

**KB Financial Group Inc.**

Separate Interim Financial Statements

September 30, 2024 and 2023  
(Unaudited)

# KB Financial Group Inc.

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## **Report on Review of Condensed Separate Interim Financial Statements**

(English Translation of a Report Originally Issued in Korean)

**To the Shareholders and the Board of Directors of  
KB Financial Group Inc.**

### ***Reviewed Financial Statements***

We have reviewed the accompanying condensed separate interim financial statements of KB Financial Group Inc. (the “Company”). These condensed separate interim financial statements consist of the separate interim statement of financial position of the Company as at September 30, 2024, and the related separate interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2024 and 2023, and separate interim statements of changes in equity and cash flows for the nine-month periods ended September 30, 2024 and 2023, and material accounting policy information and other selected explanatory notes, expressed in Korean Won.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and presentation of these condensed separate interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“Korean IFRS”) No.1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed separate interim financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express a conclusion on these condensed separate interim financial statements based on our review.

We conducted our review in accordance with quarterly or semi-annual review standards established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Korean IFRS No. 1034 *Interim Financial Reporting*.

***Other Matters***

We have audited the separate statement of financial position of the Company as at December 31, 2023, and the related separate statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, in accordance with Korean Standards on Auditing. We expressed an unqualified opinion on those financial statements in our audit report dated March 6, 2024. The separate statement of financial position as at December 31, 2023, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as at December 31, 2023.

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

/s/ Samil PricewaterhouseCoopers  
Seoul, Korea  
November 14, 2024

<p>This report is effective as of November 14, 2024, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>
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## **Separate Interim Financial Statements**

**KB Financial Group Inc.**  
**Separate Interim Statements of Financial Position**  
**September 30, 2024 and December 31, 2023**

(In millions of Korean won)

	Notes	September 30, 2024 (Unaudited)	December 31, 2023
<b>Assets</b>			
Cash and due from financial institutions	4,5,6,23	₩ 659,832	₩ 256,337
Financial assets at fair value through profit or loss	4,5,7	1,237,982	1,376,423
Loans measured at amortized cost	4,5,8	558,417	608,286
Investments in subsidiaries	9	26,867,817	26,717,817
Property and equipment		2,863	3,080
Intangible assets		14,355	15,954
Net defined benefit assets	13	2,550	3,694
Deferred income tax assets	10	6,091	4,492
Other assets	4,5	803,230	542,815
<b>Total assets</b>		<b>₩ 30,153,137</b>	<b>₩ 29,528,898</b>
<b>Liabilities</b>			
Borrowings	4,5,11	965,000	100,000
Debentures	4,5,12	2,712,772	3,871,820
Current income tax liabilities		381,870	104,299
Other liabilities	4,5	420,672	410,704
<b>Total liabilities</b>		<b>4,480,314</b>	<b>4,486,823</b>
<b>Equity</b>			
Share capital	14	2,090,558	2,090,558
Hybrid securities		5,082,359	5,032,518
Capital surplus		14,729,398	14,754,747
Accumulated other comprehensive loss		(6,746)	(6,809)
Retained earnings		4,683,993	4,336,898
Treasury shares		(906,739)	(1,165,837)
<b>Total equity</b>		<b>25,672,823</b>	<b>25,042,075</b>
<b>Total liabilities and equity</b>		<b>₩ 30,153,137</b>	<b>₩ 29,528,898</b>

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

**KB Financial Group Inc.**  
**Separate Interim Statements of Comprehensive Income**  
**Three-Month and Nine-Month Periods Ended September 30, 2024 and 2023**

(In millions of Korean won, except per share amounts)

	Notes	2024 (Unaudited)		2023 (Unaudited)	
		Three months	Nine months	Three months	Nine months
		₩	₩	₩	₩
Interest income		10,045	32,408	9,233	27,382
Interest income from financial instruments at amortized cost		9,331	30,291	8,537	24,888
Interest income from financial instruments at fair value through profit or loss		714	2,117	696	2,494
Interest expense		(25,387)	(73,787)	(24,458)	(76,041)
<b>Net interest expense</b>	16	<u>(15,342)</u>	<u>(41,379)</u>	<u>(15,225)</u>	<u>(48,659)</u>
Fee and commission income		387	1,381	407	1,188
Fee and commission expense		(1,580)	(6,140)	(2,546)	(7,663)
<b>Net fee and commission expense</b>	17	<u>(1,193)</u>	<u>(4,759)</u>	<u>(2,139)</u>	<u>(6,475)</u>
<b>Net gains on financial instruments at fair value through profit or loss</b>	18	<u>26,821</u>	<u>70,155</u>	<u>9,818</u>	<u>61,488</u>
<b>Net other operating income</b>	19	<u>-</u>	<u>2,243,250</u>	<u>-</u>	<u>2,192,380</u>
<b>General and administrative expenses</b>	20	<u>(21,845)</u>	<u>(69,875)</u>	<u>(23,055)</u>	<u>(68,936)</u>
<b>Operating income before provision for credit losses</b>		<u>(11,559)</u>	<u>2,197,392</u>	<u>(30,601)</u>	<u>2,129,798</u>
Provision for credit losses		470	125	(223)	(230)
<b>Net operating income</b>		<u>(11,089)</u>	<u>2,197,517</u>	<u>(30,824)</u>	<u>2,129,568</u>
Net non-operating income (expense)		281	202	42	4,448
<b>Profit before tax</b>		<u>(10,808)</u>	<u>2,197,719</u>	<u>(30,782)</u>	<u>2,134,016</u>
Income tax benefit (expense)	21	278	1,810	948	(7,373)
<b>Profit for the period</b>		<u>(10,530)</u>	<u>2,199,529</u>	<u>(29,834)</u>	<u>2,126,643</u>
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurements of net defined benefit liabilities		27	63	(63)	(38)
<b>Other comprehensive income(loss) for the period, net of tax</b>		<u>27</u>	<u>63</u>	<u>(63)</u>	<u>(38)</u>
<b>Total comprehensive income for the period</b>		<u>₩ (10,503)</u>	<u>₩ 2,199,592</u>	<u>₩ (29,897)</u>	<u>₩ 2,126,605</u>
<b>Earnings per share</b>	22				
Basic earnings per share		₩ (159)	₩ 5,392	₩ (203)	₩ 5,164
Diluted earnings per share		(157)	5,327	(197)	5,050

The above separate interim statements of comprehensive income should be read in conjunction with the accompanying notes.

**KB Financial Group Inc.**  
**Separate Interim Statements of Changes in Equity**  
**Nine-Month Periods Ended September 30, 2024 and 2023**

(In millions of Korean won)

	Share capital	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Retained earnings	Treasury shares	Total equity
<b>Balance as of January 1, 2023</b>	₩ 2,090,558	₩ 4,433,981	₩ 14,754,747	₩ (5,847)	₩ 3,794,565	₩ (836,188)	₩ 24,231,816
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	-	2,126,643	-	2,126,643
Remeasurements of net defined benefit liabilities	-	-	-	(38)	-	-	(38)
<b>Total comprehensive income for the period</b>	-	-	-	(38)	2,126,643	-	2,126,605
<b>Transactions with shareholders</b>							
Annual dividends	-	-	-	-	(564,970)	-	(564,970)
Quarterly dividends	-	-	-	-	(391,933)	-	(391,933)
Acquisition of treasury shares	-	-	-	-	-	(373,695)	(373,695)
Retirement of treasury shares	-	-	-	-	(242,096)	242,096	-
Issuance of hybrid securities	-	598,537	-	-	-	-	598,537
Dividends on hybrid securities	-	-	-	-	(136,844)	-	(136,844)
Others	-	-	(5,547)	-	-	-	(5,547)
<b>Total transactions with shareholders</b>	-	598,537	(5,547)	-	(1,335,843)	(131,599)	(874,452)
<b>Balance as of September 30, 2023 (Unaudited)</b>	₩ 2,090,558	₩ 5,032,518	₩ 14,749,200	₩ (5,885)	₩ 4,585,365	₩ (967,787)	₩ 25,483,969
<b>Balance as of January 1, 2024</b>	₩ 2,090,558	₩ 5,032,518	₩ 14,754,747	₩ (6,809)	₩ 4,336,898	₩ (1,165,837)	₩ 25,042,075
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	-	2,199,529	-	2,199,529
Remeasurements of net defined benefit liabilities	-	-	-	63	-	-	63
<b>Total comprehensive income for the period</b>	-	-	-	63	2,199,529	-	2,199,592
<b>Transactions with shareholders</b>							
Annual dividends	-	-	-	-	(587,006)	-	(587,006)
Quarterly dividends	-	-	-	-	(600,086)	-	(600,086)
Acquisition of treasury shares	-	-	-	-	-	(490,679)	(490,679)
Disposal of treasury shares	-	-	3,975	-	-	234,600	238,575
Retirement of treasury shares	-	-	-	-	(515,177)	515,177	-
Consideration for exchange right of exchangeable bonds	-	-	(11,933)	-	-	-	(11,933)
Issuance of hybrid securities	-	399,045	-	-	-	-	399,045
Redemption of hybrid securities	-	(349,204)	-	-	-	-	(349,204)
Dividends on hybrid securities	-	-	-	-	(150,165)	-	(150,165)
Others	-	-	(17,391)	-	-	-	(17,391)
<b>Total transactions with shareholders</b>	-	49,841	(25,349)	-	(1,852,434)	259,098	(1,568,844)
<b>Balance as of September 30, 2024 (Unaudited)</b>	₩ 2,090,558	₩ 5,082,359	₩ 14,729,398	₩ (6,746)	₩ 4,683,993	₩ (906,739)	₩ 25,672,823

The above separate interim statements of changes in equity should be read in conjunction with the accompanying notes.



**KB Financial Group Inc.**  
**Separate Interim Statements of Cash Flows**  
**Nine-Month Periods Ended September 30, 2024 and 2023**

(In millions of Korean won)

	Notes	2024 (Unaudited)	2023 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period		₩ 2,199,529	₩ 2,126,643
Adjustment for non-cash items			
Depreciation and amortization expense		4,325	4,071
Provision (reversal) for credit losses		(125)	230
Share-based payments		11,729	7,020
Net interest expense		14,435	2,765
at fair value through profit or loss		(26,358)	(22,024)
Disposal gains of subsidiaries		-	(3,917)
Net other expense (income)		1,839	1,251
		<u>5,845</u>	<u>(10,604)</u>
Changes in operating assets and liabilities			
Due from financial institutions		60,000	(20,000)
Deferred income tax assets		(1,810)	7,373
Other assets		260,232	(13,537)
Other liabilities		(287,347)	5,942
		<u>31,075</u>	<u>(20,222)</u>
<b>Net cash inflow from operating activities</b>		<u>2,236,449</u>	<u>2,095,817</u>
<b>Cash flows from investing activities</b>			
Acquisition of financial assets at fair value through profit or loss		(150,000)	(300,000)
Disposal of financial assets at fair value through profit of loss		316,080	300,000
Acquisition of subsidiaries		(150,000)	-
Disposal of subsidiaries		-	27,539
Increase in loans measured at amortized cost		(105,000)	(86,500)
Decrease in loans measured at amortized cost		155,000	-
Acquisition of property and equipment		(609)	(184)
Acquisition of intangible assets		(700)	(2,621)
Disposal of intangible assets		-	1,234
Net increase in guarantee deposits paid		1,597	(7,719)
Other investing activities		-	(395)
<b>Net cash inflow (outflow) from investing activities</b>		<u>66,368</u>	<u>(68,646)</u>
<b>Cash flows from financing activities</b>			
Increase in borrowings		965,000	100,000
Decrease in borrowings		(100,000)	-
Increase in debentures		-	109
Decrease in debentures		(925,000)	(910,000)
Dividends paid to shareholders		(1,187,092)	(956,903)
Redemption of principal of lease liabilities		(443)	(428)
Acquisition of treasury shares		(490,679)	(373,695)
Issuance of hybrid securities		399,045	598,537
Redemption of hybrid securities		(349,204)	-
Dividends paid on hybrid securities		(150,164)	(136,844)
Other financing activities		(786)	-
<b>Net cash outflow from financing activities</b>		<u>(1,839,323)</u>	<u>(1,679,224)</u>
<b>Net increase in cash and cash equivalents</b>		463,494	347,947
<b>Cash and cash equivalents at the beginning of the period</b>	23	<u>116,334</u>	<u>231,053</u>
<b>Cash and cash equivalents at the end of the period</b>	23	<u>₩ 579,828</u>	<u>₩ 579,000</u>

