cash dividends but only be used to offset a deficit, or be transferred to capital.

Details of the capital stock as of December 31, 2024 and 2023 are as follows:

(in Korean won)

	2024	2023
Authorized shares of capital stock	900,000,000 shares	900,000,000 shares
Par value per 1 share	₩ 5,000	₩ 5,000
Issued shares of capital stock:	346,363,267 shares	350,536,889 shares
Common share	327,492,299shares	331,665,921 shares
Preferred stock	18,870,968 shares	18,870,968 shares

The Group may retire its own shares by a resolution of the Board of Directors in accordance with applicable laws and regulations, within the scope of distributable earnings. As of December 31, 2024, the difference between the Group's capital and the total par value of issued shares resulting from the retirement of shares amounted to ₩ 50,744 million (2023: ₩ 29,876 million).

Dividends

Details of dividends and ratio related to dividends for each of the two years in the two-year period ended December 31, 2024 are as follows:

1) Details of dividends

(in shares and in Korean won)

	2024		2023	
	Common stock	Preferred stock	Common share	Preferred stock
Shares outstanding[1]	326,808,628	18,870,968	328,632,250	18,870,968
Par value per share	₩ 5,000	₩ 5,000	₩ 5,000	₩ 5,000
Dividend rate	19.00%	20.00%	16.00%	17.00%
Total cash dividend (in millions of Korean won)	₩ 310,468	₩ 18,871	₩ 262,906	₩ 16,040

1. Amounts exclude treasury shares held by the Group as of December 31, 2024 and 2023.

2) Payout ratio

(in millions of Korean won)

	2024	2023
Total cash dividend	₩ 329,339	₩ 278,946
Net profit attributable to the equity holders of the parent	686,659	556,440
Payout ratio	47.96%	50.13%

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3) Dividend yield ratio

(in Korean won)

	2024		2023	
	Common share	Preferred stock	Common share	Preferred stock
Dividend per share	₩ 950	₩ 1,000	₩ 800	₩ 850
Average closing price[1]	14,026	12,302	10,258	9,878
Dividend yield ratio	6.77%	8.13%	7.80%	8.60%

1. It is the arithmetic average of the closing price announced in the past one week from the closing date for voting rights at general shareholders' meeting

Planned regulatory reserve for credit losses

In accordance with Article 3 Clause 8 of the Regulation on Supervision of Financial Investment, if the estimated provisions for credit losses under KIFRS are lower than those in accordance with the Regulation on Supervision of Financial Investment, the Group shall account for the difference in the Regulatory reserve for credit losses.

The planned regulatory reserve for credit losses for each of the two years in the two-year period ended December 31, 2024 is as follows:

(in millions of Korean won)

	2024	2023
Beginning balance	₩ 118,280	₩ 85,902
Required reserve for credit losses (reversal)	(18,337)	32,378
Ending balance	₩ 99,943	₩ 118,280

Planned reserves provided, adjusted net income after the planned reserves provided and adjusted earnings per share after the planned reserves provided for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Planned transfer provided (reversal)	₩ (18,337)	₩ 32,378
Adjusted net income after the planned reserves provided	704,998	524,061
Adjusted earnings per share after the planned reserves provided (in Korean won)	2,022	1,498

27. Net Fee and Commission Income

Fee income and expenses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Fee income:		
Brokerage commissions	₩ 543,295	₩ 501,820
Underwriting commissions	70,804	58,114
Brokerage commissions on beneficiary certificates	42,255	39,072
Management fee on wrap account and asset management	27,617	21,003
Commissions on merger and acquisition	28,349	17,446
Trust fees and commissions received from trust account	36,589	35,057
Financial guarantee fee	282,517	202,243
Remittance fee	111	310
Fee of lending securities	19,580	46,447
Others	126,908	117,571
	1,178,025	1,039,083
Fee expenses:		
Trading commissions	84,391	77,265
Discretionary fees	3,226	987
Remittance fee	335	343
Securities lending and borrowing fee	18,561	39,153
Others	116,836	132,055
	223,349	249,803
	₩ 954,676	₩ 789,280

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28. Gains and Losses on Financial Instruments at FVTPL

Details of gains and losses on valuation and disposals of financial instruments at FVTPL for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Gains on financial instruments at FVTPL:		
Disposal of financial assets at FVTPL	₩ 931,885	₩ 1,090,771
Changes in value of financial assets at FVTPL	663,129	772,713
Disposal of financial liabilities at FVTPL	360,324	290,781
Changes in value of financial liabilities at FVTPL	54,406	18,185
Disposal of financial liabilities designated at FVTPL	72,481	53,370
Changes in value of financial liabilities designated at FVTPL	70,642	196,609
Derivative held for trading transactions	3,628,109	4,189,230
Changes in value of derivative held for trading instruments	763,379	686,026
	6,544,355	7,297,685
Losses on financial instruments at FVTPL:		
Disposal of financial assets at FVTPL	702,840	630,631
Changes in value of financial assets at FVTPL	402,251	352,644
Disposal of financial liabilities at FVTPL	405,953	608,485
Changes in value of financial liabilities at FVTPL	36,402	160,536
Disposal of financial liabilities designated at FVTPL	310,526	517,341
Changes in value of financial liabilities designated at FVTPL	209,150	389,128
Derivative held for trading transactions	3,785,238	4,091,442
Changes in value of derivative held for trading instruments	840,677	567,662
	6,693,037	7,317,869
	₩ (148,682)	₩ (20,184)

In addition to the above, the gains and losses due to changes in credit risk recognized in other comprehensive income related to financial liabilities designated at FVTPL are gain of ₩ 3,071 million and loss of ₩ 33,036 million for each of the two years in the two-year period ended December 31, 2024, respectively.

29. Gains and Losses on Financial Instruments at FVOCI

Details of gains and losses on financial instruments at FVOCI recognized for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Gains on disposal of financial assets at FVOCI	₩ 10,785	₩ 18,943
Losses on disposal of financial assets at FVOCI	1,459	34,125
	₩ 9,326	₩ (15,182)

30. Gains and Losses on Derivative held for hedging

There are no gains and losses on valuation and disposals of derivative held for hedging reflected for each of the two years in the two-year period ended December 31, 2024.

31. Interest Income and Expense

Interest income and expense for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Interest income:		
Interest on broker's loans	₩ 294,017	₩ 285,665
Interest on loan purchased	10,428	12,582
Interest on loans	354,250	372,288
Interest on bonds	766,399	630,545
Interest on securities loaned	3	149
Interest on corporate commercial papers	64,648	74,616
Interest on deposits with KSFC	61,133	54,393
Interest on certificate of deposit	4,602	2,898
Interest on deposits of financial institutions	7,482	7,367
Interest on bonds purchased under resale agreements	38,883	22,037
Interest on deposits	80,385	76,994
Interest on receivables	516	856
Amortization of present value discounts on interest on bonds at FVOCI	(2,355)	19,795
Others	60,046	52,099
	1,740,437	1,612,284
Interest expense:		
Interest on borrowings	263,333	240,997
Interest on proceeds from customers' short sale	642	1,290
Interest on customers' deposits	53,598	32,435
Interest on bonds sold under repurchase agreements	270,159	225,546
Interest on call money	12,714	14,365
Interest on debentures	83,659	76,505
Interest on issued notes	222,343	205,975
Interest on lease liabilities	3,413	1,422
Others	28,801	22,432
	938,662	820,967
	₩ 801,775	₩ 791,317

Interest income accrued from impaired loan is ₩ 5,350 million and ₩ 6,601 million for each of the two years in the two-year period ended December 31, 2024, respectively.

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32. Gains and Losses on Financial Assets at Amortized Cost

Details of gains and losses on valuation and disposal of financial assets at amortized cost for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Gains on disposal of financial assets at amortized cost	₩ -	₩ 68
Losses on disposal of financial assets at amortized cost	275	-
	₩ (275)	₩ 68

33. Provision (Reversal) of Allowance for Credit Losses

Provision (reversal) of allowance for credit losses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Provision of allowance for credit losses		
Financial assets at FVOCI	₩ 183	₩ 747
Financial assets at amortized cost	77,644	117,322
Provision for off-balance-sheet accounts	9,349	546
	87,176	118,615
Reversal of allowance for credit losses		
Financial assets at FVOCI	127	712
Financial assets at amortized cost	-	7,890
	127	8,602
	₩ 87,049	₩ 110,013

34. General and Administrative Expenses

General and administrative expenses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Salaries:		
Short-term salaries	₩ 548,478	₩ 441,341
Severance benefits	53,948	39,860
Early retirement	2	145
Employee benefits	121,389	125,835
	723,817	607,181
Depreciation:		
Depreciation expense	47,037	43,571
Amortization expenses of intangible assets	3,164	2,904
Depreciation expense of right-of-use assets	33,635	28,561
	83,836	75,036
Other general and administrative expenses:		
IT expenses	44,278	37,472
Rent	6,506	6,609
Commission	61,984	56,322
Entertainment expenses	21,203	19,514
Advertisement expenses	31,122	26,351
Training expenses	2,869	2,498
Taxes and dues	48,321	48,321
Commission on consignment	1,786	1,577
Conference expenses	1,748	1,945
Printings	1,864	1,970
Travel	4,981	4,467
Vehicle maintenance	808	868
Supplies	1,042	970
Utility expenses	2,982	2,790
Insurance premium	13,797	13,005
Event expenses	17,501	8,874
Others	40,454	36,950
	303,246	270,503
	₩ 1,110,899	₩ 952,720

The performance condition share-based payments agreement granted to Group's employees as of December 31, 2024 and 2023 are as follows:

1) Performance condition share-based payments

(in millions of Korean won)

	2024	2023
Beginning balance	₩ 2,595,296	₩ 3,256,856
Grant	1,449,542	904,885
Payment and others	1,275,649	1,566,445
Ending balance	₩ 2,769,189	₩ 2,595,296

1. Based on stock-linked share-based payments, the Group paid for the quantities of the granted share options, which subject to be deferred, in cash in 3 years with installments by applying base stock price, and evaluated fair value of the base stock price to be paid in the future at arithmetic average closing prices for a base month at the each of time of settlement. Accordingly, the fair value of base stock price as of December 31, 2024 is ₩ 13,924.

2) The Group accounts for performance condition share-based payments according to the cash-settled method and the fair value of the liabilities is reflected in the compensation costs by re-measuring every closing period. As of December 31, 2024, the book value of the liabilities related to the performance condition sharebased payments recognized by the Group amounts to ₩ 38,558 million.

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35. Other Operating Revenue (Expenses)

Other operating revenue and expenses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Other operating revenue:		
Dividend income	₩ 73,527	₩ 62,354
Other income of debt securities at FVTPL	188,002	247,067
Gain on disposals of commodity	2,121	44
Gain on valuation of commodity	576	1
Reversal of provision for restoration	2,206	2,735
Others	19,501	4,173
	285,933	316,374
Other operating expenses:		
Loss on disposals of commodity	1,197	29
Loss on valuation of commodity	1,346	2,226
Provision of provision for restoration	-	280
Other provision	73,608	98,402
Others	2,205	50,426
	78,356	151,363
	₩ 207,577	₩ 165,011

36. Non-operating Income (Expenses)

Non-operating income and expenses for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Non-operating income:		
Gain on disposals of property and equipment	₩ 53	₩ 39
Gain on disposals of intangible assets	261	-
Rent	15,239	14,705
Share of profit of associates	36,611	30,900
Gain on disposals of investments in associates	42,062	27,706
Other non-operating income	18,700	21,757
	112,926	95,107
Non-operating expenses:		
Loss on disposals of property and equipment	1,568	1,807
Loss on disposals of intangible assets	-	6
Share of loss of associates	7,468	12,441
Loss on disposals of investments in associates	5,910	12,304
Donations	6,583	6,700
Other non-operating expenses	67,609	66,877
	89,138	100,135
	₩ 23,788	₩ (5,028)

37. Income Tax Expense

Details of income tax expense for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Current income tax payable	₩ 409,893	₩ 286,530
Changes in deferred income taxes due to temporary differences	7,423	(88,524)
Changes in deferred income taxes adjusted at the time of filing the prior year's finalized tax return	(175,492)	-
Changes in deferred income taxes directly in equity	4,016	(18,143)
Adjustment or prior year tax return	(8,544)	687
Others including income tax refund or surtax	923	(12,869)
Income tax expense	₩ 238,219	₩ 167,681

Income tax expense for each of the two years in the two-year period ended December 31, 2024 can be reconciled to net income as follows:

(in millions of Korean won)

