KB Financial Group

Unwavering Trust, Rising KB Value

KB Financial Group's Sustainable Value-up Plan

"Buy Korea, Buy KB!"



2024. 10. 24.

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"Pursue a Sustainable and Predictable" Shareholder Return

- Aim to utilize the capital equivalent to an amount exceeding 13% of the previous year-end's CET1 ratio as resources for shareholder returns in the following year (through quarterly-even cash dividends on a total annual amount basis + share buybacks/cancellations)
- Based on the profits accumulated throughout the year, aim to utilize the capital equivalent to an amount exceeding 13.5% of the 2nd Half CET1 ratio as resources for additional shareholder returns (through share buybacks/cancellations)



※ This disclosure is subject to change based on economic uncertainty, regulatory environment, capital ratio forecasts, and the company's strategic objectives, including inorganic growth initiatives

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KB - Creating a Better World through Finance

KB is dedicated to growing alongside with the people and the society of Korea, continually striving for shared progress and sustainable development

Corporate Information

Company

KB Financial Group

On September 29, 2008,
KB Financial Group was established through a comprehensive share transfer of its major subsidiaries, as part of a strategic, mid-to-long-term plan to adapt to shifts in the financial landscape

Chairman & CEO

Jong Hee Yang

Credit Ratings

Moody's A1 S&P A

ESG Rating

MSCI AAA

Mission

Financial Services Delivering Changes

- happier life and better world

Vision

Powered by world-class talents and bold innovation, we strive to be your most trusted lifelong financial partner

Subsidiaries

- KB Kookmin Bank
- KB Securities
- KB Insurance
- KB Kookmin Card
- KB Life Insurance
- KB Asset Management
- KB Capital
- KB Real Estate Trust
- KB Savings Bank
- KB Investment
- KB Data Systems

Financial Information

* end of 2023

Group AUM

KRW **1,218** tn.

※ Based on simple arithmetic sum of total assets and AUM on the Group's consolidated financial statements

Non-interest Income Contribution

32%

※ Excluding contribution expenses and insurance fees on deposits

Non-bank Contribution

36%

※ Based on simple arithmetic sum of each subsidiary's net profit on the Group's consolidated financial statements excluding adjustments for consolidation, etc.

Net Profit

KRW **4.6** tn.

Building solid fundamentals: Continue Advancing a Proactive Shareholder Return Policy

As a leading financial group, KB is committed to addressing the valuation discount in Korea's financial sector via responsible actions and dedicated efforts

Market Evaluations and KB's Commitment to Shareholder Value Enhancement

PBR
(Price to Book Ratio)

0.61 X
As of the end of June 2024

Market Capitalization

KRW **31.7** tn.
As of the end of June 2024

Total Shareholder Return Ratio
(Total cash dividends + Share buybacks/cancellations) ÷ Net Profit

37.7 %
In 2023

EPS/DPS
(Earnings Per Share/Dividends Per Share)

KRW **11,580** / KRW **3,060**
In 2023

KB's Fundamentals

CET1 Ratio
(Common Equity Tier1 Ratio)

13.60 %
As of the end of June 2024 (Finalized)

ROE
(Return on Common Equity)

10.78 %
In 1H 2024

※ All disclosed ROE figures in this document are based on the above criteria

ROA
(Return on Asset)

0.76 %
In 1H 2024

CIR
(Cost to Income Ratio)

36.4 %
In 1H 2024

Ⅰ. About KB Financial Group

Ⅱ. Value-up Efforts and Status

Ⅲ. Sustainable Value-up Plan

Dedicated to Enhancing the Group's Capital Profitability Strength during the Past Decade

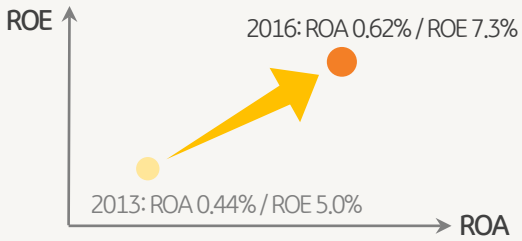
Since 2014, KB Financial Group has successfully made significant progress in 「❶ Strengthening earnings-generation capacity → ❷ Expanding business portfolio → ❸ Enhancing capital efficiency」, and the Group is also leading the industry with its proactive shareholder return policies

[Rigorous journey of KB in the pursuit of strengthening its fundamentals (2014-2024)]

2014-2016

【❶ Phase I】 Strengthening Fundamentals

- Enhanced ROE by strengthening profit-generating fundamentals while steadily accumulating capital
  - ✓ Achieved improvements in all ROA, ROE and CET1 ratio



2017-2020

【❷ Phase II】 Expanding Business Portfolio

- Continued enhancements in Group's business portfolio fueled by accumulated capital
  - ✓ Completed an industry-leading diversified business portfolio through M&As of KB Securities, KB Insurance, KB Life Insurance, and KB Capital

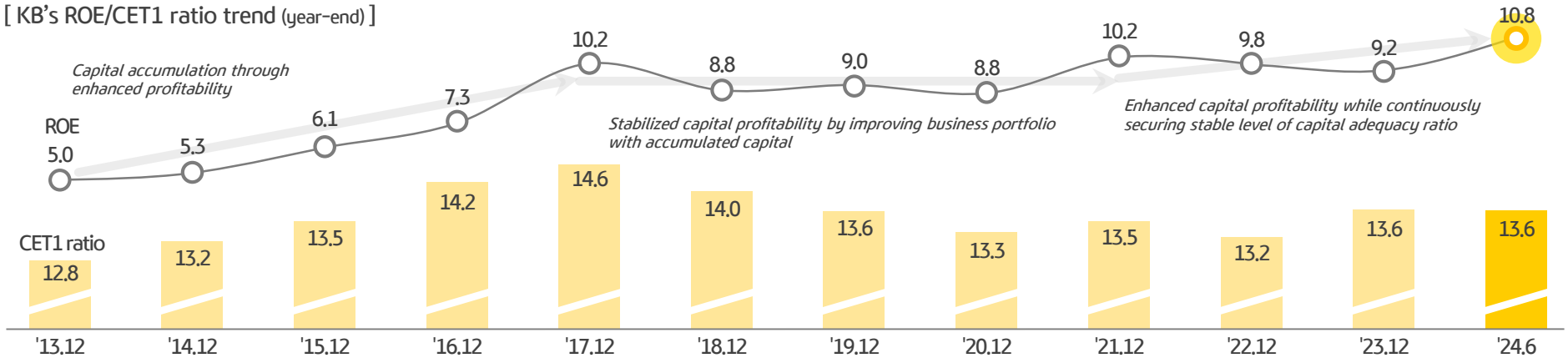
Subsidiary	Contents
KB Securities (former Hyundai Securities)	Added as a subsidiary in 2016 → Increased shareholding to 100% in 2017
KB Insurance (former LIG Insurance)	Added as a subsidiary in 2015 → Increased shareholding to 100% in 2017
KB Life Insurance (former Prudential)	Added as a subsidiary in 2020 (acquired 100% shares)
KB Capital (former Woori Financial)	Added as a subsidiary in 2013 → Increased shareholding to 100% in 2017

2021-Present

【❸ PhaseIII】 Enhancing Capital Efficiency

- Proactive implementation of a CET1 ratio-centric capital policy (The nation's first to adopt a CET1-linked shareholder return)
- Shareholder return policy corresponding to global standards, utilizing both cash dividends and share buyback/cancellations
  - ('21) Refined Capital allocation strategy
  - ('22) Introduced **industry's first CET1-linked shareholder return policy**, and adopted regular quarterly dividends
  - ('23) Incorporated RoRWA into performance evaluation & compensation, carried out share buyback/cancellation
  - ('24) **Industry's first to implement quarterly-even dividends (on a total annual amount basis)**

[KB's ROE/CET1 ratio trend (year-end)]



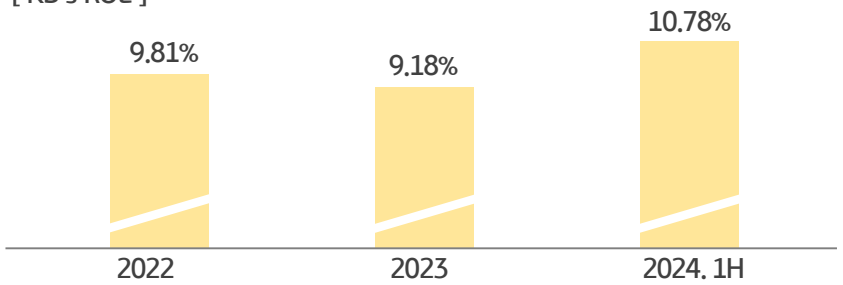
KB Holds Global Leader Standards in Capital Profitability & Adequacy