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

# **KB Financial Group Inc.**

## **Notes to the Separate Interim Financial Statements**

### **September 30, 2024 and 2023 (Unaudited), and December 31, 2023**

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#### **1. The Company**

KB Financial Group Inc. (the “Company”), in accordance with Financial Holding Companies Act, was established on September 29, 2008, through stock transfers with the former shareholders of Kookmin Bank, KB Investment & Securities Co., Ltd., KB Asset Management Co., Ltd., KB Real Estate Trust Co., Ltd., KB Investment Co., Ltd., KB Futures Co., Ltd., KB Credit Information Co., Ltd., and KB Data Systems Co., Ltd., and the Company’s main business purpose is to control subsidiaries that engage in the financial business or subsidiaries closely related to the financial business through the stock ownership. The headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. The Company’s share capital as of September 30, 2024, is ₩ 2,090,558 million. In 2011, Kookmin Bank spun off its credit card business segment and established a new separate credit card company, KB Kookmin Card Co., Ltd., and KB Investment & Securities Co., Ltd. merged with KB Futures Co., Ltd. The Company established KB Savings Bank Co., Ltd. in January 2012, acquired Yehansoul Savings Bank Co., Ltd. in September 2013, and KB Savings Bank Co., Ltd. merged with Yehansoul Savings Bank Co., Ltd. in January 2014. In March 2014, the Company acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Company included LIG Insurance Co., Ltd. as an associate and changed the name to KB Insurance Co., Ltd. in June 2015, and KB Insurance Co., Ltd. became one of the subsidiaries through a tender offer in May 2017. Also, the Company included Hyundai Securities Co., Ltd. as an associate in June 2016 and included as a subsidiary in October 2016 by comprehensive exchange of shares. Hyundai Securities Co., Ltd. merged with KB Investment & Securities Co., Ltd. in December 2016 and changed its name to KB Securities Co., Ltd. in January 2017. In August 2020, the Company acquired Prudential Life Insurance Company of Korea Ltd. which was classified as a subsidiary and the name was changed to KB Life Insurance Co., Ltd. in December 2022. Then in January 2023, it merged with another existing KB Life Insurance Co., Ltd. The Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

The Company has been listed on the Korea Exchange (“KRX”) since October 10, 2008, and on the New York Stock Exchange (“NYSE”) for its American Depositary Shares (“ADS”) since September 29, 2008. The number of shares authorized on its Articles of Incorporation is 1,000 million.

#### **2. Basis of Preparation**

##### **2.1 Application of Korean IFRS**

The Company 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 (“Korean IFRS”). The accompanying separate financial statements have been translated into English from the Korean language separate financial statements.

The separate financial statements of the Company have been prepared in accordance with Korean IFRS. Korean IFRS are the standards and related interpretations issued by the International Accounting Standards Board (“IASB”) that have been adopted by the Republic of Korea.

The preparation of separate financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Company’s accounting policies. The areas that require a more complex and higher level of judgment or areas that require significant assumptions and estimations are disclosed in Note 2.4.

The separate financial statements have been prepared in accordance with Korean IFRS No.1027 *Separate Financial Statements*.

# **KB Financial Group Inc.**

## **Notes to the Separate Interim Financial Statements**

### **September 30, 2024 and 2023 (Unaudited), and December 31, 2023**

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#### **2.1 Application of Korean IFRS (cont'd)**

The Company's condensed separate interim financial statements for the nine-month period ended September 30, 2024, have been prepared in accordance with Korean IFRS No.1034 Interim Financial Reporting and contain less information than is required in annual separate financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding change in financial position and financial performance of the Company since the end of the previous annual reporting period. These separate interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of September 30, 2024.

2.1.1 The Company has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2024.

*- Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" - Classification of Liabilities into Current and Non-Current and Non-current Liabilities with Covenants*

Liabilities are classified as current or non-current based on their substantive rights existing at the end of the reporting period, without considering the possibility of exercising the right to delay the payment or management's expectations. Also, if the transfer of equity instruments is included in the payment of liabilities, it is excluded if the option to pay with equity instruments is recognized separately from the liability in a compound financial instrument and meets the definition of equity instruments. These amendments do not have a significant impact on the financial statements.

*- Amendment of Korean IFRS No.1007 "Statement of Cash Flows" and No.1107 "Financial Instruments: Disclosures" – Disclosure of Supplier Finance Arrangements*

The amendments require disclosure of the effects of supplier finance arrangements on the Company's liabilities, cash flows and exposure to liquidity risk. These amendments do not have a significant impact on the financial statements.

*- Amendment of Korean IFRS No.1116 "Leases" - Lease Liability in a Sale and Leaseback*

The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. These amendments do not have a significant impact on the financial statements.

*- Amendment of Korean IFRS No.1001 "Presentation of Financial Statements" – Disclosure of Virtual Asset*

The amendments require additional disclosure for virtual assets held by the Company, virtual assets entrusted by customers to the Company, and the issuance and transfer of virtual assets. These amendments do not have a significant impact on the financial statements.

# **KB Financial Group Inc.**

## **Notes to the Separate Interim Financial Statements**

### **September 30, 2024 and 2023 (Unaudited), and December 31, 2023**

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2.1.2 The following are the accounting standards that have been established or announced but have not yet been implemented, which the Company has not applied

*- Amendment of Korean IFRS No.1021 "The Effects of Changes in Foreign Exchange Rates" and Korean IFRS No.1101 "First-time Adoption of International Financial Reporting Standards" - Lack of exchangeability*

The amendments require the Company to determine a spot exchange rate when exchangeability is lacking, and to disclose information on the nature and financial effects of the currency not being exchangeable into the other currency, the spot exchange rate(s) used, the estimation process, and the risks to which the Company is exposed. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2025. These amendments do not have a significant impact on the financial statements.

#### **2.2 Measurement Basis**

The separate financial statements have been prepared under the historical cost convention unless otherwise specified.

#### **2.3 Functional and Presentation Currency**

Items included in the separate financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("functional currency"). The separate financial statements are presented in Korean won, which is the Company's functional and presentation currency.

#### **2.4 Critical Accounting Estimates**

The Company applies accounting policies and uses judgements, accounting estimates, and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses) in preparing the separate financial statements. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgment are different from the actual environment.

Estimates and underlying assumptions are continually evaluated, and changes in accounting estimates are recognized in the period in which the estimates are changed and in any future periods affected.

Uncertainties in estimates and assumptions with significant risks used in the preparation of these condensed separate interim financial statements are the same as 2023 financial statements, except for the method of estimating income tax expense.

### **3. Material Accounting Policies**

The material accounting policies and calculation methods applied in the preparation of these condensed separate interim financial statements are the same as those applied to the separate financial statements for the year ended December 31, 2023, except for the impact of changes due to adopting new and amended standards and interpretations described in Note 2.1 and below paragraph.

The Company is subject to Pillar 2 income taxes, and has applied a temporary exemption provision regarding the recognition and disclosure of deferred taxes related to the Pillar 2 rules.

Income tax expense for the interim period is measured applying the expected average annual income tax rate applicable on expected total annual income.

# **KB Financial Group Inc.**

## **Notes to the Separate Interim Financial Statements**

### **September 30, 2024 and 2023 (Unaudited), and December 31, 2023**

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#### **4. Financial Risk Management**

##### 4.1 Summary

##### 4.1.1 Overview of financial risk management policy

The financial risks that the Company is exposed to are credit risk, market risk, liquidity risk and others.

This note regarding financial risk management provides information about the risks that the Company is exposed to and about its objectives, policies, risk assessment and management procedures, and capital management. Additional quantitative information is disclosed throughout the separate financial statements.

The Company's risk management system focuses on efficiently supporting long-term strategy and management decisions of the Company by increasing risk transparency, preventing risk transfer between subsidiaries and preemptive response to rapidly changing financial environments. Credit risk, market risk, liquidity risk, operational risk, interest rate risk, insurance risk, credit concentration risk, strategy risk, and reputation risk are recognized as significant risks.

##### 4.1.2 Risk management organization

##### 4.1.2.1 Risk Management Committee

The Risk Management Committee, as the ultimate decision-making body, deals with risk-related issues, such as establishing risk management strategies in accordance with the strategic direction determined by the Board of Directors, determining the affordable level of risk appetite, reviewing the level of risk and the status of risk management activities, approving the application of risk management systems, methodologies, and major improvements, and establishing and approving risk management policies and procedures to timely recognize, measure, monitor, and control risks arising from various transactions by the Company and subsidiaries (the "Group").

##### 4.1.2.2 Risk Management Council

The Risk Management Council is responsible for consulting on matters delegated by the Risk Management Committee and requests for review by the Group Management Executive Committee, consulting on details of each subsidiary's risk management policies and procedures, monitoring the Group's risk management status, and establishing and implementing necessary measures.

##### 4.1.2.3 Risk Management Department

The Risk Management Department performs the Company's risk management detailed policies, procedures, and business processes, and is responsible for calculating the Group's risk-weighted assets, monitoring and managing internal capital limits.

**KB Financial Group Inc.**  
**Notes to the Separate Interim Financial Statements**  
**September 30, 2024 and 2023 (Unaudited), and December 31, 2023**

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4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management purposes, the Company considers default risk of individual borrowers.

4.2.2 Credit risk management

The Company measures the expected losses of assets subject to credit risk management and uses them as a management indicator.

4.2.3 Maximum exposure to credit risk

The Company's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Due from financial institutions	₩ 659,832	₩ 256,337
Loans measured at amortized cost *	558,417	608,286
Loans measured at fair value through profit or loss	53,115	48,981
Other financial assets *	57,597	57,562
	<u>₩ 1,328,961</u>	<u>₩ 971,166</u>

\* After netting of allowance

4.2.4 Credit risk of loans

The Company maintains allowances for loan losses associated with credit risk of loans to manage its credit risk.

The Company assesses expected credit losses and recognizes loss allowances of financial assets at amortized cost and financial assets at fair value through other comprehensive income. Financial assets at fair value through profit or loss are excluded. Expected credit losses are a probability-weighted estimate of possible credit losses occurring in a certain range by reflecting reasonable and supportable information that is reasonably available at the end of the reporting period without undue cost or effort, including information about past events, current conditions, and forecasts of future economic conditions. The Company measures the expected credit losses on loans classified as financial assets at amortized cost, by deducting allowances for credit losses. The expected credit losses of loans classified as financial assets at fair value through other comprehensive income are presented in other comprehensive income in the financial statements.