	2024	2023
Income before income tax expense	₩ 924,857	₩ 720,729
Tax calculated at statutory tax rate (2024: 25.3%, 2023: 25.0%)	233,800	179,910
Adjustments:		
Expenses not deductible for tax purposes (2024: ₩ 19,654 million, 2023: ₩ 20,840 million)	5,129	5,457
Income not taxable for tax purposes (2024: ₩ 4,970 million, 2023: ₩ 5,196 million)	(1,335)	(1,358)
Effects of unrecognized deferred income taxes due to temporary differences	(229)	(15,424)
Effect of the tax system for recirculation of corporate income	10,174	10,861
Adjustment or prior year tax return	(8,544)	687
Others including difference of tax rate	(776)	(12,452)
Income tax expense	₩ 238,219	₩ 167,681
Effect tax rates	25.76%	23.27%

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Changes in temporary differences and the related income tax assets and liabilities for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024		
	Beginning balance	Additions and deductions[1]	Ending balance
Accrued retirement benefits	₩ 272,945	₩ 54,833	₩ 327,778
Contribution for retirement allowances	(244,356)	(13,020)	(257,376)
Valuation of financial assets at fair value	388,849	(627,848)	(238,999)
Valuation of financial assets at FVOCI	11,861	(3,071)	8,790
Valuation of securities in short position	141,528	(159,537)	(18,009)
Valuation of securities in short position at OCI	(497,080)	(35,336)	(532,416)
Valuation of derivative	(477,633)	681,471	203,838
Loss on valuation of derivative held for hedging	5,276	-	5,276
Accrued interest on receivables	(198,017)	25,402	(172,615)
Property and equipment	10,942	6,707	17,649
Right-of-use assets	(88,618)	11,758	(76,860)
Lease liabilities	85,106	(9,553)	75,553
Other provision for expected credit losses	312,789	84,466	397,255
Estimated cost (annual paid leave)	85,772	17,262	103,034
Loss on foreign currency translation	7,380	(122,627)	(115,247)
Others	132,236	(28,276)	103,960
	(51,020)	(117,369)	(168,389)
Not recognized as deferred tax assets	(94,532)	(75,129)	(169,661)
Recognized as deferred tax assets	₩ 43,512	₩ (42,240)	₩ 1,272
Tax rate	26.4%, etc.		26.4%, etc.
Deferred tax assets	₩ 13,785		₩ 6,362

1. Reflecting the change in the temporary differences arising from the filing of income taxes for the year ended December 31, 2024.

(in millions of Korean won)

	2023		
	Beginning balance	Additions and deductions[1]	Ending balance
Accrued severance benefits	₩ 222,845	₩ 50,100	₩ 272,945
Contribution for retirement allowances	(222,845)	(21,511)	(244,356)
Valuation of financial assets at fair value	568,571	(179,722)	388,849
Valuation of financial assets at FVOCI	(21,175)	33,036	11,861
Valuation of securities in short position	(186,008)	327,536	141,528
Valuation of securities in short position at OCI	(332,416)	(164,664)	(497,080)
Valuation of derivative	(707,516)	229,883	(477,633)
Loss on valuation of derivative held for hedging	5,283	(7)	5,276
Accrued interest on receivables	(171,913)	(26,104)	(198,017)
Property and equipment	11,807	(865)	10,942
Right-of-use assets	(39,986)	(48,632)	(88,618)
Lease liabilities	43,341	41,765	85,106
Other provision for expected credit losses	272,819	39,970	312,789
Estimated cost (annual paid leave)	110,603	(24,831)	85,772
Gain on foreign currency translation	(22,468)	29,848	7,380
Others	169,884	(37,648)	132,236
	(299,174)	248,154	(51,020)
Not recognized as deferred tax assets	7,239	(101,771)	(94,532)
Recognized as deferred tax assets	₩ (306,413)	₩ 349,925	₩ 43,512
Tax rate	26.5%, etc.		26.4%, etc.
Deferred tax liabilities	₩ (74,739)		₩ 13,785

1. Reflecting the change in the temporary differences arising from the filing of income taxes for the year ended December 31, 2023.

Details of temporary differences that are not recognized as deferred tax assets (liabilities) as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023	Reasons for exclusion
Transfer price tax	₩ 1,713	₩ 1,713	Uncertain possibilities of elimination
Subsidiaries	(210,570)	(135,440)	Uncertain possibilities of elimination
Deemed dividend	39,195	39,195	Uncertain possibilities of elimination
	₩ (169,662)	₩ (94,532)	

Details of deferred tax that have been recognized directly in equity for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Gain or loss on valuation of financial assets at FVOCI	₩ (9,384)	₩ (42,941)
Gain or loss on credit risk fluctuation of financial liabilities designated at FVTPL	(811)	8,743
Gain or loss on valuation of derivative	-	1,176
Gain or loss on valuation of equity-method investments	(118)	-
Actuarial gains and losses	13,863	10,681
Gain or loss on translation of overseas operations	466	4,198
	₩ 4,016	₩ (18,143)

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38. Basic and Diluted Earnings per Share

The basic earnings per share is calculated by dividing net income by weighted-average number of common shares outstanding:

(in millions of Korean won)

	2024	2023
Net income attributable to the equity holders of the parent	₩ 686,659	₩ 556,440
Dividend on preferred stock	944	944
Net income attributable to common shares	₩ 685,715	₩ 555,496
Weighted-average number of common shares outstanding[1]	348,723,913	349,846,695
Basic earnings per share (in Korean won)	₩ 1,966	₩ 1,588
Diluted earnings per share (in Korean won)	1,966	1,588
Basic earnings per share (Preferred stock) (in Korean won)	2,016	1,638

1. Existing preferred stocks which meet the definition under paragraph 5 of KIFRS 1033 are included.

Details of the weighted-average number of common shares outstanding as of December 31, 2024 and 2023 are as follows:

(in shares)

	Accumulated number of shares issued during period	Accumulated number of treasury stocks during period	Accumulated number of shares outstanding during period	Days	Weightedaverage number of shares outstanding
2024	127,933,396,260	300,444,243	127,632,952,017	366	348,723,913
2023	127,945,964,485	251,920,740	127,694,043,745	365	349,846,695

The diluted earnings per share are the same as the basic earnings per share because there are no dilutive securities granted by the Parent Company for each of the two years in the two-year period ended December 31, 2024.

39. Statements of Cash Flows

Other adjustments to reconcile net income to net cash used in operating activities for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Income tax expense	₩ 238,219	₩ 167,681
Interest income	(1,740,437)	(1,612,284)
Interest expense	938,662	820,967
Dividend income	(261,529)	(309,421)
Gain on valuation of financial instruments at FVTPL	(1,551,556)	(1,673,533)
Loss on valuation of financial instruments at FVTPL	1,488,480	1,469,970
Gain on disposal of financial assets at FVOCI	(10,785)	(18,943)
Loss on disposal of financial assets at FVOCI	1,459	34,125
Transfer to reserve for credit risk loss of financial assets at FVOCI	56	35
Provision	77,644	109,432
Loss (gain) on foreign currency translation	(136,073)	29,783
Depreciation of property and equipment / investment property	50,918	47,324
Depreciation of right-of-use assets	33,635	28,561
Amortization	3,165	2,904
Gain on disposal of property and equipment	(53)	(39)
Gain on disposal of investment property	(261)	-
Loss on disposal of property and equipment	1,568	1,807
Loss on disposal of intangible assets	-	6
Provisions for credit losses	82,957	99,228
Reversal of provisions	(2,206)	(2,735)
Retirement benefits	30,162	19,307
Gain on disposal of investments in associates	(42,062)	(27,706)
Loss on disposal of investments in associates	5,910	12,304
Loss on non-controlling interests	-	45,691
Share of profit of associates	(36,611)	(30,900)
Share of loss of associates	7,468	12,441
Other gain	(14,805)	(165)
	₩ (836,075)	₩ (774,160)

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Changes in operating assets and liabilities for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Increase in financial assets at FVTPL	₩ (3,459,081)	₩ (1,291,342)
Increase in financial assets at amortized cost	(377,909)	(1,967,563)
Decrease in other assets	184,327	47,708
Increase in deposits due to customers	582,796	1,540,535
Decrease in financial liabilities at FVTPL	(1,552,187)	(2,099,902)
Increase (decrease) in other financial liabilities	(513,971)	2,035,150
Decrease in derivative liabilities held for hedging	-	(1,219)
Decrease in provisions	(31,995)	(117,007)
Decrease in other liabilities	(3,070)	(13,212)
	₩ (5,171,090)	₩ (1,866,852)

Investing and financing activities not involving cash inflows and outflows for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Loss on valuation of financial assets at FVOCI[1]	₩ (30,056)	₩ (165,188)
Reclassification of financial assets at FVTPL and financial assets at FVOCI to investments in associates	153,855	-
Reclassification of investments in associates to financial assets at FVTPL	21,466	40
Acquisition of financial assets at FVTPL due to dividends-in-kind	20,849	6,448
Remeasurement of the defined benefit plan[1]	52,565	40,556
Loss related to derivatives held for hedging[1]	-	(1,015)
Adjustment of valuation of credit risk[1]	(3,071)	33,036
Reclassification of constriction-in-progress to furniture and fixtures	(9,793)	(27,244)
Transfers to/from land and buildings from/to investment properties	3,347	(4,313)
Reclassification of furniture and fixtures to intangible assets	24,561	-
Establishment of provisions for restoration	1,177	3,277
Retirement of treasury shares	51,532	-

1. Presenting amounts not reflecting the effect of deferred income tax.

Cash and cash equivalents as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023
Cash on hand	₩ 41,955	₩ 39,900
Current deposits	6,255	7,770
Deposits in foreign currency	1,093,102	1,665,591
Certificate of deposit	43,748	-
Other deposits	399,409	462,219
	₩ 1,584,469	₩ 2,175,480

Changes in financing liabilities for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Beginning balance	Cash flows from financing activities	Fluctuation of foreign exchange rate	Others	Ending balance
Borrowings	₩ 18,919,143	₩ 5,446,364	₩ 176,217	₩ (95,211)	₩ 24,446,513
Debentures	2,914,953	(123,451)	53,860	5,040	2,850,402
Lease liabilities	90,222	(35,262)	-	26,061	81,021
Leasehold deposits received	7,596	895	-	130	8,621
Accrued dividends	-	(278,946)	-	278,946	-
Non-controlling liabilities	767,349	(198,771)	-	(19,420)	549,158
	₩ 22,699,263	₩ 4,810,829	₩ 230,077	₩ 195,546	₩ 27,935,715

(in millions of Korean won)

	2023				
	Beginning balance	Cash flows from financing activities	Fluctuation of foreign exchange rate	Others	Ending balance
Borrowings	₩ 18,026,331	₩ 590,983	₩ 18,785	₩ 283,044	₩ 18,919,143
Debentures	3,517,735	(618,162)	6,539	8,841	2,914,953
Lease liabilities	50,449	(36,701)	-	76,474	90,222
Leasehold deposits received	7,186	(394)	-	804	7,596
Accrued dividends	-	(245,841)	-	245,841	-
Non-controlling liabilities	698,498	(3,751)	-	72,602	767,349
	₩ 22,300,199	₩ (313,866)	₩ 25,324	₩ 687,606	₩ 22,699,263

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40. Contingencies and Commitments

The Group has entered into several arrangements with the financial institutions, and details of arrangements including the line of credit as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won and in USD, VND, IDR and HKD)