KB maintains industry-leading capital adequacy levels while delivering profitability(ROE) that exceeds the cost of equity(COE) expected by shareholders

Capital Profitability(ROE-COE) Analysis

- ROE is improving through RoRWA enhancement driven by the **expansion of non-interest income** and **reduction of expenses**, delivering performance exceeding COE

[KB's ROE]



* 2024 1H COE: 10.04%. Refer to Appendix_17p for detailed calculation method

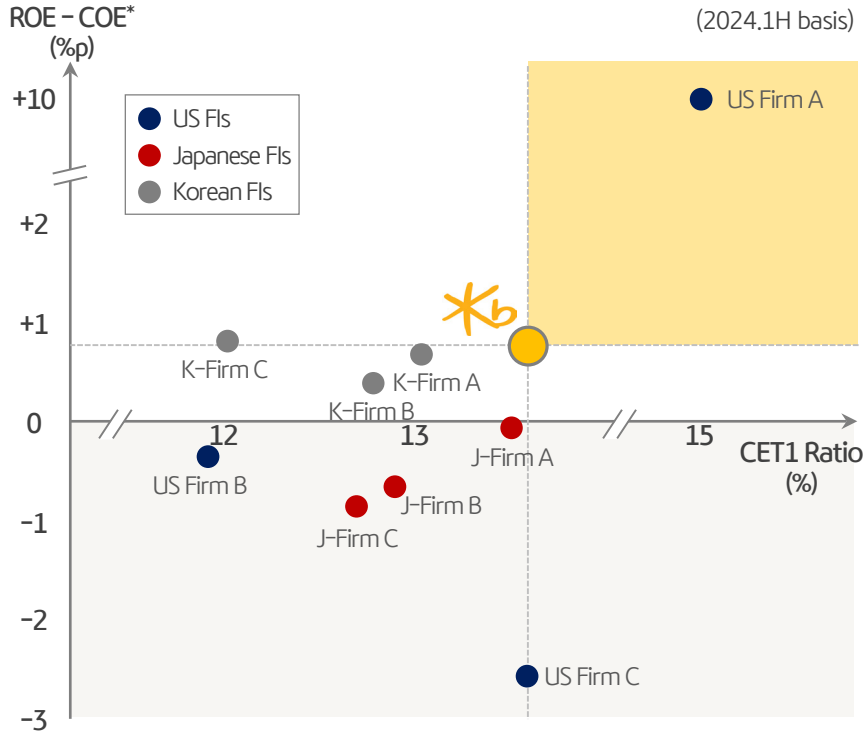
[KB's RoRWA]

Category(%)	2022	2023	2024.1H
RoRWA (❶-❷)	1.45	1.48	1.69
❶ Gross Operating Profit / RWA	4.94	5.19	5.38
Net Interest Income	4.32	3.88	3.86
Net Non-Interest Income	0.63	1.31	1.52
❷ Expenses / RWA	3.49	3.71	3.69
G&A	2.48	2.13	1.96
Provision for Credit Losses	0.60	1.01	0.60
Net Non-Operating Income and Corporate Taxes	0.41	0.57	1.14*

* Impact of ELS loss compensation

Comparison of Capital Profitability(ROE-COE) / Capital Adequacy(CET1) in the Industry

- **Capital Profitability** and **Capital Adequacy** are positioned at top levels within the financial industry, outperforming domestic peers and some global leaders



* COE : Korea 10%(Based on Value-up Disclosure), U.S. 10.05%(Based on Bloomberg), Japan 8%(Based on Value-up Disclosure)

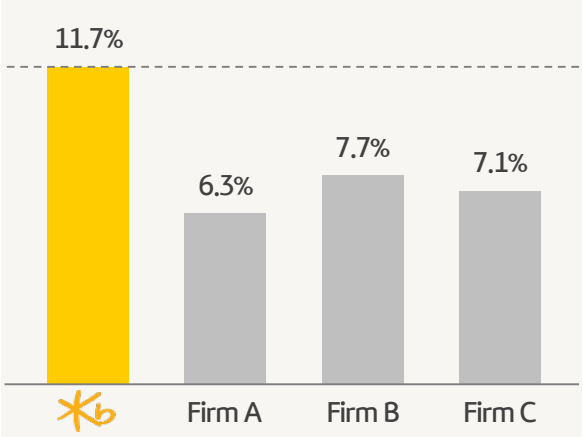
Top-level Growth in 'Per-Share Value'

The first financial holding company in the industry to implement share buybacks/cancellations, paving the way for improving 'per-share value' through continued share buybacks/cancellations, with further potential for EPS improvement

Comparison of BPS Growth

- Strengthening fundamentals has driven **Capital accumulation**, leading to top-tier BPS growth in the industry

[Average Annual BPS Growth('19-'23)]



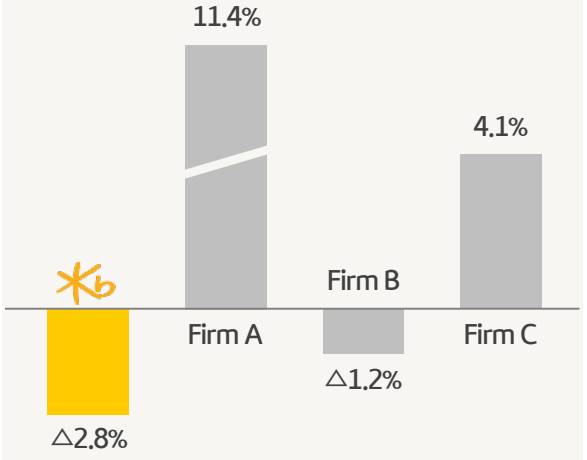
[BPS(KRW)]

Year	KB	Firm A	Firm B	Firm C
'19	91,871	81,997	92,192	28,401
'20	100,485	82,624	98,455	29,294
'21	113,425	88,548	108,354	32,343
'22	130,813	96,401	114,353	35,230
'23	143,163	104,769	124,081	37,313

Comparison of Changes in Outstanding Shares

- The reduction rate of outstanding shares is the highest among competitors, driven by continuous **share buybacks/cancellations**

[Cumulative Change Rate of Outstanding Shares ('19-'23)]



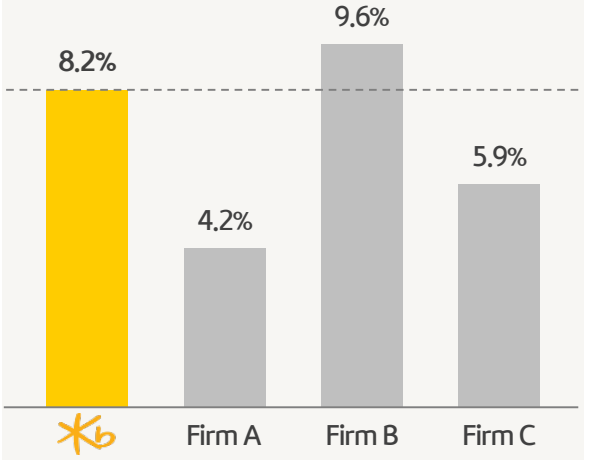
[Outstanding Shares(based on Common Stock)(Shares in thousands)]

Year	KB	Firm A	Firm B	Firm C
End of '19	389,634	460,318	291,563	722,268
End of '20	389,634	516,593	291,563	722,268
End of '21	389,634	516,593	291,563	728,058
End of '22	389,634	508,779	291,563	728,058
End of '23	378,664	512,753	288,017	751,896

Comparison of EPS Growth

- **Absolute profits are higher**, but **EPS growth rate is lower** compared to Firm B due to a relatively larger No. of Shares

[Average Annual EPS Growth ('19-'23)]



[EPS(KRW)]

Year	KB	Firm A	Firm B	Firm C
'19	8,451	7,130	7,898	2,699
'20	8,809	6,825	8,858	1,810
'21	11,134	7,526	11,819	3,572
'22	10,334	8,795	11,865	4,315
'23	11,580	8,413	11,380	3,400

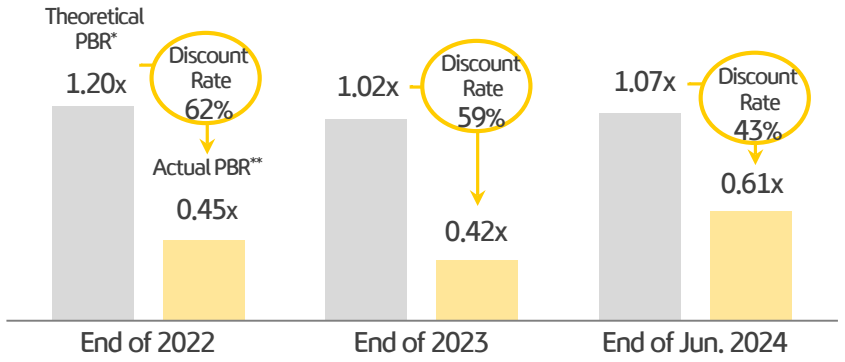
* The companies compared are other Korean bank holding companies. Data for these companies have been derived from their respective disclosures.