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4.2.4 Credit risk of loans (cont'd)

Credit qualities of loans measured at amortized cost as of September 30, 2024 and December 31 2023, are classified as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>				
	<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>	<b>Total</b>
		<b>Not impaired</b>	<b>Impaired</b>		
<b>Loans measured at amortized cost *</b>					
<b>Corporate</b>					
Grade 1	₩ 560,000	₩ -	₩ -	₩ -	₩ 560,000
Grade 2	-	-	-	-	-
Grade 3	-	-	-	-	-
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>₩ 560,000</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 560,000</u>

(In millions of Korean won)

	<b>December 31, 2023</b>				
	<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>	<b>Total</b>
		<b>Not impaired</b>	<b>Impaired</b>		
<b>Loans measured at amortized cost *</b>					
<b>Corporate</b>					
Grade 1	₩ 610,000	₩ -	₩ -	₩ -	₩ 610,000
Grade 2	-	-	-	-	-
Grade 3	-	-	-	-	-
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>₩ 610,000</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 610,000</u>

\* Before netting of allowance

Credit qualities of loans graded according to the probability of default as September 30, 2024 and December 31 2023, are as follows:

	<b>Range of probability of default (%)</b>
Grade 1	0.0 ~ 1.0
Grade 2	1.0 ~ 5.0
Grade 3	5.0 ~ 15.0
Grade 4	15.0 ~ 30.0
Grade 5	30.0 ~

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4.2.5 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		<b>September 30, 2024</b>						
		<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>		<b>Total</b>	
			<b>Not impaired</b>	<b>Impaired</b>				
<b>Due from financial institutions measured at amortized cost</b>								
Grade 1	₩	659,832	₩	-	₩	-	₩	659,832
Grade 2		-	-	-	-	-		-
Grade 3		-	-	-	-	-		-
Grade 4		-	-	-	-	-		-
Grade 5		-	-	-	-	-		-
	₩	659,832	₩	-	₩	-	₩	659,832

(In millions of Korean won)

		<b>December 31, 2023</b>						
		<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>		<b>Total</b>	
			<b>Not impaired</b>	<b>Impaired</b>				
<b>Due from financial institutions measured at amortized cost</b>								
Grade 1	₩	256,337	₩	-	₩	-	₩	256,337
Grade 2		-	-	-	-	-		-
Grade 3		-	-	-	-	-		-
Grade 4		-	-	-	-	-		-
Grade 5		-	-	-	-	-		-
	₩	256,337	₩	-	₩	-	₩	256,337



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4.2.6 Credit risk concentration analysis

4.2.6.1 Classifications of corporate loans by industry as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	September 30, 2024			
	Corporate loans *	%	Allowances	Carrying amount
Financial institutions	₩ 613,115	100.00	₩ (1,583)	₩ 611,532

(In millions of Korean won)

	December 31, 2023			
	Corporate loans *	%	Allowances	Carrying amount
Financial institutions	₩ 658,981	100.00	₩ (1,714)	₩ 657,267

\* Amount includes loans measured at fair value through profit or loss and amortized cost.

4.2.6.2 Classifications of due from financial institutions by industry as of September 30, 2024 and December 31 2023, are as follows:

(In millions of Korean won)

	September 30, 2024			
	Amount	%	Allowances	Carrying amount
<b>Due from financial institutions measured at amortized cost</b>				
Financial institutions	₩ 659,832	100.00	₩ -	₩ 659,832

(In millions of Korean won)

	December 31, 2023			
	Amount	%	Allowances	Carrying amount
<b>Due from financial institutions measured at amortized cost</b>				
Financial institutions	₩ 256,337	100.00	₩ -	₩ 256,337

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4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Company becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Company manages its liquidity risk through analysis of the contractual maturity of all financial assets and liabilities and discloses in six categories such as on demand, less than one month, between one month to three months, between three months to one year, between one year to five years, and over five years.

4.3.2. Liquidity risk management

The liquidity risk is managed by risk management policies and liquidity risk management guidelines set forth in these policies that apply to all risk management policies and procedures that may arise throughout the overall business of the Company.

4.3.3. Analysis of remaining contractual maturity of financial liabilities

The cash flows disclosed in the maturity analysis are undiscounted contractual amounts including principal and future interest payments; as such, amounts in the table below do not match with those in the statements of financial position which are based on discounted cash flows. The future interest payments for floating-rate liabilities are calculated on the assumption that the current interest rate is the same until maturity.

Remaining contractual maturity of financial liabilities as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	September 30, 2024						
	On Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Financial liabilities</b>							
Borrowings	₩ -	₩ -	₩ -	₩ 965,000	₩ -	₩ -	₩ 965,000
Debentures	-	82,471	83,317	641,140	1,265,189	849,287	2,921,404
Lease liabilities	-	51	103	407	505	-	1,066
Other financial liabilities	-	31,881	15,844	116	-	-	47,841
	₩ -	₩ 114,403	₩ 99,264	₩ 1,606,663	₩ 1,265,694	₩ 849,287	₩ 3,935,311

*(In millions of Korean won)*

	December 31, 2023						
	On Demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
<b>Financial liabilities</b>							
Borrowings	₩ -	₩ -	₩ -	₩ 100,000	₩ -	₩ -	₩ 100,000
Debentures	-	3,074	388,246	757,507	1,880,375	1,115,241	4,144,443
Lease liabilities	-	50	62	256	245	-	613
Other financial liabilities	-	2,063	-	-	-	-	2,063
	₩ -	₩ 5,187	₩ 388,308	₩ 857,763	₩ 1,880,620	₩ 1,115,241	₩ 4,247,119

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4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc. The Company manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position.

4.4.2 Trading position

In accordance with Financial Holding Companies Act, the Company's main business is to control financial companies or companies closely related to the financial service. And the Company cannot perform any other business other than managing activities as a holding company, therefore there is no risk of trading position.

4.4.3 Non-trading position

Non-trading position refers to the part except trading position, and the main risk the Company is managing is interest rate risk.

4.4.3.1 Interest rate risk

(a) Definition of interest rate risk

Interest rate risk refers to the risk of changes in the value (fair value) of the items in the statement of financial position due to changes in interest rate and the risk of changes in cash flows related to interest income and interest expense arising from investment and financing activities.

(b) Observation method and management indicator on interest rate risk

The main objective of interest rate risk management is to protect the value changes from interest rate fluctuations. In addition to the Interest Rate Risk in the Banking Book ("IRRBB") standard methodology required for disclosure to measure interest rate risk.

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**5. Financial Assets and Financial Liabilities**

5.1 Classification and Fair Value of Financial Instruments

5.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Hybrid securities	₩ 1,184,867	₩ 1,184,867
Loans	53,115	53,115
<b>Financial assets at amortized cost</b>		
Due from financial institutions	659,832	659,832
Loans	558,417	558,417
Other financial assets	57,597	57,597
	<b>₩ 2,513,828</b>	<b>₩ 2,513,828</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Borrowings	₩ 965,000	₩ 965,000
Debentures	2,712,772	2,641,946
Other financial liabilities	54,641	54,641
	<b>₩ 3,732,413</b>	<b>₩ 3,661,587</b>

(In millions of Korean won)

	<b>December 31, 2023</b>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Hybrid securities	₩ 1,011,362	₩ 1,011,362
Beneficiary certificates	316,080	316,080
Loans	48,981	48,981
<b>Financial assets at amortized cost</b>		
Due from financial institutions	256,337	256,337
Loans	608,286	608,286
Other financial assets	57,562	57,562
	<b>₩ 2,298,608</b>	<b>₩ 2,298,608</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Borrowings	₩ 100,000	₩ 100,000
Debentures	3,871,820	3,715,939
Other financial liabilities	10,381	10,381
	<b>₩ 3,982,201</b>	<b>₩ 3,826,320</b>

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. The Company discloses the fair value of each class of assets and liabilities in a way that permits it to be compared with its carrying amount at the end of each reporting period. The best evidence of fair value of financial instruments is quoted price in an active market.

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5.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2024 and December 31, 2023, are as follows: (cont'd)

Methods of determining fair value of financial instruments are as follows:

<b>Cash and due from financial institutions</b>	Fair value of cash is same as carrying amount. Carrying amount of demand deposit and settlement deposit is a reasonable approximation of fair value because these financial instruments do not have a fixed maturity and are receivable on demand. Fair value of general deposit is measured using Discounted Cash Flow ("DCF") Model.
<b>Securities</b>	Fair value of financial instruments that are quoted in an active market is determined using the quoted prices. If there is no quoted price, fair value is determined using external professional valuation institutions. The institutions use one or more valuation techniques that are deemed appropriate considering the characteristics of the financial instruments among DCF Model, Imputed Market Value Model, Free Cash Flow to Equity Model, Dividend Discount Model, Risk Adjusted Discount Rate Method, and Net Asset Value Method.
<b>Derivatives</b>	Fair value of exchange traded derivatives is determined using quoted price in an active market, and fair value of OTC derivatives is determined using valuation techniques. The Company uses internally developed valuation models that are widely used by market participants to determine fair value of plain vanilla OTC derivatives including options, interest rate swaps, and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using appropriate models developed from generally accepted market valuation models including the Finite Difference Method ("FDM"), and the MonteCarlo Simulation or valuation results from independent external professional valuation institution.
<b>Loans</b>	Fair value of loans is determined using DCF model discounting the expected cash flows, which are contractual cash flows adjusted by the expected prepayment rate, at an appropriate discount rate.
<b>Borrowings</b>	DCF model is used to determine the fair value of borrowings, but in the case of short-term maturity, carrying amount is a reasonable approximation of fair value.
<b>Debentures</b>	Fair value is determined by using valuation results of external professional valuation institutions, which are calculated using market inputs.
<b>Other financial assets and other financial liabilities</b>	Carrying amount is a reasonable approximation of fair value because other financial assets and other financial liabilities are temporary accounts used for other various transactions and their maturities are relatively short or not defined.

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5.1.2 Fair value hierarchy

The Company believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the statements of financial position is appropriate. However, the fair value of the financial instruments recognized in the statements of financial position may be different if other valuation techniques or assumptions are used. Additionally, as there are a variety of valuation techniques and assumptions used in measuring fair value, it may be difficult to reasonably compare the fair value with that of other financial institutions.

The Company classifies and discloses fair value of the financial instruments into the three fair value levels as follows:

- Level 1: The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.  
Level 2: The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.  
Level 3: The fair values are based on unobservable inputs for the asset or liability.

The fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement would be categorized within Level 3 of the fair value hierarchy.