Confirmed guarantee	Financial institution	Limits			
		2024		2023	
Intra-day-credit	NH Bank	₩	500,000	₩	500,000
	Woori Bank, etc.		180,000		180,000
	JP Morgan Chase Bank.[2]	USD	10,000,000	USD	10,000,000
	Euro-Clear[2]	USD	100,000,000	USD	100,000,000
	Korea Securities Depository	USD	10,600,000	USD	15,000,000
Deposit collateralized overdrafts commitment	Woori Bank etc.	₩	47,500	₩	47,500
	NH Bank		150,000		150,000
Unsecured Credit Line Loan	Standard Chartered Bank Korea Ltd		130,000		-
Performance payment guarantee	Seoul Guarantee Insurance		7,470		8,085
Discounting notes arrangement (Securities Finance General Fund)	Korea Securities Finance Corp.[1]		200,000		200,000
Discounting notes arrangement (Deposit margin deposit)	Korea Securities Finance Corp.[1]		Subscription deposits		Subscription deposits
Borrowing from KSFC	Korea Securities Finance Corp.[1]		1,750,000		1,750,000
Borrowing securities from KSFC	Korea Securities Finance Corp.[1]		300,000		300,000
Borrowing for support to guarantee finance	Korea Securities Finance Corp.[1]		1,900,000		1,900,000
Borrowing for operating fund	Korea Securities Finance Corp.[1]		268,000		268,000
Borrowing for operating fund (customers)	Korea Securities Finance Corp.[1]		Customer's deposits		Customer's deposits
Borrowing for bond dealer	Korea Securities Finance Corp.[1]		260,000		260,000
Daily money trading	Korea Securities Finance Corp.[1]		200,000		200,000
Foreign currency liquidity supply agreement	JP Morgan Chase Bank	USD	100,000,000	USD	100,000,000
	DBS Bank		-	USD	50,000,000
Term loans	NH Bank	USD	14,000,000	USD	20,000,000
	BIDV Bank		-	VND	385,848,000,000
	NH Bank (HN Branch)	VND	260,000,000,000	VND	110,000,000,000
	Hana Bank	VND	162,000,000,000	VND	180,000,000,000
	Vietin Bank		-	VND	300,000,000,000
	Industrial Bank Of Korea	VND	250,000,000,000		-
	Wooribank	VND	250,000,000,000		-
	Vietcombank	VND	300,000,000,000		-
Overdraft loans	BIDV Bank	VND	708,785,000,000	VND	529,200,000,000
	UOB	IDR	30,000,000,000	IDR	30,000,000,000
	CIMB NIAGA	IDR	125,000,000,000	IDR	175,000,000,000
	KEB HANA	IDR	50,000,000,000	IDR	25,000,000,000
	Taishin International Bank Hong Kong Branch	USD	50,000,000	USD	120,000,000
	E.SUN COMMERCIAL BANK, LTD., HONG KONG BRANCH	USD	10,000,000		-
	Malayan Banking Berhad Hong Kong Branch	EUR	100,000,000	EUR	100,000,000
Overdraft loans	WOORI Saudara	IDR	30,000,000,000	IDR	30,000,000,000
	NongHyup Bank Hong Kong Branch	USD	10,000,000	USD	10,000,000
	Standard Chartered Bank (Hong Kong) Limited	USD	60,000,000	USD	60,000,000
Limited loans, etc	Industrial Bank Of Korea	₩	370	₩	400
	Shinhan Bank		-		800
	NH Bank		2,600		2,900
	Kookmin Bank		3,000		500
	Hana Bank		-		1,600
	Seoul Guarantee Insurance		5,737		3,187

1. This arrangement may be suspended during the term of the contract due to changes in the financial situation or the judgment of the lender.
2. This arrangement is subject to change based on the size of the assets / transactions of the Group and internal standards of financial institutions.

Details of the number of lawsuits and the aggregated amounts of litigations as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Content	2024		2023	
		Number of cases	Amount	Number of cases	Amount
As defendant[1,2]	Outstanding lawsuits etc.	70	₩ 398,427	67	₩ 433,352
As plaintiff	Outstanding lawsuits etc.	17	117,940	24	106,653

1. Major ongoing lawsuits as of December 31, 2024 include a claim for return of unjust enrichment related to DLS amounting to ₩ 171,151 million (2023: ₩ 215,937 million), a claim for return of unjust enrichment related to Optimus amounting to ₩ 123,600 million (2023: ₩ 123,600 million), a claim for return of unjust enrichment related to deposits amounting to ₩ 647 million (2023: ₩ 193 million), a claim for transfer of shares amounting to ₩ 6,400 million (2023: ₩ 1,277 million), and other claims for damages amounting to ₩ 96,629 million (2023: ₩ 76,781 million). The final outcome and impact of these litigations cannot be predicted as of December 31, 2024.
2. The competent court (Seoul Central District Court, etc.) has ruled partially citing the plaintiff's claim in the first ruling (July 2023 - July 2024) on the claim for return of unfair profits related to Optimus. Excluding some of the cases ruled above, the amounts for the lawsuit in relation to the Optimus Funds, which is currently in the first trial, are ₩ 17,700 million. The final outcome and effect of the litigation cannot be predicted as of December 31, 2024.

Details of contingent liabilities regarding guarantees and loan commitments as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Counter party	Amount of guarantees			
		2024		2023	
Purchases and acquisitions commitment	Macquarie Korea Infrastructure Fund etc.	₩	618,318	₩	441,488
Loan commitments[1]	Revere Power, LLC etc.		3,717,092		1,644,978
Unfulfilled contribution commitment	JKL 10th Private Equity Fund etc.		421,776		419,315
		₩	4,757,186	₩	2,505,781

1. Including commitment to acquisition of private equity bonds.

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As of December 31, 2024, NH Futures Co., Ltd., a subsidiary, has been undergoing litigation pursuant to the dual punishment provisions prescribed in Article 31 of the Foreign Exchange Transactions Act in connection with an abnormal foreign currency remittance transaction. In the first trial, the prosecution was dismissed, and the appellate trial is currently in progress. As of the December 31, 2024, the final outcome of the investigation and its impact cannot be predicted.

Details of securities deposited by customer as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024	2023	Details of evaluation
Securities for brokerage	₩ 261,182,112	₩ 263,358,337	Fair value
Securities for savings	221,682	216,886	Fair value
Beneficiary securities	63,034,107	61,658,319	Base price[1]
Other securities	83,619	80,861	Fair value
	₩ 324,521,520	₩ 325,314,403	

1. It corresponds to the fair value at the price announced by Korea Financial Investment Association.

41. Related Party Transactions

The related parties of the Group as of December 31, 2024 are as follows:

	Related parties
Ultimate parent company	NACF
Parent company	NongHyup Financial Group Inc.
Entities under common control	NH Bank Co., Ltd., NH Life Insurance Co., Ltd., NH Property and Casualty Insurance Co., Ltd., NH Capital Co., Ltd., NH Saving Bank Co., Ltd., NongHyup REITs Management Co., Ltd., NH Venture Investment Co., Ltd., NH-Amundi Global TPG Asia VII Private Master Fund(USD)[F0F], NH-Amundi MBKP Special Situations I Private Fund 1, NH-Amundi Global Infra Fund No.13, VOGO U.S. Buyout Private Fund IV, NH-Amundi BCP VIII Private Fund 2, Kiwoom Strada General Investment Trust, Consus Seoul Chuncheon Highway General Private Sepcial Asset Investment Trust, DB Corporate Private Investment Trust 1[Bond] and 30 other fund Structured Entities , KAMCO Value Recreation 4th Securitization Specialty Ltd., Personal Pension Trusts and 10 other consolidated trusts, NongHyup Finance Myanmar Co., Ltd., NongHyup Finance Cambodia Co., Ltd., NH-Amundi AXI Private Fund 3[FoF], NH-Amundi BXD Private Fund 1 [FoF], NH LD 1st Co.,Ltd. and 1 other Asset Securitization Structured Entity, NH office Private Real Estate Investment Trust No.2(Professional).
Associates	Blue Ocean Corporate Financial Stability 1st Privately Placed Investment Company, NH-LB Growth Champ 2011-4th PEF, NH Agri-Biz Value Creative 1st PEF, IBK-NH Small-Giant PEF, TRUBENGlobal Healthcare Private Equity Joint Co., Ltd., Starset-DA value Healthcare Investment Fund No. 2, Starset-DA value Healthcare Investment Fund No. 2, Ascendo New Generation Healthcare Investment, NH_AJU Digital Fund, NH-AJU KOSDAQ SCALEUP FUND, NH-Paxtone Private Equity Fund, NHOPUS Corporate Financial Stability Private Equity Fund, NH-AJU KOSDAQ SCALEUP FUND, NHPaxtone Private Equity Fund, NH-OPUS Corporate Finamcial Stability Private Equity Fund, Square-DA value Fund No.1, MK Ventures-K Clavis Growth capital Venture Fund 1, Mastern No.51 Yeouido PFV Co.,Ltd, Smilegate Vietnam Kairos Private Equity Fund #1, NH-Soo Investment innovative growth M&A fund, NH-OPUS II Corporate Financial Stability Private Equity Fund, NH Co-Investment Private Equity Fund , Korea Investment-Brick Investment New Technology Investment Fund 1st , Harvest Private Equity Fund II, NH-Horizon Secondary Fund, The Lakebridge-Samsung Securities Growth Fund I, LD New Technology Business Investment Fund 2, Recovery Partners Co., Ltd, Meritz-NH Healthcare No. 1 , Smilegate Aphrodite Serve One Fund, Smart Quaternary Industry Square Investment Fund No. 2, POSITIVE Sobujang Venture Fund #1, NH-OPUS III Corporate Financial Stability Private Equity Fund, NH-Meritz Hightech Fund, LB Private Equity Fund III-1, DAYLI Swanson Bio Healthcare Fund 8 , Pentastone Bridge I Funds, SJGP YG Fund No.1, NH-Alpha 1st Fund, NH-J&-IBKC Label Technology Fund, NH EBEST MATERIALS Fund No.1, NH Absolute Mezzanine General Private Placement Investment Trust No.2, NH Absolute Pre IPO General Private Placement Investment Trust No.1, NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1, NH Absolute Mezzanine General Private Placement Investment Trust No.3, NH Absolute Mezzanine General Private Placement Investment Trust No. 4, NH Absolute Project C General Private Placement Investment Trust, NH Absolute Project H General Private Placement Investment Trust, NH-Principle Private Equity Fund, NH-U&S-Brain Pre-IPO Investment Fund, NH Digital Alliance Fund, NH Agtec Innovation Private Equity Fund, Nextrade Co., Ltd., NH Woori Newdeal Growth Alpha Private Equity Fund I, ESG leaders 1st Private Equity Fund, DBOrbit-SDH New Technology Business Investment Fund, Global Materials Parts Equipment Fund, NH-IBKC EV Fund, Newmain-Wanted Lab I Funds, KAI E lectric Fund 1, BNW Recharge Private Equity Fund, Pine Tree III VC Private Equity Fund, Pectus-IBKC Fund No.1, KNT_Daishin New Technology Investment Fund 3rd, NH-Susung No.1 Mezzanine New Technology Investment Fund, SJGP YG Fund No.4, NH-IBKS KONEX SCALEUP FUND, Daishin-Atman Healthcare New Technology Investment Fund 1th, SKF&NHIS Timor Holdings Ltd., NH SPECIAL PURPOSE ACQUISITION 31 COMPANY, HI YG Win-win Fund No.2, SKYWALK-KAI Titan New Technology Investment Fund No.1, NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1), NH SPECIAL PURPOSE ACQUISITION 23 COMPANY, NH SPECIAL PURPOSE ACQUISITION 24 COMPANY, NH SPECIAL PURPOSE ACQUISITION 25 COMPANY, NH SPECIAL PURPOSE ACQUISITION 26 COMPANY, NH SPECIAL PURPOSE ACQUISITION 27 COMPANY, NH SPECIAL PURPOSE ACQUISITION 29 COMPANY, NH SPECIAL PURPOSE ACQUISITION 30 COMPANY, Edupalace Co., Ltd., Seoul Sungbo Development Co., Ltd., Younggu Daekwang Bangjisan Co., Ltd., Shandong Hangsang Development Co., Ltd., Edupalace INC, NH Absolute Project K Private Equity Fund, NH Absolute Mezzanine General Private Placement Investment Trust No.5, NH-Moorim Dental Care Investment Fund No.1, NH-ARA Value-add No.1 Private Equity Fund, NH Woori New Deal Co-Investment No.1 Private Equity, Kbank, NH-Susung No.2 Mezzanine New Technology Investment Fund, Dayli Bio Healthcare No.6 Start-up Venture Specialized Private Equity Fund, Hope Agriculture Innovation Private Equity Fund, Magna K-Beauty-I Fund, IBKS-YG Turn around Fund, Changzhou Alan NH, Changzhou Alan NH Equity Investment Management Ltd, NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2, NH hedge Kosdaq SPAC Private Equity, NH Hedge Project HD Plus General Private Placement Investment Trust.
Other related parties[1]	NH-Amundi Assets Management Co., Ltd., Korea Credit Bureaus Co., Ltd., Kyunggi-DSC Superman Investment Fund No. 1, Samjin ehwa Co.,Ltd, Seasons Shipping Co., Ltd., Korea Growth Opportunity Private Equity Fund I, IFFCO-Kisan Finance Ltd., NHC-DTNI Agrifood ABC Investment Fund No. 1, NHC-DTNI Agrifood General Investment Fund No. 2, Atilla-infra Private Equity Fund No. 1, NH Agribusiness Group, NH Networks Co., Ltd., NH Information System Co., Ltd., Agricultural Cooperative Asset Management Co., Ltd., Nonghyup Partners, Nonghyup Hanaro Mart Inc., Agricultural Corporation Nonghyup Food Grain Inc., Korea Agricultural Cooperative Marketing Inc., Nonghyup Logistics Service Inc., NongHyup Chemical Co., Ltd., NH Trading Co., Ltd., Nonghyup-Agro, Inc., Nonghyup RedGinseng Co., Ltd., Namhae Chemical Corporation, Nonghyup Moguchon Inc., Nonghyup Feed Inc., NONG WOO BIO CO., LTD., Agricultural Corporation Nonghyup Food Inc., PUBLIC HOMESHOPPING, Orion Nonghyup Agri, Inc., NH-Hay Inc., Nonghyup TMR Agricultural Co., Ltd., Nisso-namhae Agro Co., Ltd., Korea Nonghyup International, Nonghyup America Inc., Eunaegi (Shanghai) Trading Co., Ltd., Beijing Shinong Seed Co., Ltd., Nongwoo Seed America Inc., PT. Koreana Seed Indonesia, Nongwooseed India Pvt. Ltd., Beijing shinong International Trading Co., Ltd., Nongwooseed Myanmar Co., Ltd., NONGWOOBIO TOHUMCULUK SANAYI TICARET ANONIM SIRKETI, Daewoo Logistics Corp., NH-NAU Agro Food 1st Private Equity Fund, GNO Co.,Ltd, STONEBRIDGE RISING STAR VENTURE FUND No.1, NH-NAU Agro Food 2nd Private Equity Fund, NH-UON Fund No.1, NH Agri-Food Venture Fund, Home and Shopping Co., Ltd., CO-OP Group (Tianjin) International Leasing Co., Ltd., NH Venture - AJU IB New Growth Fund, OL Va Ran. Inc., TS Daesung H Professional Investment Type Private IInvestment Company, Tosoh Namhae Silica Co., Ltd., GARAK SUSAN CO.,LTD, PROTEK KOREA CO.,LTD, KDAC, NH-Iris ESG Fund, NH-Deep Dive Smart Logistics Fund, PARADISE CO., LTD., NES Materials Corporation, Korea-ASEAN Technology Fund 1, Korea-ASEAN Technology Fund 2, MEDI LAB CO., LTD, NH-DX Open Innovation Fund, Highland 2022 9th Private Equity Fund, NH Young-Farmers Venture Fund, NH-NICE Venture Fund-1, IFC KOREA INC., Korea Medical Environment Co., Ltd. (formerly Stericycle Korea Co., Ltd.), Envitech co. LTD, Farmco Inc, Evermount Harbor Bricks Private Equity Fund, Consus Kosdaq Venture Private Fund No.1, POCHEON GIGONG CO., LTD, NH-OC Global Open Innovation Fund, Nonghyup Woori Feed Agricultural Co., Ltd., NH-Amundi Logis Real Estate General Private Investment Company, 2024 Tethys Venture Fund.