Profit Sustainability & Low Shareholder Returns Drive Continued Undervaluation

We will continue to strengthen profitability and enhance shareholder returns to ensure that the Company's valuation reflects its intrinsic value

PBR Analysis

- Although the gap between KB's theoretical and actual PBR has narrowed, persistent market concerns regarding the sustainable enhancement of profitability and total shareholder return continue to suppress the **actual PBR below its intrinsic value**.



* Gordon Growth Model Applied : ROE for the year ÷ COE for the year(assuming 0% perpetual growth rate)
** Market Cap. ÷ Year-end Common Equity

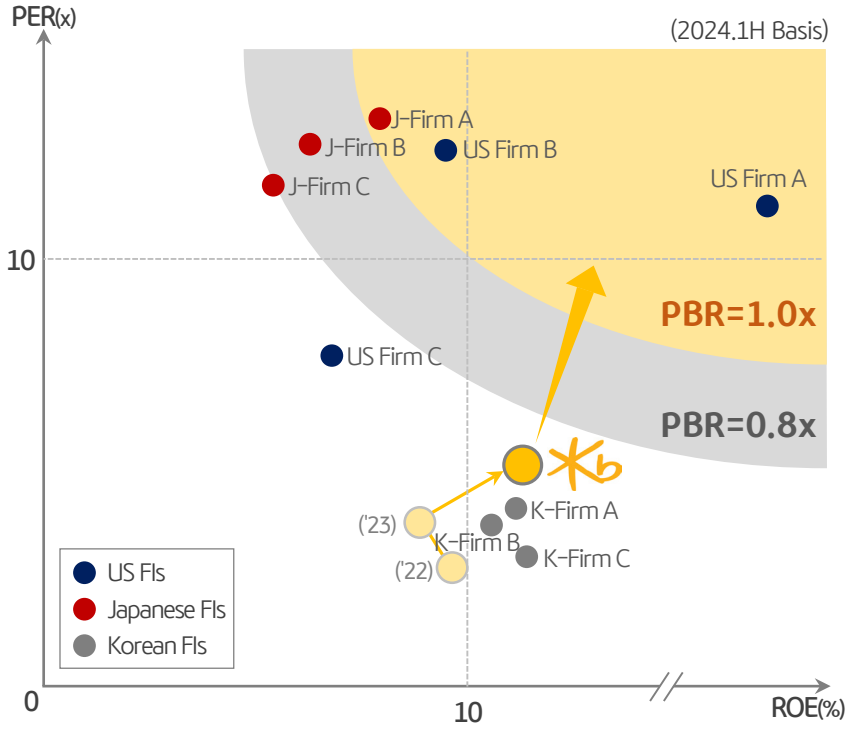
[KB's Total Shareholder Return]

Category(%, bn Won)	2021	2022	2023
TSR (❶÷❷)	26.0	26.2	37.7
❶ Total Shareholder Return	1,146	1,149	1,746
Total cash dividends	1,146	1,149	1,174
Share buyback	-	-	572
❷ Profit for the Period	4,410	4,395	4,632

Comparison of PBR/PER in the Industry

- The lower PBR, compared to leading firms in the US and Japan , stems from a relatively lower PER. To address this undervaluation, demonstrating **sustainable profit growth** and **enhancing shareholder returns** are critical to building market confidence.

※ 1/PER = implied COE = COE/(1-discount rate)



I . About KB Financial Group

II. Value-up Efforts and Status

III. Sustainable Value-up Plan

❶ Enhance Shareholder Returns
❷ Capital Ratio Management
❸ Reinforce Core Fundamentals
❹ Improve Corporate Governance
❺ Enhance Social Value
❻ Strengthen Communication

Plans and Targets set to ensure KB's efforts culminate in enhancing its corporate value

KB Financial Group has set financial targets mainly concentrated on improving ROE, the core component enhancing corporate value, and the Group plans to make a group-wide effort in executing detailed action plans in order to boost both ROE and PER

[PBR Breakdown]

PBR (Target = 1x) = **ROE*** (Net Profit / Equity) = **Inverse of CET1 Ratio** (RWA / Equity) X **RoRWA** (Net Profit / RWA)

X **PER** (Market Cap. / Net Profit)

f (Cost of Equity, Expected growth rate, Dividend payout ratio)

[Action Plan]

1 Enhance Shareholder Returns — ROE, PER

(Phase 1) Aim to utilize the capital exceeding 13% CET1 ratio at year-end as resources for shareholder returns in the following year, (Phase 2) implement additional returns with the capital accumulated during the year

2 Capital Ratio Management — ROE, PER

Aim to enhance capital reallocation within the portfolio to maintain a stable CET1 ratio and improve the predictability of shareholder returns

3 Reinforce Core Fundamentals — ROE, PER

Aim to reinforce earnings-generating power by establishing a foundation for sustainable growth and improving RoRWA through enhancing non-interest income and cost control

4 Improve Corporate Governance — PER

Aim to upgrade the Group's governance system and processes to build an even more resilient KB Governance Framework

5 Enhance Social Value — PER

Recognizing the society as KB's customers, pursue mutual growth strategies to boost social value

6 Strengthen Communication — PER

Operate diverse communication channels to reduce information asymmetry, and foster interactive communication with the shareholders and stakeholders

[Key Financial Targets(2025-2027)]

2 CET1 ratio 13% ↑

3 ROE 10% ↑ (Double Digit)

1 Pursue Industry-leading Level of TSR ratio based on CET1 Ratio

1 Target 10mil. shares* Share Buyback & Cancellations

* Annual average

1 Target 10% growth of EPS*even in profit slowdown periods

* Annual average

Mid-to-Long Term Management Strategy

- 「Future Strategy for the Intrinsic Growth of KB's Value」 which lays the foundation for the above corporate value enhancement plan is reflected in the 「Mid-to-Long Term Management Strategy of KB Financial Group」 which was established at the end of 2023
- In accordance with the Mid-to-Long Term Management Strategy, the Group is currently under progress on 15 key strategic tasks across 6 major sectors

$$* \text{ROE} = \frac{\text{Net Profit}}{\text{Equity}} = \frac{\text{RWA}}{\text{Equity}} \times \frac{\text{Net Profit}}{\text{RWA}} = \frac{\text{Inverse of CET1 ratio}}{} \times \text{RoRWA}$$

※ Evaluation of the plan's implementation are scheduled to begin after the disclosure of the 2025 Value-up plan

※ This disclosure is subject to change based on economic uncertainty, regulatory environment, capital ratio forecasts, and the company's strategic objectives, including inorganic growth initiatives

❶Enhance Shareholder Returns(2025-2027 Target)

Enhancing Sustainability & Predictability with CET1 Ratio-Linked Shareholder Returns

An amount equivalent to the capital exceeding a 13% CET1 ratio at previous year-end is expected to be allocated as resources for following year's shareholder returns in order to enhance sustainability and predictability

Phase 1 Previous Year-end's CET1 Ratio

Utilize Capital Exceeding 13% CET1 Ratio for Shareholder Returns

- Capital exceeding 13% CET1 Ratio at previous year-end is expected to be **allocated as resources for shareholder returns for the following year**
  e.g. If the CET1 ratio is 13.5% at the end of '24, the excess 50bps (equivalent to ₩1.7 tn.) is expected to be used for shareholder returns in '25, deciding total annual cash dividend amt. & 1H share buybacks/cancellations.
- It is expected that linking the previous year-end's CET1 Ratio to shareholder returns for the following year will enhance predictability, while **maintaining a mid-13% CET1** with accumulated capital throughout the year will ensure sustainability

Phase 2 Interim CET1 ratio

Utilize Capital Exceeding 13.5% CET1 Ratio for Additional Returns

- Capital exceeding 13.5% CET1 Ratio in the 2nd half of the year is expected to be allocated for **additional shareholder returns**
  - If CET1 accumulated during the year exceeds 13.5%, the equivalent excess capital is expected to be used as resources for additional share buybacks/cancellations
  - Pursue Industry-leading level of TSR via CET1 Ratio-linked shareholder returns
- Accumulated capital throughout the year being used for **additional share buybacks/cancellations in 2H is expected to boost DPS growth each quarter**