5.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the statements of financial position

Fair value hierarchy of financial assets at fair value in the statements of financial position as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>			
	<b>Fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities	₩	-	₩	-
Loans	-	53,115	-	53,115
	<u>₩</u>	<u>-</u>	<u>₩ 53,115</u>	<u>₩ 1,184,867</u>
			<u>₩ 1,184,867</u>	<u>₩ 1,237,982</u>

(In millions of Korean won)

	<b>December 31, 2023</b>			
	<b>Fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities	₩	-	₩	-
Beneficiary certificates	-	316,080	-	316,080
Loans	-	48,981	-	48,981
	<u>₩</u>	<u>-</u>	<u>₩ 365,061</u>	<u>₩ 1,011,362</u>
			<u>₩ 1,011,362</u>	<u>₩ 1,376,423</u>

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5.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the statements of financial position (cont'd)

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the statements of financial position as of September 30, 2024 and December 31, 2023, are as follows:

		<b>September 30, 2024</b>		
<i>(In millions of Korean won)</i>		<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Loans	₩	53,115	DCF model	Interest rate, Discount rate, etc.
		<b>December 31, 2023</b>		
<i>(In millions of Korean won)</i>		<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Beneficiary certificates	₩	316,080	DCF model	Interest rate, Discount rate, etc.
Loans		48,981	DCF model	Interest rate, Discount rate, etc.
	₩	<u>365,061</u>		

5.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of September 30, 2024 and December 31, 2023, are as follows:

		<b>September 30, 2024</b>					
<i>(In millions of Korean won)</i>		<b>Fair value hierarchy</b>					
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>		
<b>Financial assets</b>							
Cash and due from financial institutions <sup>1</sup>	₩	-	₩ 659,832	₩	-	₩	659,832
Loans measured at amortized cost <sup>2</sup>		-	-		558,417		558,417
Other financial assets <sup>3</sup>		-	-		57,597		57,597
	₩	-	₩ 659,832	₩	616,014	₩	<u>1,275,846</u>
<b>Financial liabilities</b>							
Borrowings <sup>4</sup>	₩	-	₩ 965,000	₩	-	₩	965,000
Debentures		-	2,641,946		-		2,641,946
Other financial liabilities <sup>3</sup>		-	-		54,641		54,641
	₩	-	₩ 3,606,946	₩	54,641	₩	<u>3,661,587</u>

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5.1.2.2 Fair value hierarchy of financial assets and liabilities whose fair value is disclosed (cont'd)

<i>(In millions of Korean won)</i>	<b>December 31, 2023</b>							
	<b>Fair value hierarchy</b>							
	<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>		<b>Total</b>	
<b>Financial assets</b>								
Cash and due from financial institutions <sup>1</sup>	₩	-	₩	256,337	₩	-	₩	256,337
Loans measured at amortized cost <sup>2</sup>	-	-	-	-	-	-	-	608,286
Other financial assets <sup>3</sup>	-	-	-	-	-	-	-	57,562
	₩	-	₩	256,337	₩	-	₩	665,848
	-	-	-	-	-	-	-	922,185
<b>Financial liabilities</b>								
Borrowings <sup>4</sup>	₩	-	₩	100,000	₩	-	₩	100,000
Debentures	-	-	-	3,715,939	-	-	-	3,715,939
Other financial liabilities <sup>3</sup>	-	-	-	-	-	-	-	10,381
	₩	-	₩	3,815,939	₩	-	₩	10,381
	-	-	-	-	-	-	-	3,826,320

<sup>1</sup> Because due from financial institutions classified as level 2 are deposits on demand and with remaining maturities of less than one year, carrying amounts are reasonable approximations of fair values.

<sup>2</sup> Because loans measured at amortized cost classified as level 3 are loans with residual maturity of less than one year, carrying amounts are reasonable approximations of fair values.

<sup>3</sup> For other financial assets and other financial liabilities classified as level 3, carrying amounts are reasonable approximations of fair values.

<sup>4</sup> For borrowings classified as level 2, carrying amount is reasonable approximations of fair value.

Financial assets and liabilities whose carrying amount is a reasonable approximation of fair value, valuation techniques and inputs are not disclosed.

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>Fair value</b>				<b>Valuation techniques</b>	<b>Inputs</b>
	<b>September 30, 2024</b>		<b>December 31, 2023</b>			
<b>Financial liabilities</b>						
Debentures	₩	2,641,946	₩	3,715,939	DCF model	Discount rate

5.2 Disclosure of Fair Value Hierarchy Level 3

5.2.1 Valuation policy and process of Level 3 fair value

The Company uses external, independent and qualified valuation service to determine the fair value of financial instruments at the end of every reporting period.



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5.2.2 Changes in fair value (Level 3) measured using valuation technique based on unobservable inputs in the market

5.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024		2023	
	Financial assets at fair value through profit or loss		Financial assets at fair value through profit or loss	
Beginning	₩	1,011,363	₩	874,171
Total gains or losses:				
- Profit or loss		23,504		10,426
- Other comprehensive income		-		-
Purchases		150,000		100,000
Sales		-		-
Issues		-		-
Settlements		-		-
Transfers into Level 3		-		-
Transfers out of Level 3		-		-
Ending	₩	1,184,867	₩	984,597

5.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024			2023		
	Gains on financial instruments at fair value through profit or loss	Other operating income	Net interest income	Gains on financial instruments at fair value through profit or loss	Other operating income	Net interest income
Total gains included in profit or loss for the period	₩ 23,504	₩ -	₩ -	₩ 10,426	₩ -	₩ -
Total gains for the period included in profit or loss for financial instruments held at the end of the reporting period	23,504	-	-	10,426	-	-

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5.2.3 Sensitivity analysis of changes in unobservable inputs

5.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

<b>September 30, 2024</b>						
	<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs (%)</b>	<b>Relationship of unobservable inputs to fair value</b>
<b>Financial assets</b>						
Financial assets at fair value through profit or loss:						
Hybrid securities	₩1,184,867	Hull and White Model, MonteCarlo Simulation	Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate	Discount rate Volatility of interest rate	3.49 ~ 8.56 0.51 ~ 0.68	The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation

(In millions of Korean won)

<b>December 31, 2023</b>						
	<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs (%)</b>	<b>Relationship of unobservable inputs to fair value</b>
<b>Financial assets</b>						
Financial assets at fair value through profit or loss:						
Hybrid securities	₩1,011,362	Hull and White Model, MonteCarlo Simulation	Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate	Discount rate Volatility of interest rate	5.05 ~ 6.30 0.61	The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation

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5.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. There are hybrid securities whose fair value changes are recognized in profit or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>			
	<b>Profit or loss</b>		<b>Other comprehensive income or loss</b>	
	<b>Favorable changes</b>	<b>Unfavorable changes</b>	<b>Favorable changes</b>	<b>Unfavorable changes</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities *	₩ 8,475	₩ (8,286)	₩ -	₩ -

\* The changes in fair value are calculated by increasing or decreasing discount rates (3.49% ~ 8.56%) by 1%p, which are principal unobservable input parameters.

<i>(In millions of Korean won)</i>	<b>December 31, 2023</b>			
	<b>Profit or loss</b>		<b>Other comprehensive income or loss</b>	
	<b>Favorable changes</b>	<b>Unfavorable changes</b>	<b>Favorable changes</b>	<b>Unfavorable changes</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities *	₩ 6,866	₩ (6,746)	₩ -	₩ -

\* The changes in fair value are calculated by increasing or decreasing discount rates (5.05% ~ 6.30%) by 1%p, which are principal unobservable input parameters.

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**6. Due from Financial Institutions**

6.1 Details of due from financial institutions as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

		Financial Institution	Interest rate (%)	September 30, 2024		December 31, 2023	
			as of	September 30, 2024	September 30, 2024	December 31, 2023	
Due from financial institutions in Korean won	Due from banks	Kookmin Bank	0.00 ~ 1.20	₩	349,520	₩	114,336
		KB Savings Bank Co., Ltd.	2.30 ~ 2.50		80,000		140,000
		Standard Chartered Bank	-		-		2,001
		Shinhan Bank	3.50		230,312		-
				₩	659,832	₩	256,337

6.2 Details of restricted due from financial institution as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

		Financial Institution	September 30, 2024		December 31, 2023		Reasons of restriction
Due from financial institutions in Korean won		Kookmin Bank	₩	3	₩	3	

**7. Financial Assets at Fair Value through Profit or Loss**

Details of financial assets at fair value through profit or loss as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

		September 30, 2024		December 31, 2023	
Financial assets at fair value through profit or loss:					
	Hybrid securities	₩	1,184,867	₩	1,011,362
	Beneficiary certificates		-		316,080
	Loans		53,115		48,981
		₩	1,237,982	₩	1,376,423

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**8. Loans Measured at Amortized Cost**

Details of loans measured at amortized cost as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Loans measured at amortized cost	₩ 560,000	₩ 610,000
Less: Allowances for loan losses	(1,583)	(1,714)
	<b>₩ 558,417</b>	<b>₩ 608,286</b>

**9. Investments in Subsidiaries**

9.1 Details of subsidiaries as of September 30, 2024, are as follows:

<b>Name of subsidiaries</b>	<b>Industry</b>	<b>Location</b>
Kookmin Bank	Banking and foreign exchange transaction	Korea
KB Securities Co., Ltd.	Financial investment	Korea
KB Insurance Co., Ltd.	Non-life insurance	Korea
KB Kookmin Card Co., Ltd.	Credit card and installment financial business	Korea
KB Life Insurance Co., Ltd.	Life insurance	Korea
KB Asset Management Co., Ltd.	Investment advisory and investment trust	Korea
KB Capital Co., Ltd.	Financial leasing	Korea
KB Real Estate Trust Co., Ltd.	Real estate trust management	Korea
KB Savings Bank Co., Ltd.	Savings banking	Korea
KB Investment Co., Ltd.	Capital investment	Korea
KB Data System Co., Ltd.	System software, development and supply	Korea

9.2 Details of investments in subsidiaries as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won, except for shares)

<b>Name of subsidiaries</b>	<b>As of September 30, 2024</b>		<b>Carrying amount</b>	
	<b>Number of issued shares</b>	<b>Ownership (%)</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Kookmin Bank	404,379,116	100.00	₩ 14,821,721	₩ 14,821,721
KB Securities Co., Ltd.	298,620,424	100.00	3,342,391	3,342,391
KB Insurance Co., Ltd.	66,500,000	100.00	2,375,430	2,375,430
KB Kookmin Card Co., Ltd.	92,000,000	100.00	1,953,175	1,953,175
KB Life Insurance Co., Ltd.	16,201,518	100.00	2,795,367	2,795,367
KB Asset Management Co., Ltd.	7,667,550	100.00	96,312	96,312
KB Capital Co., Ltd.	32,175,147	100.00	873,811	873,811
KB Real Estate Trust Co., Ltd. *	21,616,085	100.00	271,553	121,553
KB Savings Bank Co., Ltd.	8,001,912	100.00	176,813	176,813
KB Investment Co., Ltd.	22,525,328	100.00	154,910	154,910
KB Data System Co., Ltd.	800,000	100.00	6,334	6,334
			<b>₩ 26,867,817</b>	<b>₩ 26,717,817</b>

\* Investment in subsidiaries increased by ₩ 150,000 million due to the issuance of shares by KB Real Estate Trust Co., Ltd. during the nine-month period ended September 30, 2024.

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**10. Deferred Income Tax Assets and Liabilities**

Details of deferred income tax assets and liabilities as September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net amount</b>
Share-based payments	₩ 6,189	₩ -	₩ 6,189
Membership rights	227	-	227
Defined benefit obligation	2,143	-	2,143
Plan assets	-	(2,813)	(2,813)
Short-term employee benefits	1,204	-	1,204
Gains or losses on valuation of financial assets at fair value through profit or loss	-	(1,285)	(1,285)
Others	1,170	(744)	426
	<u>10,933</u>	<u>(4,842)</u>	<u>6,091</u>
Offsetting of deferred tax assets and liabilities	(4,842)	4,842	-
	<u>₩ 6,091</u>	<u>₩ -</u>	<u>₩ 6,091</u>

*(In millions of Korean won)*

	<b>December 31, 2023</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net amount</b>
Share-based payments	₩ 4,704	₩ -	₩ 4,704
Membership rights	227	-	227
Defined benefit obligation	2,369	-	2,369
Plan assets	-	(2,369)	(2,369)
Short-term employee benefits	403	-	403
Gains or losses on valuation of financial assets at fair value through profit or loss	675	-	675
Others	2,159	(3,676)	(1,517)
	<u>10,537</u>	<u>(6,045)</u>	<u>4,492</u>
Offsetting of deferred tax assets and liabilities	(6,045)	6,045	-
	<u>₩ 4,492</u>	<u>₩ -</u>	<u>₩ 4,492</u>