1. Companies affiliated with large-scale business groups other than parent companies, subsidiaries, associates, and other special parties are included in other related parties.

Notes to the Consolidated Financial Statements

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Assets and liabilities from transactions with the related parties as of December 31, 2024 and 2023 are as follows:

<Assets>

(in millions of Korean won)

Related parties	Accounts	2024	2023
Entities under common control:			
NH Bank Co., Ltd.	Deposits	₩ 815,190	₩ 941,983
	Other assets	12,294	9,278
NH Life Insurance Co., Ltd.	Derivative assets	3,036	-
NH Property and Casualty Insurance Co., Ltd.	Derivative assets	4,225	-
Associates:			
NH Agri-Biz Value Creative 1st PEF	Other assets	76	146
IBK-NH Small-Giant PEF	Other assets	-	1
NH-Paxtone Private Equity Fund	Other assets	-	115
NH-OPUS Corporate Financial Stability Private Equity Fund	Other assets	145	205
NH-OPUS II Corporate Financial Stability Private E quity Fund	Other assets	93	119
NH Co-Investment Private Equity Fund	Other assets	4,901	1,385
NH-AJU KOSDAQ SCALEUP FUND	Other assets	-	307
NH-SYNERGY BIO Fund[1]	Other assets	-	43
KYOBO-NH Healthcare New Technology Investment Association No. 1[1]	Other assets	-	13
NH IBKC Dental Solution Investment Fund[1]	Other assets	-	44
NH-J&-IBKC Label Technology Fund	Other assets	140	100
NH-OPUS III Corporate Financial Stability Private Equity Fund	Other assets	216	158
NH-Soo Investment innovative growth M&A fund	Other assets	214	346
NH Digital Alliance Fund	Other assets	245	246
NH-Principle Private Equity Fund	Other assets	47	47
NH-U&S-Brain Pre-IPO Investment Fund	Other assets	-	37
NH Agtec Innovation Private Equity Fund	Other assets	153	154
NH Woori Newdeal Growth Alpha Private Equity Fund I	Other assets	381	794
NH SYNERGY M.C.E. New Technology Investment Fund[1]	Other assets	-	30
Meritz-NH Healthcare No. 1	Other assets	166	58
NH-IBKC Bio New Technology Fund[1]	Other assets	-	205
NH-Meritz Hightech Fund[1]	Other assets	-	34
NH-IBKS KONEX SCALEUP FUND	Other assets	141	8
NH Woori New Deal Co-Investment No.1 Private Equity	Other assets	127	-
NH-ARA Value-add No.1 Private Equity Fund	Other assets	177	-
NH SPECIAL PURPOSE ACQUISITION 19 COMPANY[1]	Other assets	-	10,318
NH SPECIAL PURPOSE ACQUISITION 20 COMPANY[1]	Other assets	-	8,116
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	Other assets	2,948	3,247
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	Other assets	1,394	1,590
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	Other assets	1,003	1,296
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY	Other assets	1,760	1,704
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	Other assets	1,446	1,421
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	Other assets	3,865	4,486
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	Other assets	1,851	2,127
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY	Other assets	2,004	-
Incheon Hangdong Officetel PF (formerly, NS Partners Co., Ltd.)[2]	Loan receivables	-	40,591
Yeouido Cultural Broadcasting Site Development PFV[1]	Loan receivables	-	4,370
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1	Other assets	2,543	1,384
NH Absolute Mezzanine General Private Placement Investment Trust No.1	Other assets	1,477	2,516
NH Absolute Pre IPO General Private Placement Investment Trust No.1	Other assets	1,052	1,101
NH Absolute Project H General Private Placement Investment Trust	Other assets	24	25
NH Absolute Mezzanine General Private Placement Investment Trust No.3	Other assets	126	293
NH Absolute Mezzanine General Private Placement Investment Trust No.4	Other assets	60	86
NH Absolute Project L General Private Placement Investment Trust[1]	Other assets	-	55
Mastern No.51 Yeouido PFV Co.,Ltd	Loan receivables	27,117	28,002
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1	Other assets	16	-
NH Absolute Mezzanine Private Equity fund No.5	Other assets	31	-
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2	Other assets	21	-
NH Absolute Project K Private Equity Fund	Other assets	602	-
NH hedge Kosdaq SPAC Private Equity	Other assets	18	-
NH Hedge Project HD Plus General Private Placement Investment Trust	Other assets	15	-
NH Absolute Project C General Private Placement Investment Trust	Other assets	10	-
		₩ 891,350	₩ 1,068,584

1. Excluded from the Group's related parties for the year ended December 31, 2024.
2. Excluded from the Group's related parties for the year ended December 31, 2023.

Notes to the Consolidated Financial Statements

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<Liabilities>

(in millions of Korean won)

Related parties	Accounts	2024	2023
Entities under common control:			
NH Bank Co., Ltd.	Deposits due to customers	₩ 6	₩ 104
	Other liabilities	123,120	90,873
NH Life Insurance Co., Ltd.	Deposits due to customers	1,560	2
	Other liabilities	2	-
NH Property and Casualty Insurance Co., Ltd.	Derivative liabilities	21,998	8,168
NH Capital Co., Ltd.	Deposits due to customers	3,639	6,708
Associates:			
NH-Meritz Contents 1 Fund[1]	Other liabilities	-	48
NH-Horizon Secondary Fund	Other liabilities	16	16
NH-Brain EV Fund[1]	Other liabilities	-	39
NH EBEST MATERIALS Fund No.1	Other liabilities	16	16
NH-Daishin-Kyobo Healthcare 1 Fund[1]	Other liabilities	-	15
NH-IBKC EV Fund	Other liabilities	4	124
NH-Susung No.1 Mezzanine New Technology Investment Fund	Other liabilities	112	112
Other related parties:	Other liabilities	7	5
NONG WOO BIO CO., LTD.	Deposits due to customers	7,066	10,704
Nonghyup Partners	Other liabilities	8	-
Nonghyup Feed Inc.	Deposits due to customers	447	50
		₩ 158,001	₩ 116,984

1. Excluded from the Group's related parties for the year ended December 31, 2024.

The amount of right-of-use assets recognized from lease transactions with the related parties such as NH Information System Co., Ltd. as of December 31, 2024 and 2023 is ₩ 2,860 million and ₩ 3,004 million, and lease liabilities is ₩ 2,893 million and ₩ 3,003 million, respectively.

Transactions occurred with related parties for each of the two years in the two-year period ended December 31, 2024 are as follows:

<Revenue>

(in millions of Korean won)

Related parties	Accounts	2024	2023
Ultimate parent company:			
NACF	Commission	₩ 6	₩ 1
Entities under common control:			
NH Bank Co., Ltd.	Interest income	15,224	11,784
	Other operating revenue	959	1,263
	Commission	607	590
NH Life Insurance Co., Ltd.	Commission	16	27
	Other operating revenue	3,384	2
NH Property and Casualty Insurance Co., Ltd.	Commission	1	30
	Other operating revenue	4,225	-
NH office Private Real Estate Investment Trust No.2(Professional)	Commission	1,005	-
Associates:			
NH Agri-Biz Value Creative 1st PEF	Commission	13	81
Aeneas-NH Private Equity Fund 1	Commission	4,256	-
NH-AJUIB SME Growth 2013 Private Equity Fund[1]	Commission	828	-
IBK-NH Small-Giant PEF	Commission	60	577
NH-Paxtone Private Equity Fund	Commission	275	456
NH-OPUS Corporate Finamcial Stability Private Equity Fund	Commission	618	978
NH-OPUS II Corporate Financial Stability Private E quity Fund	Commission	422	531
NH Co-Investment Private Equity Fund	Commission	1,904	1,838
NH-AJU KOSDAQ SCALEUP FUND	Commission	36	342
NH-Soo Investment innovative growth M&A fund	Commission	218	324
NH IBKC High-tech 1 Fund[2]	Commission	-	65
NH-SYNERGY BIO Fund[1]	Commission	862	170
NH SYNERGY M.C.E. New Technology Investment Fund[1]	Commission	7	119
NH-Meritz Contents 1 Fund[1]	Commission	262	286
NH-IBKC Bio New Technology Fund[1]	Commission	160	358
KYOBO-NH Healthcare New Technology Investment Association No. 1[1]	Commission	69	52