Expected capital accumulation from profits generated throughout the year

(Year-Start) **Returns based on accumulated capital at previous year-end**

(2nd half) **Additional returns based on capital accumulated throughout the year(if any)**

Until Reaching a Target PBR 1.0x, Pursue:

Buybacks/Cancellations of 「10M+ Shares(Annual average)」 + 「Quarterly Increasing」 DPS

- Pursue buybacks/cancellations of **10 million shares or more on annual average** basis
  - Pursue buybacks/cancellations-driven shareholder returns until reaching a PBR of 1x
  - Aim for buybacks/cancellations announcement 1H&2H of every year
- Pursue continued "Quarterly, even dividends on a total amount basis"
  - Pursue quarterly increasing DPS with buybacks/cancellations in 1H&2H
  - Pursue gradual increase in total dividends to maintain a certain level of dividends yield

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❶Enhance Shareholder Returns(2025-2027 Target)

Strategic Shift: From Absolute Asset/Profit Size To 'Per-Share Value Growth'

Aim to continue 'Per Share Value Growth' by maximizing shareholder value through share buybacks/cancellations, and achieve higher Total Shareholder Return (TSR)

Determination of Shareholder Return Methods (Share Buybacks/Cancellations vs Cash Dividends)

• Return methods to be decided based on the PBR level at the time of return

PBR 0.5~1.0x	Target 1.0x or above
- Aim to increase the proportion of share buybacks/cancellations within the total return resources	- Flexible returns such as reinvestment in core business

- increase in DPS (gradual increase in total dividend amount)

• We plan to implement cash dividends and share buybacks/cancellations after reviewing the most effective combination of the methods in enhancing shareholder value, based on the level of PBR at each point of shareholder return

Share Buyback /Cancellation	- ROE vs Earnings yield[1)] - Earnings yield > ROE: Continue share buybacks/cancellations
Cash Dividends	- Pursue increase in DPS through share buybacks/cancellations(quarterly, even dividends on total annual amount basis) - Pursue gradual increase in total cash dividends considering **dividends yield**[2)] and **market rate**

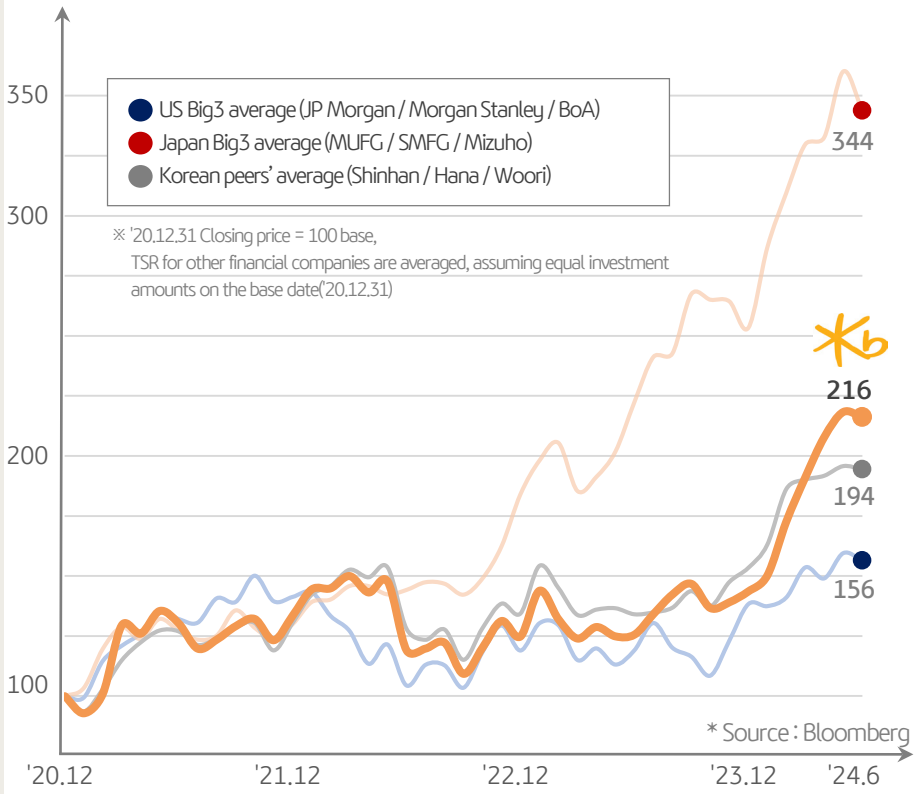
1) Earnings yield : The level of net profit relative to stock price(EPS÷stock price)
2) Dividends yield : The level of dividends relative to stock price(DPS÷stock price)

• Shift the focus from absolute asset&profit size to 'per-share value growth'

EPS	- Aim for an **annual average growth of 10%** through continuous share buybacks/cancellations
BPS	- Constantly monitor growth trend of intrinsic share value

TSR, Total Shareholder Return (end of '20 to Jun. '24)

• Driving higher TSR[3)] through 「Per-Share Value Growth」



3) A metric that combines the returns from stock price changes(capital gain) and dividends earned by shareholders during a specific period

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❷Capital Ratio Management(2025-2027 Target)

Beyond Short-Term: Stable Capital Management for 'Sustainable Value-up'

Aim to maintain a mid-13% CET1 ratio through efficient capital allocations to meet both 'financial stability' and 'expectations for shareholder returns'

[Expected Net Profit Allocation]

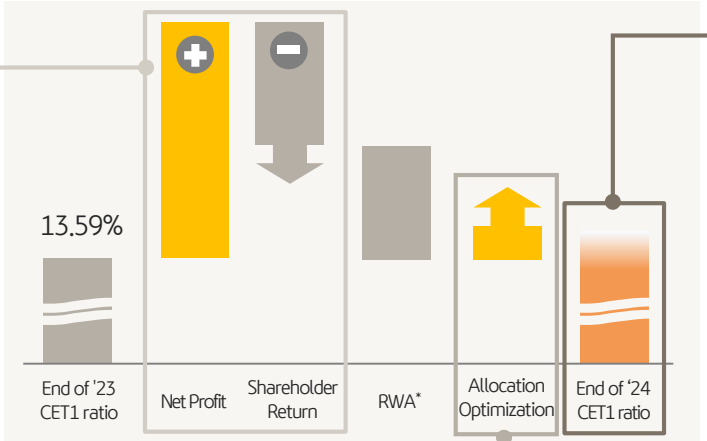
Among Annual Net Profit,

1. Cash Dividends
2. Share buybacks/ cancellations
3. Allocation for growth
4. Capital Accumulation

We believe that by driving qualitative growth, capital will be utilized more efficiently and thus accumulated capital with efficient growth will be allocated to enhance shareholder returns

Annual Net Profit Allocation

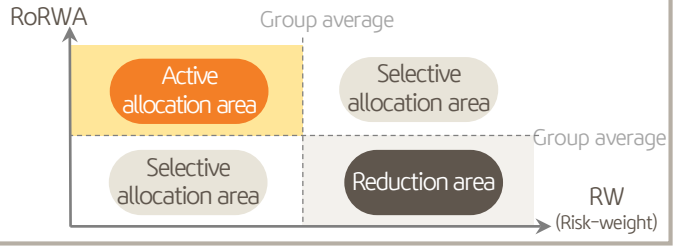
[Factors affecting CET1 ratio changes]



* Current increasing level of RWA in the existing business structure

[Capital allocation optimization]

- Reallocate capital within the portfolio, focusing on business with high RoRWA and low RW
- Maintain capital allocation on strategic growth areas, considering mid-to long-term strategies



[Year-end CET1 ratio & shareholder return targets by range]

- Principle of utilizing the capital exceeding year-end CET1 13% for shareholder returns, with a minimum TSR ratio of 40% (Cash Dividends + share buybacks/cancellations)
- Aim to maintain a mid-13% CET1 ratio with capital accumulated throughout the year. Aim to allocate excess capital above 13.5% for additional share buybacks/cancellations in the 2nd half of the year

13.0% Target CET1 ratio: 13.0% or above

Management Buffer

- Maintain total cash dividend payout amount
- Capital accumulation

11.5% Regulatory Ratio*

* Min. Regulatory Capital Ratio: 4.5%
Capital Conversion Buffer: 2.5%
D-SIB: 1%
Countercyclical Capital Buffer: 1%
Stress Capital Buffer(End of '24): Max. 2.5%

0%

CET1 Ratio

※ This disclosure is subject to change based on economic uncertainty, regulatory environment, capital ratio forecasts, and the company's strategic objectives, including inorganic growth initiatives

❸Reinforce Core Fundamentals(2025-2027 Target)