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**11. Borrowings**

11.1 Details of borrowings as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Borrowings	₩ 965,000	₩ 100,000

11.2 Details of borrowings as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		<b>Lenders</b>	<b>Borrowing date</b>	<b>Maturity date</b>	<b>Interest rate (%) as of</b>		
					<b>Septem ber 30, 2024</b>	<b>Septemb er 30, 2024</b>	<b>December 31, 2023</b>
<b>Borrowings in Korean won</b>	Other borrowings	HI INVESTMENT & SECURITIES Co., Ltd.	Jul. 21, 2023	Jul. 19, 2024	-	₩ -	₩ 100,000
	Other borrowings	KIWOOM SECURITIES Co., Ltd.	Feb. 20, 2024	Feb. 18, 2025	3.81	200,000	-
	Other borrowings	Hanyang SECURITIES Co., Ltd.	Feb. 21, 2024	Feb. 19, 2025	3.81	65,000	-
	Other borrowings	SK SECURITIES Co., Ltd.	Mar. 21, 2024	Mar. 20, 2025	3.80	100,000	-
	Other borrowings	KIWOOM SECURITIES Co., Ltd.	Apr. 25, 2024	Apr. 24, 2025	3.66	100,000	-
	Other borrowings	KIWOOM SECURITIES Co., Ltd.	May 29, 2024	May 28, 2025	3.70	100,000	-
	Other borrowings	SK SECURITIES Co., Ltd.	Jun. 26, 2024	Jun. 25, 2025	3.66	200,000	-
	Other borrowings	KIWOOM SECURITIES Co., Ltd.	Jul. 29, 2024	Jul. 28, 2025	3.45	200,000	-
					<u>₩ 965,000</u>	<u>₩ 100,000</u>	

11.3 Maturities of borrowings as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

		<b>September 30, 2024</b>					
		<b>Up to 3 months</b>	<b>3~6 months</b>	<b>6~12 months</b>	<b>1~3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Borrowings in Korean won	₩	-	₩ 365,000	₩ 600,000	-	-	₩ 965,000
		<b>December 31, 2023</b>					
		<b>Up to 3 months</b>	<b>3~6 months</b>	<b>6~12 months</b>	<b>1~3 years</b>	<b>Over 3 years</b>	<b>Total</b>
Borrowings in Korean won	₩	-	-	₩ 100,000	-	-	₩ 100,000

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**12. Debentures**

12.1 Details of debentures as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>			Interest rate (%) as of September 30, 2024	September 30, 2024	December 31, 2023
	Issuance date	Maturity date			
Unguaranteed debentures No.15-3	May 12, 2016	May 12, 2026	2.01	₩ 200,000	₩ 200,000
Unguaranteed debentures No.18-3	Jul. 25, 2016	Jul. 25, 2026	1.69	80,000	80,000
Unguaranteed debentures No.19-3	Aug. 25, 2016	Aug. 25, 2026	1.69	120,000	120,000
Unguaranteed debentures No.25-4	May 24, 2017	May 24, 2027	2.62	80,000	80,000
Unguaranteed debentures No.26-2	Jun. 27, 2017	Jun. 27, 2024	2.34	-	200,000
Unguaranteed debentures No.27	Jul. 19, 2017	Jul. 19, 2024	2.41	-	100,000
Unguaranteed debentures No.28-2	Aug. 30, 2017	Aug. 30, 2024	2.43	-	30,000
Unguaranteed debentures No.28-3	Aug. 30, 2017	Aug. 30, 2027	2.60	60,000	60,000
Unguaranteed debentures No.29-2	Sep. 19, 2017	Sep. 19, 2024	2.44	-	110,000
Unguaranteed debentures No.31-3	Feb. 28, 2018	Feb. 28, 2028	3.02	60,000	60,000
Unguaranteed debentures No.32-3	Apr. 6, 2018	Apr. 6, 2028	2.86	20,000	20,000
Unguaranteed debentures No.33-2	Jun. 12, 2018	Jun. 12, 2028	2.92	30,000	30,000
Unguaranteed debentures No.34-3	Jul. 25, 2018	Jul. 25, 2025	2.71	20,000	20,000
Unguaranteed debentures No.34-4	Jul. 25, 2018	Jul. 25, 2028	2.76	20,000	20,000
Unguaranteed debentures No.36-2	Feb. 22, 2019	Feb. 22, 2024	2.11	-	230,000
Unguaranteed debentures No.36-3	Feb. 22, 2019	Feb. 22, 2029	2.22	60,000	60,000
Unguaranteed debentures No.37-1	Mar. 15, 2019	Mar. 15, 2024	2.06	-	140,000
Unguaranteed debentures No.37-2	Mar. 15, 2019	Mar. 15, 2029	2.16	70,000	70,000
Unguaranteed debentures No.38-1	Jun. 19, 2019	Jun. 19, 2026	1.73	80,000	80,000
Unguaranteed debentures No.38-2	Jun. 19, 2019	Jun. 19, 2029	1.77	120,000	120,000
Unguaranteed debentures No.39-1	Oct. 15, 2019	Oct. 15, 2024	1.60	80,000	80,000
Unguaranteed debentures No.39-2	Oct. 15, 2019	Oct. 15, 2029	1.67	40,000	40,000
Unguaranteed debentures No.40-1	Dec. 4, 2019	Dec. 4, 2024	1.76	70,000	70,000
Unguaranteed debentures No.40-2	Dec. 4, 2019	Dec. 4, 2029	1.87	30,000	30,000
Unguaranteed debentures No.41-2	Jan. 16, 2020	Jan. 16, 2025	1.74	100,000	100,000
Unguaranteed debentures No.41-3	Jan. 16, 2020	Jan. 16, 2030	1.88	40,000	40,000
Subordinated debentures No.1-1	Feb. 18, 2020	Feb. 18, 2030	2.21	370,000	370,000
Subordinated debentures No.1-2	Feb. 18, 2020	Feb. 18, 2035	2.26	30,000	30,000
Unguaranteed debentures No.42-1	May 13, 2020	May 13, 2025	1.59	130,000	130,000
Unguaranteed debentures No.42-2	May 13, 2020	May 13, 2030	1.78	70,000	70,000
Unguaranteed debentures No.43-2	Jun. 16, 2020	Jun. 16, 2025	1.44	110,000	110,000
Unguaranteed debentures No.43-3	Jun. 16, 2020	Jun. 16, 2030	1.63	50,000	50,000
Exchangeable bonds No.1 *	Jun. 30, 2020	Jun. 30, 2025	-	-	240,000
Unguaranteed debentures No.44-3	Aug. 11, 2020	Aug. 9, 2024	1.18	-	30,000
Unguaranteed debentures No.44-4	Aug. 11, 2020	Aug. 11, 2027	1.39	20,000	20,000
Unguaranteed debentures No.46-2	Jan. 14, 2021	Jan. 14, 2026	1.43	30,000	30,000
Unguaranteed debentures No.46-3	Jan. 14, 2021	Jan. 14, 2028	1.62	10,000	10,000
Unguaranteed debentures No.46-4	Jan. 14, 2021	Jan. 14, 2031	1.84	100,000	100,000
Unguaranteed debentures No.48-1	Jun. 16, 2022	Jun. 17, 2024	4.15	-	85,000
Unguaranteed debentures No.48-2	Jun. 16, 2022	Jun. 16, 2025	4.27	240,000	240,000
Unguaranteed debentures No.48-3	Jun. 16, 2022	Jun. 16, 2027	4.34	80,000	80,000
Unguaranteed debentures No.48-4	Jun. 16, 2022	Jun. 16, 2032	4.40	95,000	95,000



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12.1 Details of debentures as of September 30, 2024 and December 31, 2023, are as follows: (cont'd)

<i>(In millions of Korean won)</i>	<b>Interest rate (%) as of September 30, 2024</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Issuance date</b>	<b>Maturity date</b>		
		2,715,000	3,880,000
	Less: Bond Discounts	(2,228)	(3,076)
	Less: adjustment on exchange right	-	(5,104)
		<b>₩ 2,712,772</b>	<b>₩ 3,871,820</b>

\* Fair value of the liability component of exchangeable bonds is calculated by using market interest rate of bonds under the same conditions without the exchange right. The residual amount, after deducting liability component from the issuance amount, represents the value of exchange right and is recorded in equity. Shares to be exchanged are 5 million treasury shares of KB Financial Group Inc. with the exchange price of ₩ 48,000. Exchange rights were fully exercised on February 14, 2024.

12.2 Maturities of debentures as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>					<b>Total</b>
	<b>Up to 3 months</b>	<b>3~6 months</b>	<b>6~12 months</b>	<b>1~3 years</b>	<b>Over 3 years</b>	
Debentures in						
Korean won	₩ 150,000	₩ 100,000	₩ 500,000	₩ 750,000	₩ 1,215,000	₩ 2,715,000

*(In millions of Korean won)*

	<b>December 31, 2023</b>					<b>Total</b>
	<b>Up to 3 months</b>	<b>3~6 months</b>	<b>6~12 months</b>	<b>1~3 years</b>	<b>Over 3 years</b>	
Debentures in						
Korean won	₩ 370,000	₩ 285,000	₩ 420,000	₩ 1,350,000	₩ 1,455,000	₩ 3,880,000

12.3 Changes in debentures based on par value for the nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	<b>2024</b>			
	<b>Beginning</b>	<b>Issue</b>	<b>Repayment</b>	<b>Ending</b>
Debentures in Korean won(*)	₩ 3,880,000	₩ -	₩ (1,165,000)	₩ 2,715,000

\* Exchangeable bonds amounting to 240,000 million were redeemed on February 14, 2024, due to the exercise of exchange right.

*(In millions of Korean won)*

	<b>2023</b>			
	<b>Beginning</b>	<b>Issue</b>	<b>Repayment</b>	<b>Ending</b>
Debentures in Korean won	₩ 4,970,000	₩ -	₩ (910,000)	₩ 4,060,000

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**13. Net Defined Benefit Liabilities (Assets)**

13.1 Defined Benefit Plan

The Company operates defined benefit plans which have the following characteristics:

- The Company has the obligation to pay the agreed benefits to all its current and former employees.
- The Company assumes actuarial risk (that benefits will cost more than expected) and investment risk.

The net defined benefit liabilities recognized in the statements of financial position are calculated in accordance with actuarial valuation method using assumptions based on market data and historical data such as discount rate, future salary increase rate, and mortality. Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends.

13.2 Details of the net defined benefit liabilities as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Present value of defined benefit obligation	₩ 18,880	₩ 19,639
Fair value of plan assets	(21,430)	(23,333)
Net defined benefit liabilities (assets)	<u>₩ (2,550)</u>	<u>₩ (3,694)</u>

13.3 Details of post-employment benefits recognized in profit or loss for the nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	<b>2024</b>	<b>2023</b>
Current service cost	₩ 1,354	₩ 1,359
Net interest expense on net defined benefit liabilities	(118)	(167)
Post-employment benefits	<u>₩ 1,236</u>	<u>₩ 1,192</u>

(\*) The gains or losses related to the defined benefit pension plan is fully included in general administrative expenses.

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**14. Equity**

14.1 Share Capital

14.1.1 Details of share capital as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Type of share	Ordinary share	Ordinary share
Number of authorized shares	1,000,000,000	1,000,000,000
Par value per share <i>(In Korean won)</i>	₩ 5,000	₩ 5,000
Number of issued shares	393,528,423	403,511,072
Share capital *	₩ 2,090,558	₩ 2,090,558

\* Due to the retirement of shares deducted through retained earnings, it is different from the total par value of the shares issued.