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Related parties	Accounts	2024	2023
NH IBKC Dental Solution Investment Fund [1]	Commission	115	175
NH-Horizon Secondary Fund	Commission	31	31
NH Kyobo AI Solution Investment Fund [2]	Commission	-	681
NH-Brain EV Fund [1]	Commission	507	468
Meritz-NH Healthcare No.1	Commission	109	112
NH-Alpha 1st Fund	Commission	44	14
NH-J&-IBKC Label Technology Fund	Commission	105	140
NH EBEST MATERIALS Fund No.1	Commission	77	77
NH-OPUS III Corporate Financial Stability Private Equity Fund	Commission	769	620
NH-Meritz Hightech Fund	Commission	135	135
NH-Daishin-Kyobo Healthcare 1 Fund [1]	Commission	90	90
NH Digital Alliance Fund	Commission	975	975
NH-Principle Private Equity Fund	Commission	188	187
NH-U&S-Brain Pre-IPO Investment Fund	Commission	142	123
NH Agtec Innovation Private Equity Fund	Commission	610	610
NH Woori Newdeal Growth Alpha Private Equity Fund I	Commission	1,132	1,575
NH-Susung No.2 Mezzanine New Technology Investment Fund	Commission	18	-
Hope Agriculture Innovation Private Equity Fund	Commission	437	-
NH-IBKC EV Fund	Commission	478	353
NH-Susung No.1 Mezzanine New Technology Investment Fund	Commission	123	11
NH-IBKS KONEX SCALEUP FUND	Commission	561	8
ESG leaders 1st Private Equity Fund	Commission	1,145	406
Yeouido Cultural Broadcasting Site Development PFV 1	Commission	11	18,789
Mastern No.51 Yeouido PFV Co.,Ltd	Commission	595	1,273
NH Absolute Pre IPO Mezzanine General Private Placement Investment Trust No.1	Commission	1,232	217
NH Absolute Mezzanine General Private Placement Investment Trust No.1	Commission	150	666
NH Absolute Pre IPO General Private Placement Investment Trust No.1	Commission	750	1,217
NH Absolute Project H General Private Placement Investment Trust	Commission	99	52
NH Absolute Mezzanine General Private Placement Investment Trust No.3	Commission	1,169	1,162
NH Absolute Mezzanine General Private Placement Investment Trust No.4	Commission	354	191
NH Absolute Project L General Private Placement Investment Trust [1]	Commission	688	70
NH Absolute Project C General Private Placement Investment Trust	Commission	61	-
NH-Moorim Dental Care Investment Fund No.1	Commission	58	-
NH Woori New Deal Co-Investment No.1 Private Equity	Commission	127	-
NH-ARA Value-add No.1 Private Equity Fund	Commission	2,347	-
NH Hedge High Yield IPO Alpha General Private Placement Investment Trust No.1	Commission	84	-
NH Absolute Mezzanine Private Equity fund No.5	Commission	55	-
NH Absolute Kosdaqventure Mezzanine Private Equity fund No.2	Commission	22	-
NH Absolute Project K Private Equity Fund	Commission	924	-
NH hedge Kosdaq SPAC Private Equity	Commission	26	-
NH Hedge Project HD Plus General Private Placement Investment Trust	Commission	15	-
Other related parties:			
Nonghyup Feed Inc.	Commission	80	358
		₩ 52,055	₩ 50,660

1. Excluded from the Group's related parties for the year ended December 31, 2024.
2. Excluded from the Group's related parties for the year ended December 31, 2023.

<Expenses>

(in millions of Korean won)

Related parties	Accounts	2024	2023
Ultimate parent company:			
NACF	Commission	₩ 59,051	₩ 57,426
	Other operating expenses	219	196
Parent company:			
NongHyup Financial Group Inc.	Other operating expenses	14	17
Entities under common control:			
NH Property and Casualty Insurance Co., Ltd.	Interest expense	-	39
	Other operating expenses	15,287	9,516
NH Life Insurance Co., Ltd.	Interest expense	186	171
	Commission	-	9
NH Capital Co., Ltd.	Interest expense	61	37

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Related parties	Accounts	2024	2023
NH Bank Co., Ltd.	Interest expense	1,779	2,829
	Commission	1,154	906
	Other operating expenses	1,181	2,051
Other related parties:			
NH Agribusiness Group	Commission	200	-
	Interest expense	62	-
NH Networks Co., Ltd.	Other operating expenses	267	62
Nonghyup Moguchon Inc.	Other operating expenses	-	4
Korea Agricultural Cooperative Marketing Inc.	Other operating expenses	33	125
NH Information System Co., Ltd.	Other operating expenses	5,705	4,784
	Commission	1	1
Nonghyup Hanaro Mart Inc.	Other operating expenses	16	3
Nonghyup Logistics Service Inc.	Other operating expenses	123	118
Agricultural Corporation Nonghyup Food Inc.	Other operating expenses	358	-
Agricultural Corporation Nonghyup Food Grain Inc.	Other operating expenses	3	12
Nonghyup Partners	Other operating expenses	2,675	3,924
Nonghyup RedGinseng Co., Ltd.	Other operating expenses	1	-
		₩ 88,376	₩ 82,230

1. Dividends for NH Financial Group (the largest shareholder of the Group) for each of the two years in the two-year period ended December 31, 2024 are ₩ 150,762 million and ₩ 131,917 million, respectively.
2. The amount of lease expenses recognized from lease transactions with the related parties such as NH Information System Co., Ltd for each of the two years in the two-year period ended December 31, 2024 is ₩ 1,819 million and ₩ 1,586 million, respectively.

Details of major fixed asset transactions with the related parties for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024			
	Purchase of fixed assets		Disposal of fixed assets	
	Property and equipment	Intangible assets	Property and equipment	Intangible assets
NACF	₩ 631	₩ -	₩ -	₩ -

(in millions of Korean won)

	2023			
	Purchase of fixed assets		Disposal of fixed assets	
	Property and equipment	Intangible assets	Property and equipment	Intangible assets
NACF	₩ 651	₩ -	₩ -	₩ -

Details of compensation to key management for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024	2023
Short-term salaries	₩ 21,558	₩ 17,055
Severance benefits	9,859	7,939
Other long-term salaries	18,773	19,650
	₩ 50,190	₩ 44,644

The key management includes directors, executive officers and executives who have authority and responsibilities for decision making of the business plan, operations and control over the Group.

Guarantees provided by the related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won, USD, VND)

	Related party	Agreement	2024	2023
Entity under common control	NH Bank	Intra-day-credit (included retail payment)	₩ 500,000	₩ 500,000
		Deposit-secured overdraft loan	150,000	150,000
		Term loan	USD 14,000,000	USD 20,000,000
		Term loan	VND 260,000,000,000	VND 110,000,000,000
		Overdraft loan	USD 10,000,000	USD 10,000,000
		Limit loan	₩ 2,600	₩ 2,900

Guarantees provided to the related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Related party	Agreement	2024	2023
Other related party	Geum-Wang FONE CO.,Ltd[1]	Loan commitment	₩ -	₩ 10,000

1. Excluded from the Group's related parties for the year ended December 31, 2024.

Details of contribution commitments provided to related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Related party	Agreement	2024	2023
Entities under common control	NH-Amundi MBKP Special Situations I Private Fund 1	Purchase agreement of beneficiary certificate	₩ 20,175	₩ 17,524
	NH-Amundi Global Infra Fund No.13	Purchase agreement of beneficiary certificate	8,622	11,331
	NH-Amundi BCP VIII Private Fund 2	Purchase agreement of beneficiary certificate	41	52
	NH-Amundi Global TPG Asia VII Private Master Fund(USD)[F0F]	Purchase agreement of beneficiary certificate	5,876	5,154
	VOGO U.S. Buyout Private Fund IV	Purchase agreement of beneficiary certificate	50	74

Notes to the Consolidated Financial Statements

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	Related party	Agreement	2024	2023
Associates	NH-OPUS Corporate Financial Stability Private Equity Fund	Contribution commitment	1,101	1,101
	NH Co-Investment Private Equity Fund	Contribution commitment	47	2,646
	NH-OPUS II Corporate Financial Sta bility Private Equity Fund	Contribution commitment	36	36
	Smart Quaternary Industry Square Investment Fund No. 2	Contribution commitment	-	500
	NH-OPUS III Corporate Financial Stability Private Equity Fund	Contribution commitment	1,273	2,800
	NH Digital Alliance Fund	Contribution commitment	21,948	26,748
	NH Agtec Innovation Private Equity Fund	Contribution commitment	7,542	10,165
	NH-U&S-Brain Pre-IPO Investment Fund	Contribution commitment	3,700	4,900
	NH Woori Newdeal Growth Alpha Private Equity Fund I	Contribution commitment	5,669	13,181
	Pine Tree III VC Private Equity Fund	Contribution commitment	-	1,250
	NH-IBKS KONEX SCALEUP FUND	Contribution commitment	5,500	9,500
	NH-ARA Value-add No.1 Private Equity Fund	Contribution commitment	31,753	-
	Hope Agriculture Innovation Private Equity Fund	Contribution commitment	14,302	-
Other related parties:	NH Venture - AJU IB New Growth Fund	Contribution commitment	-	1,875
	NH-DX Open Innovation Fund	Contribution commitment	800	1,200

Details of unsettled derivative instrument contracts for the major related parties as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	Related party	Agreement	2024	2023
Entities under common control	NH Bank	Unsettled derivative instrument contracts	₩ 45,000	₩ 45,000
	Nonghyup Property & Casualty Insurance Co. Ltd	Unsettled derivative instrument contracts	349,198	90,000
	NH Life Insurance Co., Ltd.	Unsettled derivative instrument contracts	88,752	-

Details of money transaction of major related parties for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Transaction of contents[1]	Beginning balance	Increase	Decrease	Ending balance
Entity under common control:					
NH Bank Co., Ltd.	Borrowings	₩ 87,689	₩ 161,218	₩ (150,000)	₩ 98,907
Associates:					
NH SPECIAL PURPOSE ACQUISITION 19 COMPANY[2]	Purchase of bonds	₩ 9,850	-	₩ (9,850)	-
NH SPECIAL PURPOSE ACQUISITION 20 COMPANY[2]	Purchase of bonds	3,750	-	(3,750)	-
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	Purchase of bonds	1,390	-	-	1,390
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	Purchase of bonds	670	-	-	670
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	Purchase of bonds	480	-	-	480
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY	Purchase of bonds	850	-	-	850
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	Purchase of bonds	700	-	-	700
NH SPECIAL PURPOSE ACQUISITION 28 COMPANY[3]	Purchase of bonds	680	-	(680)	-
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	Purchase of bonds	2,600	-	(159)	2,441
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	Purchase of bonds	950	-	-	950
NH SPECIAL PURPOSE ACQUISITION 31 COMPANY	Purchase of bonds	-	985	-	985
Mastern No.51 Yeouido PFV Co.,Ltd	Loan execution	29,208	-	(883)	28,325
Incheon Hangdong Officetel PF (formerly, NS Partners Co., Ltd.)[3]	Loan execution	42,340	-	(10,000)	32,340
Yeouido Cultural Broadcasting Site Development PFV[2]	Loan execution	4,399	-	(4,399)	-
		₩ 185,556	₩ 162,203	₩ (179,721)	168,038

1. Payment transactions occurring for the operational purposes between the related parties are excluded.
2. Excluded from the Group's related parties for year ended December 31, 2024.
3. Excluded from the Group's related parties for year ended December 31, 2023.

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(in millions of Korean won)

	2023				
	Transaction of contents[1]	Beginning balance	Increase	Decrease	Ending balance
Entity under common control:					
NH Bank Co., Ltd.	Borrowings	₩ 48,667	₩ 204,055	₩ (165,033)	₩ 87,689
Associates:					
NH SPECIAL PURPOSE ACQUISITION 18 COMPANY	Purchase of bonds	₩ 950	₩ -	₩ (950)	₩ -
NH SPECIAL PURPOSE ACQUISITION 19 COMPANY	Purchase of bonds	9,850	-	-	9,850
NH SPECIAL PURPOSE ACQUISITION 20 COMPANY	Purchase of bonds	3,750	-	-	3,750
NH SPECIAL PURPOSE ACQUISITION 21 COMPANY	Purchase of bonds	1,290	-	(1,290)	-
NH SPECIAL PURPOSE ACQUISITION 22 COMPANY[2]	Purchase of bonds	1,380	-	(1,380)	-
NH SPECIAL PURPOSE ACQUISITION 23 COMPANY	Purchase of bonds	1,390	-	-	1,390
NH SPECIAL PURPOSE ACQUISITION 24 COMPANY	Purchase of bonds	670	-	-	670
NH SPECIAL PURPOSE ACQUISITION 25 COMPANY	Purchase of bonds	480	-	-	480
NH SPECIAL PURPOSE ACQUISITION 26 COMPANY[3]	Purchase of bonds	850	-	-	850
NH SPECIAL PURPOSE ACQUISITION 27 COMPANY	Purchase of bonds	700	-	-	700
NH SPECIAL PURPOSE ACQUISITION 28 COMPANY[2]	Purchase of bonds	680	-	-	680
NH SPECIAL PURPOSE ACQUISITION 29 COMPANY	Purchase of bonds	-	2,600	-	2,600
NH SPECIAL PURPOSE ACQUISITION 30 COMPANY	Purchase of bonds	-	950	-	950
Mastern No.51 Yeouido PFV Co.,Ltd	Loan execution	30,000	-	(792)	29,208
Incheon Hangdong Officetel PF (NS Partners Co., Ltd.)[2]	Loan execution	37,879	5,641	(1,180)	42,340
Yeouido Cultural Broadcasting Site Development PFV	Loan execution	-	4,399	-	4,399
		₩ 138,536	₩ 217,645	₩ (170,625)	185,556

1. Payment transactions occurring for operational purposes between the related parties are excluded.
2. Excluded from the Group's related parties for year ended December 31, 2023.