Sustaining RoRWA-Driven Growth to Strengthen Core Fundamentals

Seek to enhance shareholder return capacity by managing RWA growth in line with ROE improvement while maintaining CET1 ratio and including Value-up enhancement metrics in top-management evaluations to strengthen execution

Establish a balance between sustainable growth and shareholder returns

- **We plan to shift focus from quantitative to qualitative growth**, managing RWA growth at a balanced point that enables sustainable growth and shareholder return capacity

※ Sustainable TSR Ratio While Maintaining CET1 Ratio ≒ (ROE-RWA Growth Rate) × 10

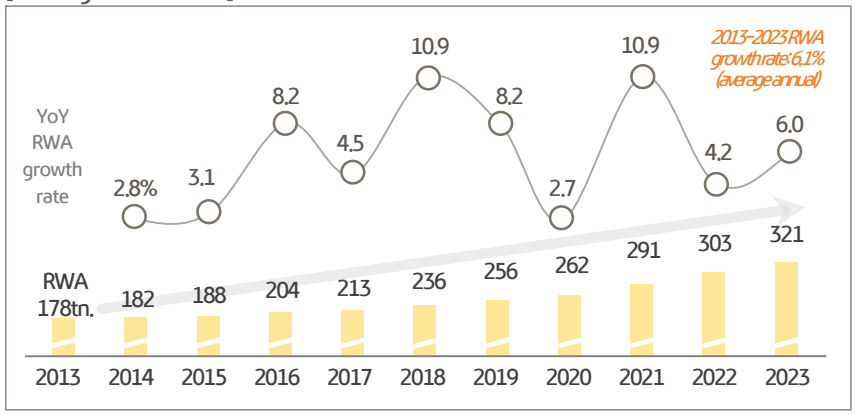
(e.g.) In a given year with an assumption that ROE is 10% and RWA growth rate is 5%, sustainable TSR ratio while maintaining CET1 ratio is projected to increase up to approx. 50%[(10-5) × 10]

(Note: This formula is for illustrative purposes only. Actual shareholder return capacity may vary due to factors such as fluctuations in capital affected by interest rates, exchange rates (e.g. other comprehensive income), and discrepancies between accounting capital(ROE) and regulatory capital(CET1).

- We plan to apply rigorous RWA management to **controllable areas**, despite external factors like exchange rates, interest rates and market conditions

- Align asset growth with system growth levels, such as nominal GDP growth, while managing RWA growth through capital-light strategies (2013-2023 average annual growth 6.1%)

[RWA growth trend]



RoRWA Enhancement Plan

- Further advancing efforts to establish a more granular 「Biz unit-level RoRWA management system」 although RoRWA is already managed at each subsidiary level

[Biz Unit-Level RoRWA Management System(example)]

Biz units with lower RoRWA, despite high overall subsidiary RoRWA, will drive improvement through limited growth, cost efficiency, non-interest income growth etc.



* The above diagram is an example and may differ from the actual RoRWA of subsidiaries and business units

- Utilize the industry's leading non-banking portfolio to expand **non-interest** and **non-banking income** to **40% of the Group's net profit** by 2027

- Enhance cost efficiency through the adoption of generative AI, and **minimize recurring cost increases** while investing efficiently in future growth areas

Top-management compensation system linked to corporate value

- Key financial targets(ROE, RoRWA, capital ratio, etc.) serve as **core performance indicators for top-management evaluations**, with compensation linked to strengthen execution

[Key metrics in performance evaluation]

Category		Key Metrics
Performance-based compensation	Short-term incentive compensation	ROE, RoRWA, Capital Ratio, CIR, etc.
	Long-term incentive compensation	Relative TSR, EPS, etc.

※ This disclosure is subject to change based on economic uncertainty, regulatory environment, capital ratio forecasts, and the company's strategic objectives, including inorganic growth initiatives

❹ Improve Corporate Governance

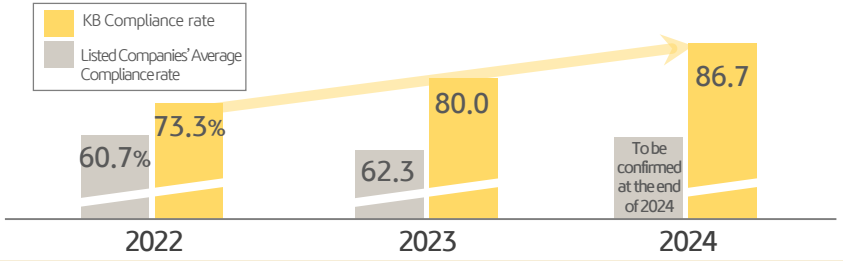
KB's Competitiveness Stems from its Board of Directors

Supported by independence and objectivity, its balanced mix of expertise and diverse backgrounds ensures comprehensive decision-making processes

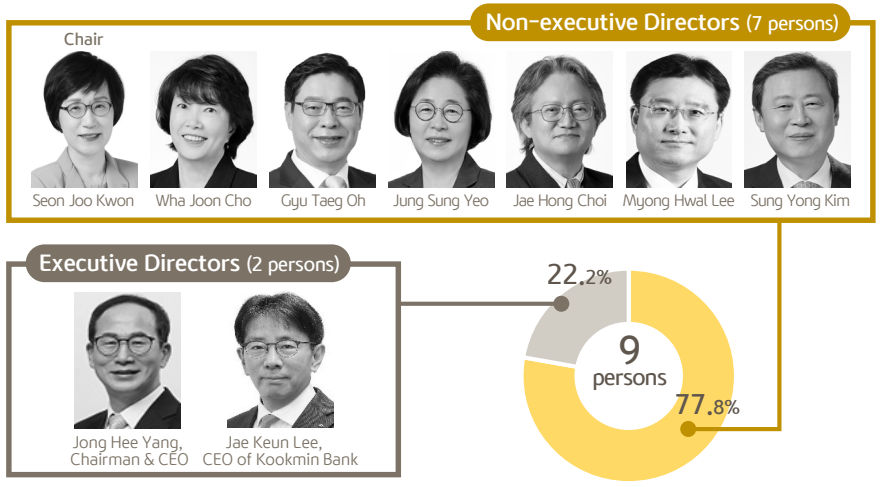
Compliance Rate of Key Corporate Governance Indicators and Board Structure

* Source: Korea Exchange (KRX)

- KB's compliance rate of key corporate governance indicators has **improved annually** and consistently remains above the average of other listed companies in Korea



- KB appoints **a non-executive director as the chair of the board of directors**, and 77.8% of board members are composed of non-executive directors



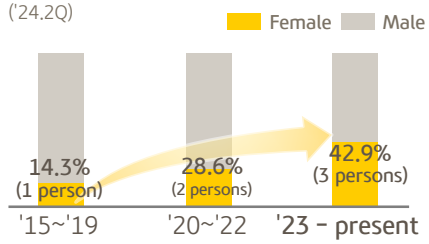
Board Independence & Diversity

- All sub-committees, except the ESG Committee and Subsidiaries' CEO Director Nominating Committee, are comprised solely of non-executive directors

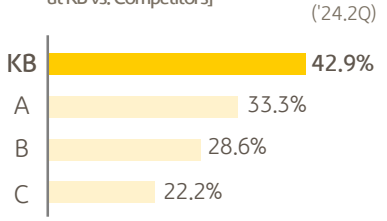
Category	Chair	Members	Non-executive Directors Ratio
Audit Committee	Wha Joon Cho	Seon Joo Kwon, Gyu Taeg Oh, Sung Yong Kim	100%
Risk Management Committee	Sung Yong Kim	Wha Joon Cho, Jung Sung Yeo, Myong Hwal Lee	100%
Evaluation & Compensation Committee	Jung Sung Yeo	Seon Joo Kwon, Jae Hong Choi, Myong Hwal Lee	100%
Non-executive Director Nominating Committee	Gyu Taeg Oh	Seon Joo Kwon, Jung Sung Yeo, Jae Hong Choi	100%
CEO Nominating Committee	Jae Hong Choi	All non-executive directors	100%
ESG Committee	Myong Hwal Lee	All board of directors	77.8%
Subsidiaries' CEO Director Nominating Committee	Jong Hee Yang	Gyu Taeg Oh, Jae Hong Choi, Myong Hwal Lee, Jae Keun Lee	60%

- KB was the first Korean financial group to appoint **three female non-executive directors**, and enhanced diversity of the board's composition by appointing a **female chair of the board** for the first time since the establishment of the Group

[% of Female Non-executive Directors at KB]



[% of Female Non-executive Directors at KB vs. Competitors]



④ Improve Corporate Governance

Setting the Model for Corporate Governance in Korea

We are strengthening independence and objectivity in non-executive director nominations, with the entire process of nominating the Group CEO handled fairly and transparently by non-executive directors who have been independently appointed.