14.1.2 Changes in shares for the nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In number of shares)*

	<b>2024</b>	<b>2023</b>
Beginning	378,663,825	389,634,335
Increase	5,000,000	-
Decrease	(6,448,135)	(7,285,996)
Ending	377,215,690	382,348,339

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14.2 Hybrid Securities

Details of hybrid securities classified as equity as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

Hybrid securities	Issuance date	Maturity	Interest rate (%)		
			as of September 30, 2024	September 30, 2024	December 31, 2023
The 1-1 <sup>st</sup> *	May 2, 2019	Perpetual bond	3.23	₩ -	₩ 349,204
The 1-2 <sup>nd</sup>	May 2, 2019	Perpetual bond	3.44	49,881	49,881
The 2-1 <sup>st</sup>	May 8, 2020	Perpetual bond	3.30	324,099	324,099
The 2-2 <sup>nd</sup>	May 8, 2020	Perpetual bond	3.43	74,812	74,812
The 3-1 <sup>st</sup>	Jul. 14, 2020	Perpetual bond	3.17	369,099	369,099
The 3-2 <sup>nd</sup>	Jul. 14, 2020	Perpetual bond	3.38	29,922	29,922
The 4-1 <sup>st</sup>	Oct. 20, 2020	Perpetual bond	3.00	433,918	433,918
The 4-2 <sup>nd</sup>	Oct. 20, 2020	Perpetual bond	3.28	64,843	64,843
The 5-1 <sup>st</sup>	Feb. 19, 2021	Perpetual bond	2.67	419,056	419,056
The 5-2 <sup>nd</sup>	Feb. 19, 2021	Perpetual bond	2.87	59,862	59,862
The 5-3 <sup>rd</sup>	Feb. 19, 2021	Perpetual bond	3.28	119,727	119,727
The 6-1 <sup>st</sup>	May 28, 2021	Perpetual bond	3.20	165,563	165,563
The 6-2 <sup>nd</sup>	May 28, 2021	Perpetual bond	3.60	109,708	109,708
The 7-1 <sup>st</sup>	Oct. 8, 2021	Perpetual bond	3.57	208,453	208,453
The 7-2 <sup>nd</sup>	Oct. 8, 2021	Perpetual bond	3.80	59,834	59,834
The 8-1 <sup>st</sup>	Feb. 16, 2022	Perpetual bond	4.00	442,955	442,955
The 8-2 <sup>nd</sup>	Feb. 16, 2022	Perpetual bond	4.30	155,626	155,626
The 9-1 <sup>st</sup>	May 12, 2022	Perpetual bond	4.68	478,814	478,814
The 9-2 <sup>nd</sup>	May 12, 2022	Perpetual bond	4.97	19,906	19,906
The 10-1 <sup>st</sup>	Aug. 26, 2022	Perpetual bond	4.90	407,936	407,936
The 10-2 <sup>nd</sup>	Aug. 26, 2022	Perpetual bond	5.15	70,819	70,819
The 10-3 <sup>rd</sup>	Aug. 26, 2022	Perpetual bond	5.30	19,944	19,944
The 11-1 <sup>st</sup>	Feb 3, 2023	Perpetual bond	4.90	548,666	548,666
The 11-2 <sup>nd</sup>	Feb 3, 2023	Perpetual bond	5.03	49,871	49,871
The 12	Feb 28, 2024	Perpetual bond	4.39	399,045	-
				₩ 5,082,359	₩ 5,032,518

\* As a result of exercising the call option for the Company's write-down contingent convertible bonds on May 2, 2024, ₩ 350,000 million was fully redeemed before maturity.

The above hybrid securities are early redeemable by the Company after 5 or 7 or 10 years from the issuance date.

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14.3 Capital Surplus

Details of capital surplus as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Paid-in capital in excess of par value	₩ 13,190,275	₩ 13,190,275
Other capital surplus	1,448,502	1,465,893
Gains on sales of treasury shares	90,621	86,646
Consideration for exchange right of exchangeable bonds	-	11,933
	<u>₩ 14,729,398</u>	<u>₩ 14,754,747</u>

14.4 Accumulated Other Comprehensive Income (Loss)

Details of accumulated other comprehensive income (loss) as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Remeasurements of net defined benefit liabilities	₩ (6,746)	₩ (6,809)

14.5 Retained Earnings

14.5.1 Details of retained earnings as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Legal reserves	₩ 1,219,809	₩ 1,007,686
Voluntary reserves	982,000	982,000
Regulatory reserve for credit losses	4,061	9,340
Unappropriated retained earnings	2,478,123	2,337,872
	<u>₩ 4,683,993</u>	<u>₩ 4,336,898</u>

With respect to the allocation of net profit earned in a fiscal term, the Company must set aside in its legal reserve an amount equal to at least 10% of its profit after tax as reported in the financial statements, each time it pays dividends on its net profits earned until its legal reserve reaches the aggregate amount of its share capital in accordance with Article 53 of the Financial Holding Company Act. The reserve is not available for the payment of cash dividends, but may be transferred to share capital, or used to reduce accumulated deficit.

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14.5.2 Regulatory reserve for credit losses

Measurement and disclosure of regulatory reserve for credit losses are required in accordance with Articles 26 through 28 of the Regulations on Supervision of Financial Holding Companies.

14.5.2.1 Details of regulatory reserve for credit losses as of September 30, 2024 and December 31, 2023, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2024</b>		<b>December 31, 2023</b>	
Amounts before appropriation	₩	4,061	₩	9,340
Amounts estimated to be appropriated (reversed)		1,107		(5,279)
	₩	5,168	₩	4,061

14.5.2.2 Regulatory reserve for credit losses estimated to be appropriated (reversed) and adjusted profit after provision (reversal) of regulatory reserve for credit losses for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won, except for per share amounts)*

	<b>2024</b>		<b>2023</b>	
	<b>Three months</b>	<b>Nine months</b>	<b>Three months</b>	<b>Nine months</b>
Regulatory reserve for credit losses estimated to be appropriated (reversed)	₩ 273	₩ 1,107	₩ 177	₩ (4,337)
Adjusted profit (loss) after provision (reversal) of regulatory reserve for credit losses <sup>1,2</sup>	(60,437)	2,048,258	(78,803)	1,994,135
Adjusted basic earnings (loss) per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup>	(160)	5,389	(204)	5,176
Adjusted diluted earnings (loss) per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup>	(158)	5,324	(197)	5,061

<sup>1</sup> Adjusted profit (loss) after provision (reversal) of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision (reversal) of regulatory reserve for credit losses before tax to the net profit for the period.

<sup>2</sup> After deducting dividends on hybrid securities

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14.6 Treasury Shares

Changes in treasury shares for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won except for number of shares)

	<b>2024</b>				
	<b>Beginning</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Retirement</b>	<b>Ending</b>
Number of treasury shares					
*	24,847,247	6,448,135	(5,000,000)	(9,982,649)	16,312,733
Carrying amount	₩ 1,165,837	₩ 490,679	₩ (234,600)	₩ (515,177)	906,739

  

	<b>2023</b>				
	<b>Beginning</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Retirement</b>	<b>Ending</b>
Number of treasury shares					
	19,262,733	7,285,996	-	(5,385,996)	21,162,733
Carrying amount	₩ 836,188	₩ 373,695	₩ -	₩ (242,096)	967,787

\* 5 million treasury shares deposited at the Korea Securities Depository for the exchange of exchangeable bonds were disposed on February 14, 2024, due to the exercise of exchange right.

The Company retired 5,584,514 shares (₩ 300,000 million) and 4,398,135 shares (₩ 320,000 million) of the treasury shares on August 14, 2024, each acquired in accordance with the resolution of the Board of Directors on July 25, 2023, and February 7, 2024, respectively.

Additionally, in accordance with the resolution of the Board of Directors on July 23, 2024, the Company plans to acquire shares worth ₩ 400,000 million of treasury stocks through a trust contract by March 4, 2025, and plans to retire the shares after the termination of the trust contract.

**15. Dividends**

The annual dividends to the shareholders of the Company for the year ended December 31, 2023, amounting to ₩ 587,006 million (₩ 1,530 per share) were declared at the annual general shareholders' meeting on March 22, 2024 and paid in April 11, 2024. According to the resolution of the Board of Directors on April 25, 2024, the quarterly dividends per share of ₩ 784 (total dividends: ₩ 300,087 million) with dividend record date of March 31, 2024 were paid on May 9, 2024, and the resolution of the Board of Directors on July 23, 2024, the quarterly dividend per share of ₩ 791 (total dividend: ₩ 299,999 million) with dividend record date of June 30, 2024 were paid on August 8, 2024. Meanwhile, the annual dividends and quarterly dividends paid in 2023 for the year ended December 31, 2022, were ₩ 564,970 million (₩ 1,450 per share) and ₩ 586,931 million (₩ 510 per share), respectively.

Additionally, in accordance with the resolution of the Board of Directors on July 23, 2024, the Company plans to acquire ₩ 400,000 million of treasury stocks through a trust contract by March 4, 2025, and plans to retire the shares after the termination of the trust contract.

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**16. Net Interest Expense**

Details of interest income, interest expense, and net interest expense for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	2024		2023	
	Three months	Nine months	Three months	Nine months
<b>Interest income</b>				
Due from financial institutions	₩ 4,174	₩ 14,099	₩ 4,255	₩ 13,937
Loans measured at amortized cost	4,801	14,207	4,139	10,529
Loans measured at fair value through profit or loss	714	2,117	696	2,494
Others	356	1,985	143	422
	<u>10,045</u>	<u>32,408</u>	<u>9,233</u>	<u>27,382</u>
<b>Interest expense</b>				
Borrowings	8,610	16,414	807	807
Debentures	16,766	57,340	23,645	75,215
Others	11	33	6	19
	<u>25,387</u>	<u>73,787</u>	<u>24,458</u>	<u>76,041</u>
<b>Net interest expense</b>	<u>₩ (15,342)</u>	<u>₩ (41,379)</u>	<u>₩ (15,225)</u>	<u>₩ (48,659)</u>

**17. Net Fee and Commission Expense**

Details of fee and commission income, fee and commission expense, and net fee and commission expense for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	2024		2023	
	Three months	Nine months	Three months	Nine months
<b>Fee and commission income</b>				
Fees earned in Korean won	₩ 387	₩ 1,381	₩ 407	₩ 1,188
<b>Fee and commission expense</b>				
Fees paid in Korean won	1,434	5,811	2,419	7,376
Fees paid in foreign currency	146	329	127	287
	<u>1,580</u>	<u>6,140</u>	<u>2,546</u>	<u>7,663</u>
<b>Net fee and commission expense</b>	<u>₩ (1,193)</u>	<u>₩ (4,759)</u>	<u>₩ (2,139)</u>	<u>₩ (6,475)</u>



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**18. Net Gains or Losses on Financial Instruments at Fair value through Profit or Loss**

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions.