Details of pledged assets to major related party as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

Related party	2024		
	Pledged assets	Book amount	Reason of pledged
Entity under common control:			
NH Bank	Deposits	₩ 155,950	Others
	Investment properties[1]	91,308	Others

1. The amount divided proportionally based on the loan participation ratio of the lenders.

As of December 31, 2024, the Group has received ₩ 17,000 million of securities from the NH Bank, an entity under common control, for the purpose of securing derivatives transactions. The amount is the amount of proprietary transactions between the Group and its related parties and excludes collateral receivables due to brokerage transactions.

(in millions of Korean won)

Related party	2023		
	Pledged assets	Book amount	Reason of pledged
Entity under common control:			
NH Bank	Deposits	₩ 155,344	Others
	Investment properties[1]	81,332	Others

As of December 31, 2023, the Group has received ₩ 17,000 million of securities from the NH Bank, an entity under common control, for the purpose of securing derivatives transactions. The amount is the amount of proprietary transactions between the Group and its related parties and excludes collateral receivables due to brokerage transactions.

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42. Risk management

The Group's operating activity is exposed to various financial risks; hence, the Group is required to analyze and assess the level of complex risks, determine the level of risks to be accepted, or to manage the risks. The Group's risk management procedure is set for improvement in the quality of assets held and investments by making a decision about how to avoid or mitigate risks through the identification of the cause of the potential risk and its scope.

The Group takes the approach to minimize risk and maximize its profit by managing risks to an acceptable level and eliminating excessive risks of financial instruments. For this, the following procedures are performed: risk recognition, measurement and assessment, control, and monitoring and reporting.

The risk is managed by the risk management department based on the Group's policy. The Risk Management Committee of the Group makes the decision on the risk strategy such as allocation of risk assets and limit settlement.

42.1 Credit risk

Credit risk represents the possibility of financial losses incurred when the counterparty fails to fulfill its contractual obligations. The goal of credit risk management is to maintain the credit risk exposure to a permissible degree and to optimize the rate of return considering such credit risk.

42.1.1 Credit risk management

The Group considers the probability of failure in performing the obligation of its counterparties, credit exposure to the counterparty and the related default risk and the rate of default loss. The Group uses the credit rating model to assess the possibility of counterparty's default risk.

42.1.2 Credit line management

In order to manage credit risk limit, the Group establishes the appropriate credit line per obligor, company or industry and monitors obligors' credit line, total exposures and loan portfolios when approving the loan.

42.1.3 Credit risk mitigation

The Group mitigates credit risk resulting from the obligor's credit condition by using financial and physical collateral, guarantees, netting agreements and credit derivatives.

42.1.4 Maximum exposure

The Group's maximum exposure to credit risk refers to net book value of financial assets net of provisions, which shows the uncertainties of maximum changes of net value of financial assets attributable to a particular risk without considering collateral and other credit enhancements obtained. However, the maximum exposure is the fair value amount (recorded on the books) for derivatives, maximum contractual obligation for payment guarantees and unused commitment for loan contracts.

The maximum exposure to credit risk as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024	2023
Financial assets at amortized cost:		
Corporates	₩ 16,097,321	₩ 15,760,205
Consumers	3,226,610	3,374,693
	19,323,931	19,134,898
Financial assets at FVTPL:		
Debt securities at FVTPL	13,653,294	11,447,376
Loans at FVTPL	1,337,334	601,866
Derivative assets	1,056,993	620,329
Others	14,380,356	13,317,967
	30,427,977	25,987,538
Financial assets at FVOCI:		
Debt securities at FVOCI	6,747,703	5,911,822
Off-balance sheet:		
Purchases and long-term acquisitions commitments[1]	618,318	441,488
Loan commitments	3,717,092	1,644,978
Unfulfilled contribution commitment	421,776	419,315
	4,757,186	2,505,781
	₩ 61,256,797	₩ 53,540,039

1. Composed of ABCP purchase agreements and purchase agreements of beneficiary certificate.

42.1.5 Geographical and industrial distribution of credit risk

The geographical distribution of credit risk of financial asset as of December 31, 2024 and 2023 is as follows.

The Group classifies the countries by the control point:

(in millions of Korean won)

	2024				
	Korea	China	USA	Others	Total
Financial assets at amortized cost:					
Corporates	₩ 15,043,048	₩ -	₩ 68,844	₩ 985,429	₩ 16,097,321
Consumers	3,139,657	-	-	86,953	3,226,610
	18,182,705	-	68,844	1,072,382	19,323,931
Financial assets at FVTPL:					
Debt securities at FVTPL	13,199,886	49,385	310,424	93,599	13,653,294
Loans receivables at FVTPL	1,103,293	-	137,085	96,956	1,337,334
Derivatives assets	627,455	687	100,973	327,878	1,056,993
Others	13,667,919	10,409	54,118	647,910	14,380,356
	28,598,553	60,481	602,600	1,166,343	30,427,977

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	2024				
	Korea	China	USA	Others	Total
Financial assets at FVOCI:					
Debt securities at FVOCI	6,369,087	2,935	241,793	133,888	6,747,703
Off-balance sheet:					
Purchases and long-term acquisitions commitments	330,292	-	-	288,026	618,318
Loan commitments	3,635,049	-	20,627	61,416	3,717,092
Unfulfilled contribution commitments	346,233	-	-	75,543	421,776
	4,311,574	-	20,627	424,985	4,757,186
	₩ 57,461,919	₩ 63,416	₩ 933,864	₩ 2,797,598	₩ 61,256,797

	2023				
	Korea	China	USA	Others	Total
Financial assets at amortized cost:					
Corporates	₩ 14,541,320	₩ -	₩ 397,726	₩ 821,159	₩ 15,760,205
Consumers	3,299,055	-	-	75,638	3,374,693
	17,840,375	-	397,726	896,797	19,134,898
Financial assets at FVTPL:					
Debt securities at FVTPL	11,252,049	4,403	163,440	27,484	11,447,376
Loans receivables at FVTPL	478,053	-	92,291	31,522	601,866
Derivatives assets	494,193	1,093	26,060	98,983	620,329
Others	12,956,404	552	325,708	35,303	13,317,967
	25,180,699	6,048	607,499	193,292	25,987,538
Financial assets at FVOCI:					
Debt securities at FVOCI	5,436,513	-	253,155	222,154	5,911,822
Off-balance sheet:					
Purchases and long-term acquisitions commitments	441,488	-	-	-	441,488
Loan commitments	1,560,638	-	16,118	68,222	1,644,978
Unfulfilled contribution commitments	348,514	-	-	70,801	419,315
	2,350,640	-	16,118	139,023	2,505,781
	₩ 50,808,227	₩ 6,048	₩ 1,274,498	₩ 1,451,266	₩ 53,540,039

The industrial distribution of credit risk of financial asset as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024						
	Service	Manufacturing	Bank and insurance	Construction	Customers	Others	Total
Financial assets at amortized cost:							
Corporates	₩ 160	₩ 492,528	₩ 8,568,537	₩ 122,469	₩ -	₩ 6,913,627	₩ 16,097,321
Consumers	-	-	-	-	3,226,610	-	3,226,610
	160	492,528	8,568,537	122,469	3,226,610	6,913,627	19,323,931
Financial assets at FVTPL:							
Debt securities at FVTPL	567,331	831,305	7,293,578	45,082	-	4,915,998	13,653,294
Loans at FVTPL	-	177,210	557,126	2,000	-	600,998	1,337,334
Derivative assets	5,851	5,319	1,035,034	-	1,657	9,132	1,056,993
Other	118,979	88,754	10,028,890	1,982	-	4,141,751	14,380,356
	692,161	1,102,588	18,914,628	49,064	1,657	9,667,879	30,427,977
Financial assets at FVOCI:							
Debt securities at FVOCI	64,918	102,159	5,447,414	-	-	1,133,212	6,747,703
Off-balance sheet:							
Purchases and long-term acquisitions commitments	-	-	515,818	100,000	-	2,500	618,318
Loan commitments	-	46,687	3,376,389	7,630	-	286,386	3,717,092
Unfulfilled contribution commitments	-	-	421,776	-	-	-	421,776
	-	46,687	4,313,983	107,630	-	288,886	4,757,186
	₩ 757,239	₩ 1,743,962	₩ 37,244,540	₩ 279,163	₩ 3,228,267	₩ 18,003,626	₩ 61,256,797

(in millions of Korean won)

	2023						
	Service	Manufacturing	Bank and insurance	Construction	Customers	Others	Total
Financial assets at amortized cost:							
Corporates	₩ 388,849	₩ 346,942	₩ 3,949,879	₩ 323,254	₩ -	₩ 10,751,281	₩ 15,760,205
Consumers	-	-	-	-	3,374,693	-	3,374,693
	388,849	346,942	3,949,879	323,254	3,374,693	10,751,281	19,134,898
Financial assets at FVTPL:							
Debt securities at FVTPL	766,143	1,282,247	4,811,629	40,659	-	4,546,698	11,447,376
Loans at FVTPL	-	80,695	260,266	-	-	260,905	601,866
Derivative assets	188	20,078	594,078	-	733	5,252	620,329
Other	20,018	70,012	11,988,267	-	-	1,239,670	13,317,967
	786,349	1,453,032	17,654,240	40,659	733	6,052,525	25,987,538
Financial assets at FVOCI:							
Debt securities at FVOCI	123,879	277,737	4,174,074	29,777	-	1,306,355	5,911,822
Off-balance sheet:							
Purchases and long-term acquisitions commitments	-	-	438,988	-	-	2,500	441,488
Loan commitments	-	58,682	1,236,562	-	-	349,734	1,644,978
Unfulfilled contribution commitments	-	-	419,315	-	-	-	419,315
	-	58,682	2,094,865	-	-	352,234	2,505,781
	₩ 1,299,077	₩ 2,136,393	₩ 27,873,058	₩ 393,690	₩ 3,375,426	₩ 18,462,395	₩ 53,540,039

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42.1.6 Classification of financial instruments based on credit risk

The level of exposures to credit risk of loan receivables at amortized cost based on internal risk level as of December 31, 2024 and 2023 is summarized as follows:

(in millions of Korean won)

Credit risk levels (internal level)	2024									Total
	Domestic loans receivables			Overseas loans receivables			Other loans receivables			
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment	
Rating 1~6	₩ 7,866,811	₩ 109,378	₩ -	₩ 596,528	₩ 1,670	₩ -	₩ 602,500	₩ -	₩ 160	₩ 9,177,047
Rating 7	-	210,619	-	-	3,699	-	-	-	-	214,318
Rating 8	-	-	98,544	-	-	29,400	-	-	-	127,944
Rating 9~10	-	-	45,790	-	-	-	-	-	-	45,790
Unrated	-	-	63,234	-	-	-	-	-	14,465	77,699
	₩ 7,866,811	₩ 319,997	₩ 207,568	₩ 596,528	₩ 5,369	₩ 29,400	₩ 602,500	₩ -	₩ 14,625	₩ 9,642,798

The above loan receivables exclude the deferred loan loss and present value discount. Meanwhile, the quantification effect of credit risk mitigations by collateral and other credit enhancement for corporates and consumers amounts to ₩ 703,949 million and ₩ 3,137,765 million, respectively.

(in millions of Korean won)

Credit risk levels (internal level)	2023									Total
	Domestic loans receivables			Overseas loans receivables			Other loans receivables			
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment	
Rating 1~6	₩ 7,119,945	₩ 130,705	₩ -	₩ 503,755	₩ -	₩ -	₩ 1,639,800	₩ -	₩ 160	₩ 9,394,365
Rating 7	-	91,355	-	-	3,244	-	-	-	-	94,599
Rating 8	-	-	243,114	-	-	25,788	-	-	-	268,902
Rating 9~10	-	-	45,053	-	-	-	-	-	2,910	47,963
Unrated	-	-	58,674	-	-	-	-	-	13,470	72,144
	₩ 7,119,945	₩ 222,060	₩ 346,841	₩ 503,755	₩ 3,244	₩ 25,788	₩ 1,639,800	₩ -	₩ 16,540	₩ 9,877,973

The above loan receivables exclude the deferred loan loss and present value discount. Meanwhile, the quantification effect of credit risk mitigations by collateral and other credit enhancement for corporates and consumers amounts to ₩ 322,323 million and ₩ 3,249,392 million, respectively.