Enhancing the Non-executive Director Appointment Process

From nomination to appointment, those responsible for each stage of non-executive director selection are separated independently.

Advanced Appointment Procedures (Dec. 2014)

[Governance Improvement Task Force]

- Establishing the foundation for the composition and operation process of external directors

Separation of Responsibilities by Appointment Stage (Mar. 2015)

[Improvement of Non-executive Director Nomination Procedures]

- Bolstering the independence of non-executive director nominations by separating the responsible parties at each stage

Ensuring the Independence of Audit Committee Members (Jul. 2016)

[Separate Appointment of Audit Committee Members]

- Separately appointing one audit committee member at the annual general meeting

Strengthening the Independence of Nominations (Mar. 2017)

[Excluding Executive Director(s) from the Non-executive Director Nominating Committee]

- To ensure the independence of non-executive director nominations, the committee is composed entirely of non-executive directors

Advancement of Succession Procedures (Mar. 2018)

[Improving governance TFT]

- Establishing a foundation for fair CEO succession and the development of a candidate pool

Codification of Succession Plans (Jun.)

[Establishment of Succession Protocol]

- Codifying the CEO succession protocol through formal regulations

Strengthening the Independence of Nominations (Mar. 2018)

[Excluding Executive Directors from the CEO Director Nominating Committee]

- Strengthening the independence of non-executive directors in the CEO nomination process

Strengthening Fairness in Succession (Mar.~Nov. 2023)

[Succession Plans in Progress]

- Ensuring the stable operation of the succession protocol
- Improving processes to ensure fair competition between internal and external candidate pools
- Establishing qualifications for the chairperson based on feedback from key stakeholders

Continuous Management of Candidate

[Improvement of Chairperson Nomination Procedures]

- Establishing a system for the continuous management and assessment of potential chairperson candidates

Enhancing Candidate Competitiveness

[Implementation of an Internal Candidate Development Program]

- Systematizing the development and evaluation of the internal chairperson candidate pool

Improvement of Succession Protocol

Heightening transparency and fairness in the succession process to ensure a fair CEO succession for the Group

Future Improvement Plans

Continuously refining processes in compliance with the Best Practices in Governance for Banks and Bank Holding Companies

Non-executive Director Appointments

- ✓ Efforts to ensure the collective competence of the board (board skill matrix) through the management and appointment of non-executive director candidates is being formalized into regulations.
- ✓ Annually establishing policies on external director terms and the board's short- and long-term succession plans to enhance the board's stability, expertise, and diversity.

CEO Succession Plan

- ✓ Regularly reviewing and updating the qualifications for the CEO in line with the Group's mid- and long-term business strategy and vision, and publicly disclosing them
- ✓ Enhancing fairness between internal and external candidates in consideration of the Best Practices in Governance and maintaining a thorough vetting process to ensure the best candidate is selected

Note) Collective competence refers to the board as a whole possessing the expertise required to manage a financial institution, beyond individual directors' expertise.

⑤ Enhance Social Value

Enabling KB to grow sustainably while contributing to the development of the nation and society

Enhancing corporate value by improving our non-financial performance through reinforcing finance's social role while boosting our financial performance at the same time

Learn more > Sustainability Report

[Key Management Indicators]

Social Contribution Strategies

Goals By 2026

Addressing the Low Birth Rate Issue	Empowering Future Generations	Job Support	Supporting Small Business Self-Reliance
Support for childcare/care facility recipients	Career, education, and financial literacy programs support	KB Good Job program beneficiaries	Helping with SOHO business consulting programs
Approx. 52,000 recipients	Approx. 2 million participants	Approx. 50,000 successful job placements	Approx. 70,000 cases

※ Details
- Addressing the Low Birth Rate Issue: Beneficiaries of support for elementary school aftercare classes, attached kindergartens, regional Neulbom care centers, local child centers (cumulative since 2018)
- Empowering Future Generations: Participants in career, education, and financial literacy programs for preschoolers, elementary to high school students, and university students (cumulative since 2011)
- Job Support: Number of successful job placements through the KB Good Job program (cumulative since 2011)
- Supporting Small Business Self-Reliance: Cumulative number of SOHO consulting services (since 2016)

Climate Change Response

Goals By 2030	Goals By 2040	Goals By 2050
ESG Finance	Operational Emissions (Scope 1&2)	Financed Emissions (Scope 3)
KRW 50 tn	Net Zero	Net Zero

※ Details
- ESG Finance: Targets set based on outstanding balance (not transaction volume) following internal criteria
- Carbon Emissions: Targets approved by SBTi (Science Based Targets initiative), with potential adjustments depending on future international standards and global initiatives

[Strategic Directions]

Another Name for Hope is "Citizen"
KB's Together with Others project

Focus Areas	Care	Co-prosperity
	Support aligned with both national and social issues, thereby serving different needs according to the life cycle of people	Support for social independence, environmental conservation, and global coexistence
Key Agendas	Low birth rate, Childcare, Education, Safety/well-being	Youth job support, Small Businesses business support, Environment, Global

Environmental Policy
- ✓ First company in Korea to declare coal-free finance
- ✓ Adhering to the Environmental & Social Risk Management Standard
- ✓ Adoption of Equator Principles by KB Kookmin Bank

Support for Green Management of SMEs and MEs
- ✓ First company in Korea to declare coal-free finance
- ✓ Adhering to the Environmental & Social Risk Management Standard
- ✓ Adoption of Equator Principles by KB Kookmin Bank

Managing Financed Emissions
- ✓ Constant monitoring of financed emissions
- ✓ Measurement and management of emissions intensity and emissions by subsidiary

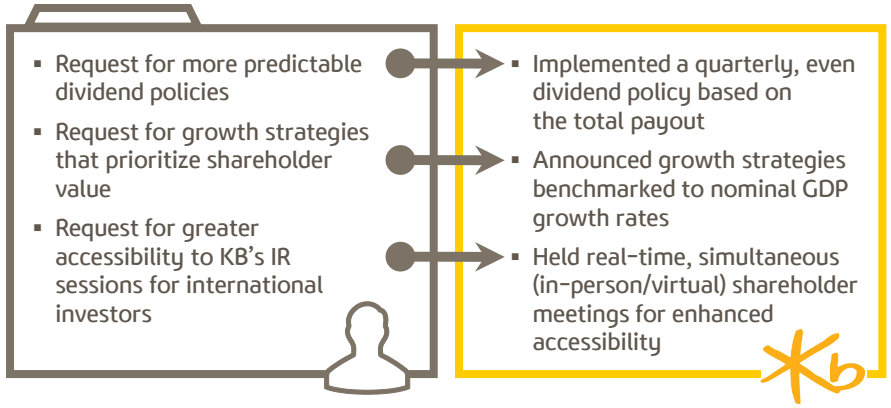
Direct Greenhouse Gas Reductions
- ✓ Expanding the use of renewable energy
- ✓ Transitioning to green vehicles and promoting internal/external eco-friendly campaigns

❻ Shareholder Engagement and Stakeholder Communication

Actively embracing feedback from the market

Operate various communication channels tailored to the specific needs of each stakeholder group, with the board of directors, CEO, and top management leading efforts to improve accessibility and convenience

[Examples of Incorporating Feedback into Practices]



[KB's Communication Channels]

Channel	Stakeholders	Annual Frequency	Details
General Meeting of Shareholders	Retail and Institutional Investors	Annual	– YouTube live broadcast (Mar. 2020 – present) – Electronic voting (Nov. 2020 – present)
Earnings Release	Retail and Institutional Investors	Quarterly	– Live broadcast on the website with simultaneous interpretation – Presentation materials uploaded on the website (Korean/English)
Disclosures (ad hoc)	Retail and Institutional Investors	Ad hoc	– Posting of major business updates in disclosures (Including disclosures in English for foreign investors)
Shareholders' Meeting	Institutional Investors	Annual	– Invitation to the top 50 shareholders(representing approximately 50% of shares, as of '24 1Q), conducted both online and offline simultaneously(Nov. 2022~)
Analysts' Meeting	Institutional Investors	Ad hoc	– Regular meetings with key domestic and international analysts
IR Meetings	Institutional Investors	Over 500 sessions per year	– Frequent domestic/international NDRs, conference calls, and other investor relations

Upgrading Channels to Be More Accessible, Convenient, and Engaging !