Details of net gains or losses on financial assets at fair value through profit or loss for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	2024		2023	
	Three months	Nine months	Three months	Nine months
<b>Gains on financial instruments at fair value through profit or loss</b>				
Dividend income from financial assets at fair value through profit or loss	₩ 16,642	₩ 43,648	₩ 13,608	₩ 38,786
Gains on valuation of financial assets at fair value through profit or loss	10,179	26,359	858	27,952
Gains on disposal of financial assets at fair value through profit or loss	-	148	-	678
	<u>26,821</u>	<u>70,155</u>	<u>14,466</u>	<u>67,416</u>
<b>Losses on financial instruments at fair value through profit or loss</b>				
Losses on valuation of financial assets at fair value through profit or loss	-	-	4,648	5,928
	<u>-</u>	<u>-</u>	<u>4,648</u>	<u>5,928</u>
<b>Net gains on financial instruments at fair value through profit or loss</b>	₩ 26,821	₩ 70,155	₩ 9,818	₩ 61,488

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**19. Net Other Operating Income and Expenses**

Details of other operating income and expenses for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Nine Months	Three months	Nine months
<b>Other operating income</b>				
Dividend income from subsidiaries	₩ -	₩ 2,243,250	₩ -	₩ 2,192,380
	-	2,243,250	-	2,192,380
<b>Net other operating income</b>	₩ -	₩ 2,243,250	₩ -	₩ 2,192,380

**20. General and Administrative Expenses**

20.1 Details of general and administrative expenses for the three-month and nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Nine Months	Three months	Nine months
<b>Expenses related to employee</b>				
Employee benefits – salaries	₩ 8,416	₩ 25,657	₩ 9,721	₩ 29,194
Employee benefits – others	1,112	3,450	1,109	3,368
Post-employment benefits – defined benefit plans	409	1,236	395	1,192
Post-employment benefits – defined contribution plans	-	4	-	1
Share-based payments	2,783	11,729	4,134	7,020
	12,720	42,076	15,359	40,775
<b>Depreciation and amortization</b>	1,410	4,325	1,354	4,071
<b>Other general and administrative expenses</b>				
Travel	158	528	198	947
Communications	222	796	228	799
Tax and dues	50	400	70	407
Publication	71	230	76	262
Rental expense	592	1,729	543	1,598
Vehicle	39	99	43	111
Service fees	3,912	11,667	2,469	11,492
Advertising	40	547	112	627
Training	392	867	276	1,000
Others	2,239	6,611	2,327	6,847
	7,715	23,474	6,342	24,090
	₩ 21,845	₩ 69,875	₩ 23,055	₩ 68,936

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20.2 Share-based Payments

Share-based payments plan for executives and employees of the Company and its subsidiaries as of September 30, 2024, are as follows:

20.2.1 Stock grants linked to long-term performance

(In number of shares)

	<b>Grant date</b>	<b>Number of granted shares <sup>1</sup></b>	<b>Vesting conditions <sup>2</sup></b>
<b>KB Financial Group Inc.</b>			
Series 34	Feb. 1, 2022	644	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 36	Jan. 1, 2023	26,071	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 37	Apr. 1, 2023	2,087	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 38	Nov. 21, 2023	55,547	Services fulfillment, market performance <sup>3</sup> 35%, and non-market performance <sup>5</sup> 65%
Series 39	Jan. 1, 2024	93,935	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 40	Feb. 1, 2024	511	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 41	Apr. 6, 2024	6,270	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 42	Apr. 26, 2024	616	Services fulfillment, market performance <sup>3</sup> 0%, and non-market performance <sup>4</sup> 100%
Deferred grant in 2015		2,123	Satisfied
Deferred grant in 2020		284	Satisfied
Deferred grant in 2021		9,060	Satisfied
Deferred grant in 2022		26,240	Satisfied
Deferred grant in 2023		85,309	Satisfied
		308,697	
<b>Kookmin Bank</b>			
Series 85	Jan. 1, 2022	6,740	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>6</sup> 70%
Series 86	Feb. 1, 2022	1,525	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 90	Jul. 18, 2022	3,716	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 91	Aug. 24, 2022	7,277	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 92	Jan. 1, 2023	153,444	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 94	Apr. 1, 2023	5,997	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 96	Jan. 1, 2024	371,616	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100% Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>6</sup> 70%
Series 97	Feb. 1, 2024	2,556	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 98	Apr. 22, 2024	2,959	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%

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20.2.1 Stock grants linked to long-term performance (cont'd)

<i>(In number of shares)</i>	<b>Grant date</b>	<b>Number of granted shares <sup>1</sup></b>	<b>Vesting conditions <sup>2</sup></b>
Series 99	Jul. 5, 2024	4,926	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 100	Jul. 18, 2024	2,406	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 101	Aug. 24, 2024	4,450	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Deferred grant in 2021		52,347	Satisfied
Deferred grant in 2022		58,485	Satisfied
Deferred grant in 2023		138,055	Satisfied
Deferred grant in 2024		5,260	Satisfied
		<u>821,759</u>	
<b>Other subsidiaries</b>			
Stock granted in 2012		160	
Stock granted in 2013		219	
Stock granted in 2014		1,028	
Stock granted in 2015		1,287	
Stock granted in 2016		234	
Stock granted in 2017		5,834	
Stock granted in 2018		13,883	
Stock granted in 2019		18,106	Services fulfillment, market performance <sup>3</sup> 0~50%, and non-market performance <sup>4</sup> 50~100%
Stock granted in 2020		53,629	
Stock granted in 2021		52,505	
Stock granted in 2022		146,378	
Stock granted in 2023		386,058	
Stock granted in 2024		322,593	
		<u>1,001,914</u>	
		<u>2,132,370</u>	

<sup>1</sup> Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of September 30, 2024 (Deferred grants are residual shares vested as of September 30, 2024).

<sup>2</sup> Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

<sup>3</sup> Relative TSR (Total Shareholder Return):  $[(\text{Fair value at the end of the contract} - \text{Fair value at the beginning of the contract}) + (\text{Total amount of dividend per share paid during the contract period})] / \text{Fair value at the beginning of the contract}$

<sup>4</sup> Performance results of company and employee

<sup>5</sup> EPS (Earnings Per Share), Asset Quality, HCROI (Human Capital Return On Investment), Non-bank segment profit

<sup>6</sup> EPS, Asset Quality

The stock grant linked to long-term performance is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

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20.2.2 Stock grants linked to short-term performance

<i>(In number of shares)</i>	<b>Estimated number of vested shares *</b>	<b>Vesting conditions</b>
<b>KB Financial Group Inc.</b>		
Stock granted in 2015	1,078	Satisfied
Stock granted in 2016	2,076	Satisfied
Stock granted in 2020	156	Satisfied
Stock granted in 2021	11,857	Satisfied
Stock granted in 2022	29,285	Satisfied
Stock granted in 2023	41,923	Satisfied
Stock granted in 2024	19,340	Proportional to service period
<b>Kookmin Bank</b>		
Stock granted in 2016	706	Satisfied
Stock granted in 2021	43,194	Satisfied
Stock granted in 2022	107,840	Satisfied
Stock granted in 2023	178,583	Satisfied
Stock granted in 2024	70,070	Proportional to service period
<b>Other subsidiaries</b>		
Stock granted in 2015	2,672	Satisfied
Stock granted in 2016	12,312	Satisfied
Stock granted in 2017	26,375	Satisfied
Stock granted in 2018	64,040	Satisfied
Stock granted in 2019	56,724	Satisfied
Stock granted in 2020	75,969	Satisfied
Stock granted in 2021	234,222	Satisfied
Stock granted in 2022	349,858	Satisfied
Stock granted in 2023	575,294	Satisfied
Stock granted in 2024	124,536	Proportional to service period
	<u>2,028,110</u>	

\* Executives and employees were given the right of choice about the timing of the deferred payment (after the date of retirement), payment ratio, and payment period. Accordingly, a certain percentage of the granted shares is deferred for up to five years after the date of retirement after the deferred grant has been confirmed.

Share-based payments arrangement for subsidiaries was transferred to the Company in 2010, and the related compensation cost paid to the executives and employees of subsidiaries is reimbursed by subsidiaries. The accrued expenses for share-based payments as of September 30, 2024 and December 31, 2023, are ₩ 266,403 million and ₩ 202,249 million, respectively, and the receivables to be reimbursed by subsidiaries for the compensation costs as of September 30, 2024 and December 31, 2023, are ₩ 242,960 million and ₩ 184,433 million, respectively. And compensation costs from share-based payments amounting to ₩ 11,729 million and ₩ 7,020 million were recognized for the nine-month periods ended September 30, 2024 and 2023, respectively.

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**21. Income Tax Benefit (Expense)**

Details of income tax benefit (expense) for the nine-month periods ended September 30, 2024 and 2023, are as follows:

*(In millions of Korean won)*

	<u>2024</u>	<u>2023</u>
<b>Income tax payable</b>	₩ -	₩ -
<b>Changes in deferred tax assets and liabilities</b>	1,599	(7,360)
Origination and reversal of temporary differences	1,599	(7,360)
<b>Income tax recognized directly in equity</b>	211	(13)
Remeasurements of net defined benefit liabilities	22	(13)
Consideration for exchange right of exchangeable bonds	189	-
<b>Income tax benefit (expense)</b>	<u>₩ 1,810</u>	<u>₩ (7,373)</u>

**22. Earnings per Share**

**22.1 Basic Earnings per Share**

Basic earnings per share is calculated from the earnings attributable to ordinary shares.

**22.1.1 Weighted average number of ordinary shares outstanding**

*(In number of shares)*

	<u>2024</u>		<u>2023</u>	
	<u>Three months</u>	<u>Nine months</u>	<u>Three months</u>	<u>Nine months</u>
Number of issued ordinary shares	393,528,423	393,528,423	403,511,072	403,511,072
Number of treasury shares*	(16,312,733)	(16,312,733)	(21,162,733)	(21,162,733)
Weighted average number of ordinary shares outstanding	<u>378,880,364</u>	<u>380,100,693</u>	<u>383,565,730</u>	<u>385,292,960</u>

\* The initial dates of treasury shares retired during the current and previous quarters are August 14, 2024, and April 4, 2023, respectively.

**22.1.2 Basic earnings per share**

*(In Korean won except for number of shares)*

	<u>2024</u>	
	<u>Three months</u>	<u>Nine months</u>
Profit (loss) for the period	₩ (10,529,942,287)	₩ 2,199,528,961,923
Deduction: Dividends on hybrid securities	(49,634,075,000)	(150,164,725,000)
Profit (loss) attributable to the ordinary equity holders (A)	(60,164,017,287)	2,049,364,236,923
Weighted average number of ordinary shares outstanding (B)	378,880,364	380,100,693
Basic earnings (loss) per share (A/B)	<u>₩ (159)</u>	<u>₩ 5,392</u>

*(In Korean won except for number of shares)*

	<u>2023</u>	
	<u>Three months</u>	<u>Nine months</u>
Profit (loss) for the period	₩ (29,834,967,601)	₩ 2,126,643,020,471
Deduction: Dividends on hybrid securities	(48,070,325,000)	(136,844,725,000)
Profit (loss) attributable to the ordinary equity holders (A)	(77,905,292,601)	1,989,798,295,471
Weighted average number of ordinary shares outstanding (B)	383,565,730	385,292,960
Basic earnings (loss) per share (A/B)	<u>₩ (203)</u>	<u>₩ 5,164</u>

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22.2 Diluted Earnings per Share

Diluted earnings per share is calculated through increasing the weighted average number of ordinary shares outstanding by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares. The Company has dilutive potential ordinary shares such as stock grants and ordinary share exchange right of exchangeable bonds.

A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average market share price for the year) based on the monetary value of stock grants. The number of shares calculated above is compared with the number of shares that would have been issued assuming the settlement of stock grants.

Exchangeable bonds are included in potential ordinary shares from the exercisable date of the exchange right, and interest expense after tax for the period is added to profit for diluted earnings per share.

22.2.1 Adjusted profit for diluted earnings per share

(In Korean won)

	2024	
	Three months	Nine months
Profit (loss) attributable to the ordinary equity holders *	₩ (60,164,017,287)	₩ 2,049,364,236,923
Adjustment:		
Interest expense on exchangeable bonds	-	306,631,690
Adjusted profit (loss) for diluted earnings (loss) per share	₩ (60,164,017,287)	₩ 2,049,670,868,613

(In Korean won)

	2023	
	Three months	Nine months
Profit (loss) attributable to the ordinary equity holders *	₩ (77,905,292,601)	₩ 1,989,798,295,471
Adjustment:		
Interest expense on exchangeable bonds	618,000,813	1,833,850,237
Adjusted profit (loss) for diluted earnings (loss) per share	₩ (77,287,291,788)	₩ 1,991,632,145,708

\* The amount is after deducting dividends on hybrid securities.