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The level of exposures to credit risk of loan commitment and financial guarantee contract based on internal risk level as of December 31, 2024 and 2023 is summarized as follows:

(in millions of Korean won)

Credit risk levels (internal level)	2024							
	Loan commitment			Financial guarantee contract			Total	
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment		
Rating 1~6	₩ 3,724,844	₩ 15,247	₩ -	₩ 131,500	₩ -	₩ -	₩	3,871,591
Rating 7	-	-	-	-	-	-		-
Rating 8	-	-	-	-	-	-		-
Rating 9~10	-	-	-	-	-	-		-
Unrated	-	-	-	-	-	-		-
	₩ 3,724,844	₩ 15,247	₩ -	₩ 131,500	₩ -	₩ -	₩	3,871,591

The credit risk exposures of the above loan commitment and financial guarantee contract excluded the beneficiary certificates purchase agreements and the non-fulfillment commitment.

(in millions of Korean won)

Credit risk levels (internal level)	2023							
	Loan commitment			Financial guarantee contract			Total	
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment		
Rating 1~6	₩ 1,905,197	₩ 9,781	₩ -	₩ 32,800	₩ -	₩ -	₩	1,947,778
Rating 7	-	-	-	-	-	-		-
Rating 8	-	-	-	-	-	-		-
Rating 9~10	-	-	-	-	-	-		-
Unrated	-	-	-	-	-	-		-
	₩ 1,905,197	₩ 9,781	₩ -	₩ 32,800	₩ -	₩ -	₩	1,947,778

The credit risk exposures of the above loan commitment and financial guarantee contract excluded the beneficiary certificates purchase agreements and the non-fulfillment commitment.

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The Group's maximum level of exposures to credit risk of debt securities as of December 31, 2024 and 2023 is summarized as follows:

(in millions of Korean won)

Credit risk levels Total (internal level)	2024							
	Financial assets at amortized cost			Financial assets at FVOCI			Financial assets at FVTPL	Total
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment		
AAA	₩ -	₩ -	₩ -	₩ 4,789,202	₩ -	₩ -	₩ 11,275,790	₩ 16,064,992
AA+~AA-	-	-	-	1,355,462	-	-	9,641,079	10,996,541
A+~BBB-	-	-	-	603,039	-	-	1,151,779	1,754,818
Less than BBB-	-	-	-	-	-	-	-	-
Default rating	-	-	-	-	-	-	-	-
	₩ -	₩ -	₩ -	₩ 6,747,703	₩ -	₩ -	₩ 22,068,648	₩ 28,816,351

(in millions of Korean won)

Credit risk levels Total (internal level)	2023							
	Financial assets at amortized cost			Financial assets at FVOCI			Financial assets at FVTPL	Total
	12-month ECL	Lifetime ECL	Impairment	12-month ECL	Lifetime ECL	Impairment		
AAA	₩ -	₩ -	₩ -	₩ 2,001,800	₩ -	₩ -	₩ 6,493,455	₩ 8,495,255
AA+~AA-	-	-	-	2,351,771	-	-	6,061,530	8,413,301
A+~BBB-	-	-	-	1,558,251	-	-	6,453,099	8,011,350
Less than BBB-	-	-	-	-	-	-	-	-
Default rating	-	-	-	-	-	-	-	-
	₩ -	₩ -	₩ -	₩ 5,911,822	₩ -	₩ -	₩ 19,008,084	₩ 24,919,906

The credit quality of debt securities based on external rating agencies' credit ratings is as follows.

	NICE	KIS	Korea Ratings	S&P	FITCH	Moody's
AAA	AAA	AAA	AAA	AAA ~ AA-	AAA ~ AA-	Aaa ~ Aa3
AA+ ~ AA-	AA+ ~ AA-	AA+ ~ AA-	AA+ ~ AA-	A+ ~ A-	A+ ~ A-	A1 ~ A3
A+ ~ BBB-	A+~BBB-	A+~BBB-	A+~BBB-	BBB+ ~ BB-	BBB+ ~ BB-	Baa1 ~ Ba3
Less than BBB-	BB+~	BB+~	BB+~	B+~	B+~	B1 ~

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Financial assets with impaired credit on acquisition as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024			
	Beginning balance	Increase	Decrease	Ending balance
Book value	₩ 159	₩ -	₩ -	₩ 159

(in millions of Korean won)

	2023			
	Beginning balance	Increase	Decrease	Ending balance
Book value	₩ 186	₩ -	₩ (27)	₩ 159

The percentage of allowance for expected credit losses as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024			
	Due from customers	Loan receivables[1]	Other receivables[1]	Financial assets at FVOCI
Total amount	₩ 5,127,788	₩ 9,600,535	₩ 4,973,288	₩ 6,747,703
Allowance for expected credit losses	3,076	289,972	84,632	2,715
Ratio	0.06%	3.02%	1.70%	0.04%

1. Deferred loan loss and present value discount are included in the above total amounts.

(in millions of Korean won)

	2024			
	Due from customers	Loan receivables[1]	Other receivables[1]	Financial assets at FVOCI
Total amount	₩ 3,577,029	₩ 9,865,552	₩ 6,015,705	₩ 5,911,822
Allowance for expected credit losses	2,306	229,841	91,241	2,586
Ratio	0.06%	2.33%	1.52%	0.04%

1. Deferred loan loss and present value discount are included in the above total amounts.

42.2 Market risk

Market risk is the possible risk of loss arising from trading activities in the volatility of market factors such as interest rates, stock prices and foreign exchange rates. Market risk occurs as a result of changes in the interest rates and foreign exchange rates for financial instruments that are not yet settled, and all contracts are exposed to a certain level of volatility according to changes in the interest rates, credit spreads, foreign exchange rates and the price of equity securities.

42.2.1 Market risk management

For trading activities, the Group makes judgment to avoid, bear or mitigate risks by identifying the underlying source of the risks: measuring parameters and evaluating their appropriateness.

42.2.2 Market risk measurement

The Group uses both standard risk measurement model and internal risk measurement model approach to measure market risk. A standard risk measurement model is used to calculate individual market risk of owned capital while internal risk measurement model is used to measure internal risk management measure. The risk management committee allocates owned capital to market risk. The risk management department measures the Value at Risk ("VaR", maximum losses) limit by department and risk factor and loss limit on a daily basis and reports regularly to the Risk Management committee.

42.2.3 Risk control

At the beginning of each year, the Risk Management Committee establishes the VaR limit, loss limit and risk capital limit for its management purposes. In addition, depending on management strategies and characteristics, the Group gives the various limits by individual, rate, sensitivity and stress loss limit, etc.

42.2.4 Sensitivity analysis of market risk

The Group performs sensitivity analysis for both trading and non-trading activities. For trading activities, the Group uses a VaR model which uses certain assumptions of possible fluctuations in market condition and, by conducting simulations of gains and losses, under which the model estimates the maximum losses that may occur.

For non-trading activities, it is measured and managed by the interest rate VaR calculations based on a 'Gap' in interest rate per Bank for International Settlements ("BIS") Framework.

In addition, VaR of trading section is calculated based on 99% confidence level and ten days of retention period. On the other hand, for the case of complex structures instruments like ELS and others that cannot be evaluated by a simple formula, the Group applies the sensitivities of Delta, Gamma, Vega, etc., calculated and derived from the fair value method to the market risk system; hence, it may result in not fully reflecting the fair value of assets and liabilities.

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42.2.4.1 Trading activities

The maximum, minimum, and average market risk capital requirements under the Basel III standardized approach for each of the two years in the two-year period ended December 31, 2024, respectively, and the market risk capital requirements as of December 31, 2024 and 2023, respectively, are as follows:

(in millions of Korean won)

Classification	Risk Group	2024			
		Maximum	Minimum	Average	December 31, 2024
Sensitivity-based risk	General interest rate risk	₩ 109,564	₩ 20,112	₩ 73,232	₩ 28,812
	Credit spread risk	232,384	149,213	179,950	232,384
	Equity risk	849,058	51,701	252,860	51,701
	Foreign exchange risk	124,038	82,096	108,262	114,549
	Commodity risk	14,086	1,862	7,830	9,798
		1,329,130	304,984	622,134	437,244
Default risk	Default risk	221,890	132,135	176,943	164,882
Residual risk	Residual risk	2,477	1,564	1,984	1,591
Total Required Capital		₩ 1,553,497	₩ 438,683	₩ 801,061	₩ 603,717

(in millions of Korean won)

Classification	Risk Group	2023			
		Maximum	Minimum	Average	December 31, 2023
Sensitivity-based risk	General interest rate risk	₩ 79,375	₩ 16,355	₩ 50,074	₩ 16,355
	Credit spread risk	274,988	121,194	189,756	171,210
	Equity risk	1,373,315	30,697	284,302	75,362
	Foreign exchange risk	102,827	82,128	88,804	96,082
	Commodity risk	8,175	190	2,336	7,214
		1,838,680	250,564	615,272	366,223
Default risk	Default risk	322,393	52,256	221,600	136,491
Residual risk	Residual risk	2,587	2,339	2,487	2,466
Total Required Capital		₩ 2,163,660	₩ 305,159	₩ 839,359	₩ 505,180

42.2.4.2 Non-trading activities

The interest rate VaR, calculated based on the BIS Framework of the Group as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024	2023
Interest rate VaR	₩ 186,715	₩ 209,492

42.2.5 Interest rate risk

The Group manages the interest-bearing assets and liabilities by measuring the risk of interest rate fluctuation for each maturity of cash flow (Time Bucket). The maturity structure of interest rates by each maturity as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total[2]
Assets:							
Financial assets at amortized cost[1]	₩ 8,859,694	₩ 2,325,047	₩ 2,505,596	₩ 923,136	₩ 2,369,271	₩ 509,307	₩ 17,492,051
Financial assets at FVOCI	455,538	866,322	1,408,825	1,578,775	2,480,269	158,148	6,947,877
	₩ 9,315,232	₩ 3,191,369	₩ 3,914,421	₩ 2,501,911	₩ 4,849,540	₩ 667,455	₩ 24,439,928
Liabilities:							
Borrowings	₩ 15,277,689	₩ 1,986,190	₩ 1,779,569	₩ 5,485,020	₩ 22	₩ -	₩ 24,528,490
Debentures	1,899	5,041	349,704	654,631	1,985,894	-	2,997,169
	₩ 15,279,588	₩ 1,991,231	₩ 2,129,273	₩ 6,139,651	₩ 1,985,916	₩ -	₩ 27,525,659

1. Financial assets at amortized cost that did not generate interest, such as accounts receivables and accrued income are excluded.
2. The above-mentioned maturity analysis includes both principal and interest cash flows by contractual maturities.

(in millions of Korean won)

	2023						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total[2]
Assets:							
Financial assets at amortized cost[1]	₩ 5,319,259	₩ 2,763,246	₩ 1,193,108	₩ 950,710	₩ 2,516,037	₩ 429,778	₩ 13,172,138
Financial assets at FVOCI	2,579	212,147	629,081	1,732,849	3,455,848	823,207	6,855,711
	₩ 5,321,838	₩ 2,975,393	₩ 1,822,189	₩ 2,683,559	₩ 5,971,885	₩ 1,252,985	₩ 20,027,849
Liabilities:							
Borrowings	₩ 6,490,435	₩ 664,862	₩ 3,092,832	₩ 8,708,578	₩ 24,304	₩ -	₩ 18,981,011
Debentures	90,143	200,931	422,348	163,233	2,163,393	-	3,040,048
	₩ 6,580,578	₩ 865,793	₩ 3,515,180	₩ 8,871,811	₩ 2,187,697	₩ -	₩ 22,021,059

1. Financial assets at amortized cost that did not generate interest, such as accounts receivables and accrued income are excluded.
2. The above-mentioned maturity analysis includes both principal and interest cash flows by contractual maturities.