More Accessible — Investor Information

- **New "Value-up" Page**
  - Launched a dedicated page on the Group website to centralize investor information
- **"KB Investment Information Package"**
  - Provided key information packages to assist investors in decision-making

More Convenient — Communication

- **"Value-up" Online Briefing**
  - Uploaded a video briefing by the Group CEO on plans to enhance corporate value
- **"Simultaneous Interpretation Service at Shareholders' Meeting"**
  - Provided simultaneous interpretation in English for international shareholders, both online and offline
- **"Closer Engagement with Retail Investors"**
  - Established dedicated communication channels for retail investors

More Engaging — Management

- **"Management Insights"**
  - Posted materials on the website explaining key Group issues from management's perspective
- **"IR FAQ Page"**
  - Published management's replies to frequently asked questions from investors on the website

Appendix

1. KB Financial Group Subsidiaries
2. Cost of Equity
3. Compliance with Key Corporate Governance Indicators
4. Board Participation Timeline
5. Value-up Key Terms Glossary

KB has a solid growth platform, supported by a stable and diversified business portfolio

Embed our success DNA across all subsidiaries, driving them to excel and lead in their respective industries



Financial Data by Subsidiary (1H 2024)

Industry (KRW bil.)	Subsidiaries	Total Assets	Net Profit	ROA	ROE
Bank	❶ KB Kookmin Bank	552,017	1,506	0.54%	8.38%
Financial Investments	❷ KB Securities*	62,495	370	1.22%	11.80%
	❸ KB Asset Management	350	34	19.13%	26.33%
	❹ KB Real Estate Trust	1,148	-106	N.A.	N.A.
	❺ KB Investment	1,534	4	0.55	3.01%
Insurance	❻ KB Insurance*	38,013	570	3.05%	19.28%
	❼ KB Life Insurance*	32,468	201	1.24%	8.28%
Credit Finance	❽ KB Kookmin Card	29,689	256	1.73%	10.53%
	❾ KB Capital	17,434	137	1.64%	11.97%
Savings Bank	❿ KB Savings Bank	2,571	3	0.24%	3.24%
Others	⓫ KB Data System	62	1	2.63%	7.56%

* Non-consolidated financial statements

Knowing that COE is required return (opportunity cost) for investors and shareholders

Committed to continuously achieving an ROE (return on equity) higher than the COE, targeting a double-digit ROE

KB's COE (As of the end of June 2024) **10.04** vs KB's ROE (As of the end of June 2024) **10.78**

※ Based on the CAPM (capital asset pricing model), as calculated by the KB Securities Research Center

Cost of Equity = ① Risk Free Rate + (② Equity Risk Premium × ③ β)

1 Risk Free Rate

The rate of return shareholders can earn risk-free

[Benchmark]
1-year Monetary Stabilization Bonds (1Y MSBs)

- The 1Y MSB was selected based on the following three criteria :
  - Risk-free: The 1Y MSB has consistently delivered positive returns since 1987, regardless of the period
  - Liquidity: It is the most liquid among risk-free assets
  - Inflation-beating: Statistically, the yield on the 1Y MSB has proven its ability to offset inflation

Note) MSBs are issued by the Bank of Korea to implement monetary policy and stabilize financial markets

2 Equity Risk Premium

The required return as compensation for investing in risky assets
(Calculated as R_m [Market Return] – R_f [Risk-Free Return])

[Benchmark]
WMI500 Total Return- 1-year MSB Total Return

- The equity risk premium is calculated using total return, which includes:
  - Returns on risky assets include not only capital gains (stock price increases) but also dividend yield
- The WMI500 index is used in consideration of the increased weight of KOSDAQ in terms of market capitalization
  - The index includes large and mid-cap stocks from both KOSPI and KOSDAQ, making it a more comprehensive reflection of market returns
  - The WMI500 has been providing total return index data since 2000, covering both KOSPI and KOSDAQ

3 β(beta)

KB Stock's Sensitivity to Overall Market Return Fluctuations

[Benchmark]
104-week adjusted beta

- The adjusted beta is used for enhanced explanatory power (further reinforced for greater explanatory strength)
  - The explanatory power of the beta derived through regression analysis is confirmed by R^2
  - Between the 52-week and 104-week betas, the 104-week beta, which has a higher R^2 (explanatory power), is applied (the beta with the higher explanatory power will continue to be used going forward)

* Cost of equity as of the end of June 2024 : 10.04% = 3.64% + (6.10% × 1.05)

Indicators proving KB's corporate governance is among the best in Korea

Committed to achieving a 100% compliance rate in the long term by continuously improving any partially non-compliant indicators.

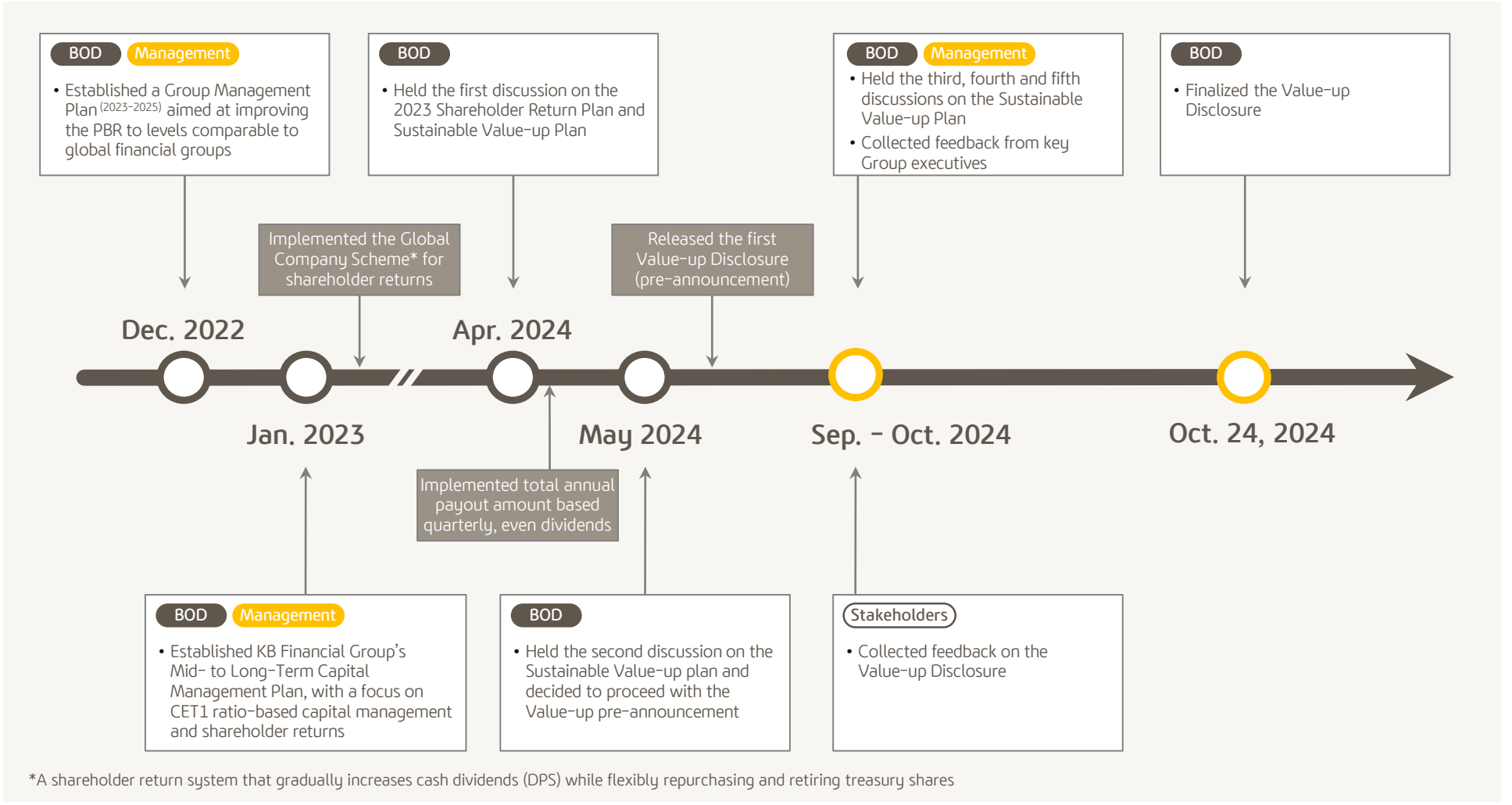
KB's Compliance with Key Corporate Governance Indicators (as of 2024, compliance rate: 86.7%)