22.2.2 Weighted average number of ordinary shares outstanding for diluted earnings per share

(In number of shares)

	2024		2023	
	Three months	Nine months	Three months	Nine months
Weighted average number of ordinary shares outstanding	378,880,364	380,100,693	383,565,730	385,292,960
Adjustment:				
Stock grants	3,633,208	3,848,545	3,804,449	4,064,265
Exchangeable bonds	-	802,920	5,000,000	5,000,000
Adjusted weighted average number of ordinary shares outstanding for diluted earnings (loss) per share	382,513,572	384,752,158	392,370,179	394,357,225

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22.2.3 Diluted earnings per share

(In Korean won except for number of shares)

	<b>2024</b>	
	<b>Three months</b>	<b>Nine months</b>
Adjusted profit (loss) for diluted earnings (loss) per share	₩ (60,164,017,287)	₩ 2,049,670,868,613
Adjusted weighted average number of ordinary shares outstanding for diluted earnings (loss) per share	382,513,572	384,752,158
Diluted earnings (loss) per share	₩ (157)	₩ 5,327

(In Korean won except for number of shares)

	<b>2023</b>	
	<b>Three months</b>	<b>Nine months</b>
Adjusted profit (loss) for diluted earnings (loss) per share	₩ (77,287,291,788)	₩ 1,991,632,145,708
Adjusted weighted average number of ordinary shares outstanding for diluted earnings (loss) per share	392,370,179	394,357,225
Diluted earnings (loss) per share	₩ (197)	₩ 5,050

**23. Statement of Cash Flows**

23.1 Details of cash and cash equivalents as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

	<b>September 30, 2024</b>	<b>December 31, 2023</b>
Due from financial institutions	₩ 659,832	₩ 256,337
Deduction:		
Restricted due from financial institutions	(3)	(3)
Due from financial institutions with original maturities over three months	(80,000)	(140,000)
	(80,003)	(140,003)
	₩ 579,829	₩ 116,334



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23.2 Cash inflows and outflows from income tax, interest, and dividends for the nine-month periods ended September 30, 2024 and 2023, are as follows:

<i>(In millions of Korean won)</i>	<b>Activity</b>	<b>2024</b>		<b>2023</b>	
Income tax paid	Operating	₩	5,741	₩	4,310
Interest received	Operating		28,522		20,985
Interest paid	Operating		93,419		78,379
Dividends received	Operating		2,292,312		2,227,367
Dividends paid	Financing		1,337,256		1,093,748

**24. Contingent Liabilities and Commitments**

24.1 Commitments made with financial institutions as of September 30, 2024 and December 31, 2023, are as follows:

<i>(In millions of Korean won)</i>		<b>September 30, 2024</b>		<b>December 31, 2023</b>	
		<b>Amount of commitments</b>	<b>Amount borrowed</b>	<b>Amount of commitments</b>	<b>Amount borrowed</b>
General loan	Hana Bank	₩ 200,000	₩ -	₩ 200,000	₩ -
General loan	Shinhan Bank	200,000	-	200,000	-
General loan	NongHyup Bank	300,000	-	300,000	-

24.2 Other Matters (including litigation)

The Company has one pending lawsuit as a defendant with aggregate claims amount of ₩ 0.1 million, which arose in the normal course of management activities, as of September 30, 2024.

**25. Related Party Transactions**

According to Korean IFRS No.1024, the Company includes subsidiaries and key management personnel (including family members) in the scope of related parties. The Company discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the financial statements. Refer to Note 9 for details of subsidiaries. Key management personnel include the executives of the Company, their close family members, and the companies where the executives and/or their close family members have control or joint control.

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25.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2024 and 2023 are as follows:

(In millions of Korean won)

Subsidiaries	Profit or loss	2024	2023
Kookmin Bank	Interest income	₩ 10,524	₩ 10,770
	Fee and commission income	981	978
	Net other operating income <sup>1</sup>	1,467,896	1,346,582
	General and administrative expenses	8,781	8,698
KB Securities Co., Ltd.	Fee and commission income	70	66
	Net gains on financial assets at fair value through profit or loss	34,879	19,765
	Net other operating income <sup>1</sup>	150,000	100,000
	General and administrative expenses	544	243
KB Insurance Co., Ltd.	Fee and commission income	75	111
	General and administrative expenses	1,313	1,217
	Net other operating income <sup>1</sup>	249,974	349,990
KB Kookmin Card Co., Ltd.	Fee and commission income	17	26
	Net other operating income <sup>1</sup>	185,380	200,008
	General and administrative expenses	289	293
	Net non-operating income <sup>2</sup>	3	3,921
KB Life Insurance Co., Ltd.	Fee and commission income	27	36
	Net other operating income <sup>1</sup>	150,000	100,000
	General and administrative expenses	745	761
KB Asset Management Co., Ltd.	Net other operating income <sup>1</sup>	40,000	60,000
	General and administrative expenses	58	-
KB Capital Co., Ltd	Interest income	3,708	3,592
	Fee and commission income	9	13
	Net gains on financial assets at fair value through profit or loss	26,832	29,446
	General and administrative expenses	91	-
	Provision for credit losses	10	10
	Interest income	3,148	398
	Net gains on financial assets at fair value through profit or loss	5,441	-
KB Real Estate Trust. Co., Ltd.	Net other operating income <sup>1</sup>	-	35,000
	General and administrative expenses	22	-
	Provision (reversal) for credit losses	(133)	60
	Interest income	3,820	3,420
	Fee and commission income	1	1
KB Savings Bank Co., Ltd.	Net gains on financial assets at fair value through profit or loss	2,855	786
	Interest income	7,206	6,295
	Provision (reversal) for credit losses	(1)	176
KB Data System Co., Ltd.	General and administrative expenses	2,887	2,176
	Net other operating income <sup>1</sup>	-	600
Other related parties	Profit or loss	2024	2023
<sup>3</sup> KB Credit Information Co., Ltd.	Interest income	₩ -	₩ 227
	Net other operating income <sup>1</sup>	-	200
	Reversal for credit losses	-	(16)

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25.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2024 and 2023 are as follows: (cont'd)

<sup>1</sup> Net other operating income includes dividend income from subsidiaries.

<sup>2</sup> Includes ₩ 3,917 million of gains on disposal of investments in KB Credit Information Co., Ltd. for the nine-month period ended September 30, 2023.

<sup>3</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

25.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

Subsidiaries	Assets or liabilities	September 30, 2024	December 31, 2023	
Kookmin Bank	Cash and due from financial institutions	₩ 349,520	₩ 114,336	
	Other assets	434,194	308,475	
	Other liabilities	6,643	45	
	Property and equipment	591	1,055	
KB Securities Co., Ltd.	Financial assets at fair value through profit or loss	538,191	523,188	
	Other assets	117,468	92,212	
	Other liabilities	534	1	
KB Insurance Co., Ltd.	Other assets	26,351	21,170	
	Other liabilities	39,602	42,956	
KB Kookmin Card Co., Ltd.	Other assets	97,890	56,852	
	Other liabilities	979	730	
KB Life Insurance Co., Ltd.	Other assets	13,101	9,552	
	Other liabilities	52,854	132,548	
KB Asset Management Co., Ltd.	Other assets	22,540	11,508	
	Other liabilities	58	-	
KB Capital Co., Ltd.	Financial assets at fair value through profit or loss	494,160	488,175	
	Loans measured at amortized cost (gross amount)	200,000	200,000	
	Allowances for credit losses	522	522	
	Other assets	50,959	19,364	
	Other liabilities	99	-	
	KB Real Estate Trust Co., Ltd.	Financial assets at fair value through profit or loss	152,516	-
		Loans measured at amortized cost (gross amount)	-	50,000
Allowances for credit losses		-	131	
Other assets		3,920	3,949	
KB Savings Bank Co., Ltd.	Other liabilities	2	8,910	
	Cash and due from financial institutions	80,000	140,000	
	Financial assets at fair value through profit or loss	53,114	48,980	
	Other assets	3,536	4,729	
	Other liabilities	955	2,599	

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25.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2024 and December 31, 2023, are as follows: (cont'd)

(In millions of Korean won)

<b>Subsidiaries</b>	<b>Assets or liabilities</b>	<b>September 30, 2024</b>	<b>December 31, 2023</b>
KB Investment Co., Ltd.	Loans measured at amortized cost (gross amount)	360,000	360,000
	Allowances for credit losses	1,061	1,061
	Other assets	6,202	8,579
KB Data Systems Co., Ltd.	Property and equipment	76	-
	Intangible assets	351	331
	Other assets	3,782	1,972
	Other liabilities	229	1,118
		<b>September 30, 2024</b>	<b>December 31, 2023</b>
<b>Other related parties</b>	<b>Assets or liabilities</b>		
KB Credit Information Co., Ltd. *	Other assets	₩ -	₩ 996
	Other liabilities	-	94

\* The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

25.3 Right-of-use assets and lease liabilities with related parties as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

			<b>September 30, 2024</b>	<b>December 31, 2023</b>
Subsidiary	Kookmin Bank	Right-of-use assets	₩ 591	₩ 1,055

25.4 Credit card commitments provided from related parties as of September 30, 2024 and December 31, 2023, are as follows:

(In millions of Korean won)

			<b>September 30, 2024</b>	<b>December 31, 2023</b>
Subsidiary	KB Kookmin Card Co., Ltd.	Lines of credit for credit card	₩ 3,000	₩ 3,000

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25.5 Share transactions with related parties for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

			2024	2023
Subsidiary	KB Securities Co., Ltd.	Acquisition of hybrid securities	₩ -	₩ 100,000
	KB Real Estate Trust Co., Ltd.	Acquisition of hybrid securities	150,000	-
	KB Real Estate Trust Co., Ltd.	Issuance of ordinary share	150,000	
Other related party	KB Credit Information Co., Ltd.	Disposal of shares	-	23,620

25.6 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

		2024			
		Beginning	Loan	Collection	Ending
Subsidiary	KB Investment Co., Ltd.	₩ 360,000	₩ -	₩ -	₩ 360,000
	KB Capital Co., Ltd.	200,000	-	-	200,000
	KB Savings Bank Co., Ltd. <sup>1</sup>	70,000	-	-	70,000
	KB Real Estate Trust Co., Ltd.	50,000	105,000	(155,000)	-

(In millions of Korean won)

		2023			
		Beginning	Loan	Collection	Ending
Subsidiary	KB Investment Co., Ltd.	₩ 310,000	₩ 50,000	₩ -	₩ 360,000
	KB Capital Co., Ltd.	200,000	-	-	200,000
	KB Savings Bank Co., Ltd. <sup>1</sup>	70,000	-	-	70,000
	KB Real Estate Trust Co., Ltd.	-	50,000	-	50,000
Other related party	KB Credit Information Co., Ltd. <sup>2</sup>	13,500	-	(13,500)	-

<sup>1</sup> Par value of subordinated bond issued by KB Savings Bank Co., Ltd. The difference between par value and fair value at the acquisition date was accounted for as investments in subsidiaries.

<sup>2</sup> The Company sold the 100% shares of KB Credit Information Co., Ltd. to Kookmin Card Co., Ltd. on June 30, 2023.

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25.7 Details of compensation to key management personnel for the nine-month periods ended September 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	₩ 696	₩ -	₩ 2,654	₩ 3,350
Registered directors (non-executive)	510	-	-	510
Non-registered directors	4,016	41	9,075	13,132
	₩ 5,222	₩ 41	₩ 11,729	₩ 16,992

(In millions of Korean won)

	2023			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	₩ 870	₩ 48	₩ 1,587	₩ 2,505
Registered directors (non-executive)	486	-	-	486
Non-registered directors	5,340	198	5,433	10,971
	₩ 6,696	₩ 246	₩ 7,020	₩ 13,962

**26. Events After the Reporting Period**

According to the resolution of the Board of Directors on October 24, 2024, the quarterly dividend per share of ₩ 795 (total dividend: ₩ 299,886 million) with dividend record date of September 30, 2024, were paid on November 7, 2024. The Company's financial statements as of September 30, 2024, do not reflect this dividend payable.

Additionally, in accordance with the resolution of the Board of Directors on October 24, 2024, the Company plans to acquire shares worth ₩ 100,000 million of treasury stocks through a trust contract by April 30, 2025, and plans to retire the shares after the termination of the trust contract.