Notes to the Consolidated Financial Statements

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42.2.6 Currency risk

Financial instruments in foreign currencies exposed to currency risk as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024					
	USD	JPY	EUR	CNY	Others	Total
Assets:						
Cash and cash equivalents	₩ 796,147	₩ 126,787	₩ 49,945	₩ 19,695	₩ 100,539	₩ 1,093,113
Financial assets at FVTPL	2,593,052	48,004	54,901	44,136	109,629	2,849,722
Derivative assets[1]	181,519	3,357	14,458	-	3,061	202,395
Financial assets at FVOCI	1,078,712	-	-	-	-	1,078,712
Financial assets at amortized cost	3,351,859	205,621	209,762	17,111	480,567	4,264,920
Other financial assets	4,975	-	-	-	41	5,016
	₩ 8,006,264	₩ 383,769	₩ 329,066	₩ 80,942	₩ 693,837	₩ 9,493,878
Liabilities:						
Deposits due to customers	₩ 2,145,237	₩ 231,341	₩ 13,045	₩ 10,349	₩ 82,277	₩ 2,482,249
Financial liabilities at FVTPL	13,778	-	-	-	5,355	19,133
Financial liabilities designated at FVTPL	1,123,550	-	120,636	-	16,250	1,260,436
Derivative liabilities[1]	534,000	2,883	24,696	-	3,062	564,641
Borrowings	1,882,089	582	71,902	-	64,383	2,018,956
Debentures	438,851	-	-	-	-	438,851
Other financial liabilities	274,810	1,912	63,600	314	19,239	359,875
	₩ 6,412,315	₩ 236,718	₩ 293,879	₩ 10,663	₩ 190,566	₩ 7,144,141

1. The derivative assets and liabilities include both derivatives held for trading purposes and derivatives held for hedging purposes.

(in millions of Korean won)

	2023					
	USD	JPY	EUR	CNY	Others	Total
Assets:						
Cash and cash equivalents	₩ 845,994	₩ 315,240	₩ 200,702	₩ 25,097	₩ 82,757	₩ 1,469,790
Financial assets at FVTPL	1,387,147	44,970	84,408	47,552	129,392	1,693,469
Derivative assets[1]	117,068	1,652	42,365	-	7,330	168,415
Financial assets at FVOCI	802,315	-	-	-	-	802,315
Financial assets at amortized cost	2,563,748	30,996	209,701	9,874	576,593	3,390,912
Other financial assets	1,401	-	378	-	20	1,799
	₩ 5,717,673	₩ 392,858	₩ 537,554	₩ 82,523	₩ 796,092	₩ 7,526,700
Liabilities:						
Deposits due to customers	₩ 1,462,431	₩ 308,978	₩ 5,643	₩ 11,832	₩ 164,685	₩ 1,953,569
Financial liabilities at FVTPL	14,267	-	-	-	7,738	22,005
Financial liabilities designated at FVTPL	981,589	-	106,922	-	19,404	1,107,915
Derivative liabilities[1]	490,387	4,254	18,442	-	28,855	541,938
Borrowings	729,799	568	63,132	17	34,568	828,084
Debentures	383,897	-	-	-	-	383,897
Other financial liabilities	452,572	5,268	20	436	1,740	460,036
	₩ 4,514,942	₩ 319,068	₩ 194,159	₩ 12,285	₩ 256,990	₩ 5,297,444

1. The derivative assets and liabilities include both derivatives held for trading purposes and derivatives held for hedging purposes.

42.3 Liquidity risk

Liquidity risk refers to the risk that the Group may encounter difficulties in meeting obligations from its financial liabilities.

42.3.1 Liquidity risk management

Liquidity risk management is to prevent potential cash shortage as a result of mismatching the use of funds (assets) and sources of funds (liabilities) or unexpected cash outflows. Of the financial liabilities in the consolidated statements of financial position, financial liabilities in relation to liquidity risk become the objects of liquidity risk management.

Assets and liabilities are grouped by account under Asset Liability Management ("ALM") in accordance with the characteristics of the account. The Group manages liquidity risk by identifying maturity gap and such gap ratio through various cash flows analysis (i.e., based on remaining maturity and contract period); while maintaining the gap ratio at or below the target limit.

42.3.2 Maturity analysis of financial liabilities

The Group's maturity analysis of financial liabilities, cash flows of principals and interests, by remaining contractual maturities as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Deposits due to customers	₩ 7,971,818	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 7,971,818
Financial liabilities at FVTPL	2,817,023	222,017	577,380	2,953,073	1,851,195	2,114,350	10,535,038
Borrowings	15,277,689	1,986,190	1,779,569	5,485,020	22	-	24,528,490
Debentures	1,899	5,041	349,704	654,631	1,985,894	-	2,997,169
Other financial liabilities	4,923,462	81,768	8,481	15,706	52,557	1,102,079	6,184,053
Derivative liabilities	112,449	98,168	107,268	185,414	448,649	676,493	1,628,441
	₩ 31,104,340	₩ 2,393,184	₩ 2,822,402	₩ 9,293,844	₩ 4,338,317	₩ 3,892,922	₩ 53,845,009

(in millions of Korean won)

	2023						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Deposits due to customers	₩ 7,174,609	₩ 2,787	₩ -	₩ -	₩ -	₩ 29	₩ 7,177,425
Financial liabilities at FVTPL	3,673,749	337,806	376,865	2,881,324	2,178,416	2,156,157	11,604,317
Borrowings	6,490,435	664,862	3,092,832	8,708,578	24,304	-	18,981,011
Debentures	90,143	200,931	422,348	163,233	2,163,393	-	3,040,048
Other financial liabilities	5,535,305	482,532	7,494	787,327	75,282	-	6,887,940
Derivative liabilities	52,072	54,564	82,437	134,933	334,344	492,309	1,150,659
	₩ 23,016,313	₩ 1,743,482	₩ 3,981,976	₩ 12,675,395	₩ 4,775,739	₩ 2,648,495	₩ 48,841,400

The above-mentioned maturity analysis includes both principal and interest cash flows by contractual maturities.

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

42.3.3 Maturity analysis of off-balance-sheet accounts

Maturity analysis of off-balance-sheet accounts as of December 31, 2024 and 2023 is as follows:

(in millions of Korean won)

	2024						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Purchases and acquisitions commitment	₩ 463,818	₩ 500	₩ -	₩ 102,500	₩ 51,500	₩ -	₩ 618,318
Loan commitments	3,717,092	-	-	-	-	-	3,717,092
Non-fulfillment commitment	421,776	-	-	-	-	-	421,776
	₩ 4,602,686	₩ 500	₩ -	₩ 102,500	₩ 51,500	₩ -	₩ 4,757,186

(in millions of Korean won)

	2024						
	Within 1 month	1 to 3 months	3 to 6 months	6 to 12 months	1 to 5 years	More than 5 years	Total
Purchases and acquisitions commitment	₩ 138,687	₩ 500	₩ -	₩ -	₩ 302,300	₩ -	₩ 441,487
Loan commitments	1,644,978	-	-	-	-	-	1,644,978
Non-fulfillment commitment	419,315	-	-	-	-	-	419,315
	₩ 2,202,980	₩ 500	₩ -	₩ -	₩ 302,300	₩ -	₩ 2,505,780

42.4 Capital Management

Capital regulation for financial investment firms is established by the Financial Investment Services Regulation. The Group manages and controls so that net capital ratio is 100% or above to follow the regulation. The Group reports to Financial Supervisory Service for compliance with net capital ratio on the quarterly basis.

43. Operating Segments

Disclosures of operating segment were prepared in accordance with KIFRS 1108 Operating Segments. KIFRS requires the chief operating decision maker of the Group to disclose regularly reviewed information by segment for the purpose of resource allocation and performance assessment.

Segment reporting for the Group is composed of sales, investment bank ("IB"), trading, headquarters and other departments, and the reporting segments are categorized based on business activities providing different services.

Reporting segment	Main business activities
Sales	Asset management services including brokerage consignment, financial instrument sales, etc., to individual, domestic or foreign institutional investors
IB	Corporate finance services including corporate finance, M&A, PF, PEF operation, etc.
Trading	Stocks and bonds operations, product operation, supply of derivatives and capital investment
Headquarters and others	Activities other than the above such as headquarters management, etc.

43.1 Financial Information of Segment Reporting

The operating income of the Group for each of the two years in the two-year period ended December 31, 2024 is as follows:

(in millions of Korean won)

	2024				
	Sales	IB	Trading	Headquarters/others	Total
Operating revenue					
Interest income	₩ 540,284	₩ 428,033	₩ 637,294	₩ 134,826	₩ 1,740,437
Non-interest income	2,923,021	1,172,745	3,970,003	1,780,887	9,846,656
	3,463,305	1,600,778	4,607,297	1,915,713	11,587,093
Operating expenses					
Interest expense	223,527	309,528	409,236	(3,629)	938,662
Non-interest expense	2,220,362	693,053	4,018,630	1,704,418	8,636,463
Administrative expenses	647,087	205,451	65,675	192,686	1,110,899
	3,090,976	1,208,032	4,493,541	1,893,475	10,686,024
Operating income	₩ 372,329	₩ 392,746	₩ 113,756	₩ 22,238	₩ 901,069

(in millions of Korean won)

	2023				
	Sales	IB	Trading	Headquarters/others	Total
Operating revenue					
Interest income	₩ 473,893	₩ 423,254	₩ 537,323	₩ 177,814	₩ 1,612,284
Non-interest income	2,506,789	679,010	2,122,252	4,523,453	9,831,504
	2,980,682	1,102,264	2,659,575	4,701,267	11,443,788
Operating expenses					
Interest expense	216,970	298,352	331,375	(25,729)	820,968
Non-interest expense	1,864,147	429,060	2,090,910	4,560,226	8,944,343
Administrative expenses	602,384	173,650	66,535	110,151	952,720
	2,683,501	901,062	2,488,820	4,644,648	10,718,031
Operating income	₩ 297,181	₩ 201,202	₩ 170,755	₩ 56,619	₩ 725,757

Notes to the Consolidated Financial Statements

December 31, 2024 and 2023

Assets and liabilities by operating segment as of December 31, 2024 and 2023 are as follows:

(in millions of Korean won)

	2024				
	Sales	IB	Trading	Headquarters/others	Total
Assets	₩ 13,025,867	₩ 12,565,396	₩ 22,337,516	₩ 14,498,286	₩ 62,427,065
Liabilities	13,025,867	12,517,448	22,322,063	6,442,318	54,307,696

(in millions of Korean won)

	2023				
	Sales	IB	Trading	Headquarters/others	Total
Assets	₩ 12,291,462	₩ 10,120,901	₩ 18,292,749	₩ 15,992,781	₩ 56,697,893
Liabilities	12,291,462	10,132,801	18,281,422	8,378,780	49,084,465

43.2 Information on Products and Services

As the financial products of the Group are categorized as interest bearing, non-interest bearing and others, and the categorization is reflected in the composition of the operating segments above, revenue from external customers is not separately disclosed.

43.3 Information on Geographical Areas

Within the Group's revenue (interest income and non-interest income) from external services, revenue from the domestic customers for each of the two years in the two-year period ended December 31, 2024 amounted to ₩ 11,397,384 million and ₩ 11,299,256 million, respectively, and revenue from the foreign customers amounted to ₩ 189,708 million and ₩ 144,532 million, respectively. The Group's non-current assets (investments in associates and joint ventures, investment property, property and equipment, and intangible assets) as of December 31, 2024 and 2023 are ₩ 831,754 million, ₩ 717,862 million, respectively, in relation to domestic customers, and ₩ 248,951 million and ₩ 219,710 million, respectively, in relation to foreign customers. The assets in relation to foreign customers are owned by the Group's overseas subsidiaries and branches.

44. Revenue from Contracts with Customers

The timing of revenue recognition and revenue for each segment under KIFRS 1115 Contracts with customers for each of the two years in the two-year period ended December 31, 2024 are as follows:

(in millions of Korean won)

	2024				
	Sales	IB	Trading	Headquarters/others	Total
Revenue from contracts by segment	₩ 629,477	₩ 395,376	₩ 5,553	₩ 99,852	₩ 1,130,258
Timing of revenue recognition:					
At a point in time	₩ 608,840	₩ 139,575	₩ 30	₩ 27,773	₩ 776,218
Services recognized over time	20,637	255,801	5,523	72,079	354,040
	₩ 629,477	₩ 395,376	₩ 5,553	₩ 99,852	₩ 1,130,258

(in millions of Korean won)

	2023				
	Sales	IB	Trading	Headquarters/others	Total
Revenue from contracts by segment	₩ 608,256	₩ 301,431	₩ 4,388	₩ 87,481	₩ 1,001,556
Timing of revenue recognition:					
At a point in time	₩ 560,648	₩ 123,534	₩ 64	₩ 24,909	₩ 709,155
Services recognized over time	47,608	177,897	4,324	62,572	292,401
	₩ 608,256	₩ 301,431	₩ 4,388	₩ 87,481	₩ 1,001,556

45. Approval of Issuance of the Financial Statements

The consolidated financial statements for the year ended December 31, 2024 were approved for issuance by the Board of Directors on January 23, 2025 and are subject to change with the approval of shareholders at their Annual General Meeting on March 24, 2025.