		Key Indicators	Compliance
Shareholders	1	Notice of the general meeting sent four weeks in advance	-
	2	Electronic voting implemented	●
	3	General meetings held on non-overlapping days	-
	4	Predictability of cash dividends provided	●
	5	Dividend policy and implementation of plan communicated to shareholders at least once a year	●
Board of Directors	6	CEO succession protocol established and in operation	●
	7	Internal control policies, including risk management, established and in operation	●
	8	Board chaired by a non-executive director	●
	9	Cumulative voting policy adopted	●
	10	Policy in place to prevent the appointment of disqualified executives	●
	11	A board composition with a more balanced representation of genders	●
Internal Audit Body	12	Independent internal audit department established	●
	13	The presence of accounting or finance experts in the internal audit body	●
	14	Meetings between the internal audit body and external auditors at least once a quarter without management present	●
	15	Procedures established for internal auditors to access important management-related information	●

KB: Stronger as One Team

From the establishment of the Mid- to Long-Term Capital Management Plan in 2022 to the recent Value-up Disclosure, the board of directors has consistently led active Group-wide discussions on key issues

[Board and Stakeholder Communication Timeline]



*A shareholder return system that gradually increases cash dividends (DPS) while flexibly repurchasing and retiring treasury shares

Appendix_5. Value-up Key Terms Glossary

① Assets = Equity + Liabilities

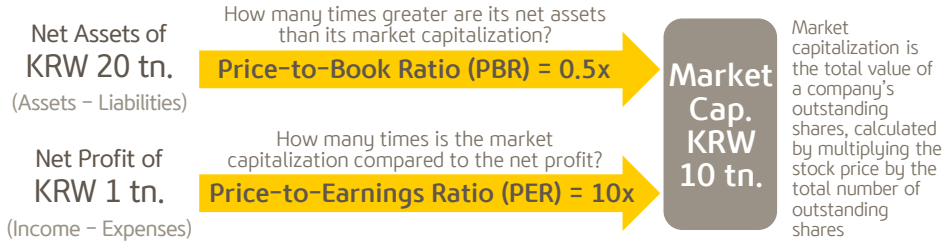


Equity refers to the funds invested in the company by investors and shareholders and represents the net worth or value owned by shareholders.
Ex) common and preferred stocks, retained earnings (profits retained after expenditures)

Liabilities represent the company's obligations, including borrowed funds and amounts owed to creditors or customers.
Ex) borrowings, corporate bonds, customer deposits, and insurance liabilities

Assets represent everything of value owned by the company and are used to generate income.
Ex) cash, stocks, bonds, derivatives, real estate, IT equipment, vehicles, patents, and trademarks

② It Is All about Share Price



Price-to-Book Ratio (PBR) is the ratio of market capitalization to net assets, indicating whether the stock price is high or low compared to the company's net assets. If PBR is below 1, the market capitalization is lower than the net assets, suggesting that the company could sell its assets and buy back all its shares.

Price-to-Earnings Ratio (PER) is the ratio of market capitalization to Net Profit, showing how long it would take for earnings to match the market capitalization if current earnings remain constant. A low PER may suggest the stock is undervalued.

③ Ample Equity Fuels Corporate Value



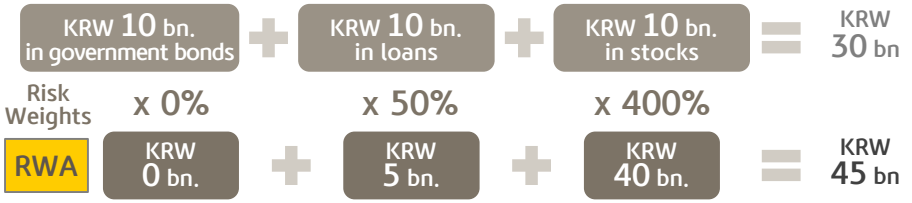
Equity is a key indicator of financial health and is classified into different tiers based on their ability to absorb losses during a crisis. These tiers include common equity tier 1, additional tier 1, and tier 2, each providing varying degrees of stability.

Common Equity Tier 1 (CET1) is the core capital, consisting of funds raised through common stock and retained earnings. The capital absorbs losses last and ensures the company's stability.

Capital Ratio measures a company's financial strength. It is calculated by dividing its capital by risk-weighted assets (RWA).

CET1 Ratio is the ratio of CET1 capital (KRW 1 tn) to risk-weighted assets (KRW 10 tn), expressed as 10%. A higher capital ratio gives the company greater capacity for shareholder returns, new investments, and/or business expansion.

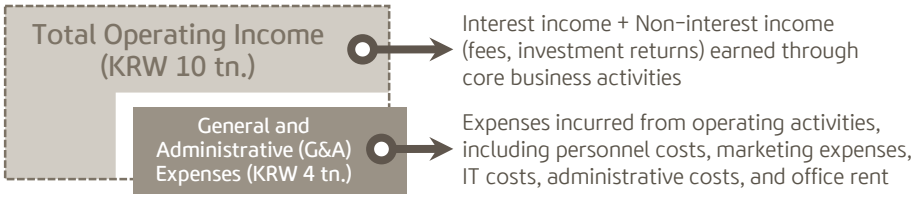
④ Every Asset Carries Risk



Not all assets a financial institution lends or invests in carry the same level of risk. For example, lending to the government is considered a lower risk than lending to individuals or holding stocks and derivatives.

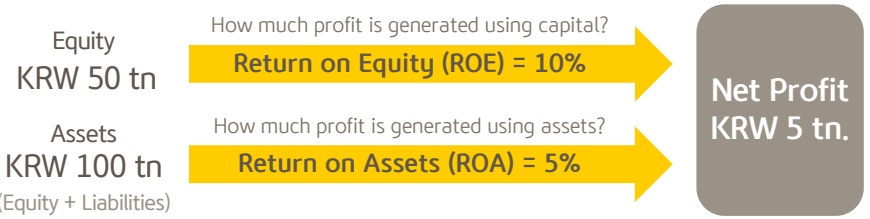
Risk-Weighted Assets (RWA) reflect the riskiness of the company's assets, calculated by multiplying the asset value by a risk weight. RWAs are used to calculate the capital ratio. If RWAs increase by KRW 10 trillion and the capital ratio is 10%, an additional KRW 1 trillion in capital would be needed to maintain the ratio.

⑤ Income vs. Expenses



Cost-to-Income Ratio (CIR) is calculated as G&A expenses (KRW 4 tn.) divided by total operating income (KRW 10 tn.), yielding a ratio of 40%. A lower CIR indicates greater efficiency, which can be achieved through IT development or economies of scale.

⑥ Assessing the Company's Performance



Return on Equity (ROE) measures how much profit is generated for each unit of equity invested. For example, an ROE of 10% means that KRW 10 of Net Profit is earned for every KRW 100 of equity invested.

Return on Assets (ROA) measures how effectively the company uses its assets to generate profit. For example, an ROA of 5% means that KRW 5 of net profit is generated for every KRW 100 in assets. A higher ROE than ROA suggests that the company uses leverage, or borrowed funds, to generate additional returns, also known as the leverage effect.

Return on Risk-Weighted Assets (RoRWA) is similar to ROA but adjusted for each asset's risk. A higher RoRWA indicates that safer assets generate the same returns, demonstrating efficient asset allocation.

⑦ Returning Profits to Shareholders



Shareholder returns refer to how a company distributes its profits to shareholders, typically through dividends or share buybacks and cancellations.

Dividends are cash payments made to shareholders from a portion of the company's Net Profit.

Dividends Per Share (DPS) is the amount paid per share. For example, if the company pays KRW 1 trillion in dividends and there are 500 million shares, the DPS would be KRW 2,000.

Dividend Payout Ratio is the ratio of total dividends (KRW 1 tn.) to Net Profit (KRW 5 tn.), which is expressed as 20%. This ratio shows what percentage of Net Profit is distributed to shareholders. A higher payout ratio means more income is paid out as dividends, while a lower ratio indicates that more income is retained for reinvestment. Therefore, from the shareholders' perspective, either can be in their favor, depending on their investment horizons.

Share Buybacks and Cancellations involve the company repurchasing its own stock and reducing the total number of shares in circulation. This boosts the ownership percentage of remaining shareholders, increasing the value per share. For example, reducing the number of shares from 500 million to 400 million shares while keeping the dividend amount at KRW 1 trillion increases the DPS from KRW 2,000 to KRW 2,500.

Total Shareholder Return Ratio is the percentage of net profit used for shareholder returns, calculated as the total amount spent on dividends (KRW 1 tn.) and share buybacks (KRW 1.5 tn.) divided by Net Profit (KRW 5 tn.), and yielding a ratio of 50%.

⑧ What Is the Investor's Final Return?

Total Shareholder Return (TSR) is the total return a shareholder receives from a stock appreciation and dividends, expressed as a percentage of the initial investment.

For example, if a stock's price rises from KRW 100,000 to KRW 120,000 and a dividend of KRW 10,000 is paid, the TSR would be 30% ([KRW 20,000 price gain + KRW 10,000 dividends] / KRW 100,000).