

KB Financial Group Inc. and Subsidiaries

Consolidated Interim Financial Statements

September 30, 2023 and 2022
(Unaudited)

KB Financial Group Inc. and Subsidiaries

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Report on Review of Condensed Consolidated 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 consolidated interim financial statements of KB Financial Group Inc. and its subsidiaries (collectively referred to as the “Group”). These condensed consolidated interim financial statements consist of the consolidated interim statement of financial position of the Group as at September 30, 2023, and the related consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2023, and consolidated interim statements of changes in equity and cash flows for the nine-month period ended September 30, 2023, and a summary of 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 consolidated interim financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of condensed consolidated 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 consolidated 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 consolidated interim financial statements are not prepared, in all material respects, in

accordance with Korean IFRS 1034 *Interim Financial Reporting*.

Other Matters

The consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022, changes in equity and cash flows for the nine-month period ended September 30, 2022 were reviewed by another auditor who expressed their review conclusion that nothing has come to their attention that causes them to believe the condensed consolidated interim financial statements do not present fairly, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting* on November 14, 2022. These condensed consolidated interim financial statements that another auditor had reviewed have not reflected the adjustments described in Note 2 of the accompanying condensed consolidated interim financial statements. The accompanying condensed comparative consolidated interim statements of comprehensive income for the three-month and nine-month periods ended September 30, 2022, changes in equity, and cash flows for the nine-month period ended September 30, 2022, reflected the adjustments.

The consolidated statement of financial position as of December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, were audited by another auditor who expressed an unqualified opinion on those statements on March 7, 2023. The consolidated financial statements that another auditor expressed an unqualified opinion were prepared before the adjustments described in Note 2 of Korean IFRS 1117 *Insurance Contract*. The consolidated statement of financial position as of December 31, 2022, presented herein for comparative purposes, has been restated to reflect the adjustments described in Note 2.

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, 2023

<p>This report is effective as of November 14, 2023, 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 consolidated 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>

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Financial Position
September 30, 2023 and December 31, 2022

(in millions of Korean won)

	Notes	September 30, 2023 (Unaudited)	December 31, 2022
Assets			
Cash and due from financial institutions	4,6,7,31	₩ 31,946,108	₩ 32,474,750
Financial assets at fair value through profit or loss	4,6,11	72,864,006	70,092,497
Derivative financial assets	4,6,8	8,896,568	9,446,580
Loans measured at amortized cost	4,6,9,10	441,720,666	433,038,931
Financial investments	4,6,11	118,515,970	115,452,659
Investments in associates and joint ventures	12	662,676	682,670
Insurance contract assets	30	215,877	83,304
Reinsurance contract assets	30	1,686,854	1,495,966
Property and equipment		4,943,042	4,991,467
Investment property		3,614,737	3,148,340
Intangible assets		1,986,101	1,858,470
Net defined benefit assets	19	459,908	478,934
Current income tax assets		262,901	204,690
Deferred income tax assets	13,26	245,280	188,372
Assets held for sale		223,245	211,758
Other assets	4,6	28,195,900	14,815,438
Total assets		₩ 716,439,839	₩ 688,664,826
Liabilities			
Financial liabilities at fair value through profit or loss	4,6,14	₩ 10,882,676	₩ 12,271,604
Derivative financial liabilities	4,6,8	8,976,061	9,509,769
Deposits	4,6,15	398,943,631	393,928,904
Borrowings	4,6,16	70,352,817	71,717,366
Debentures	4,6,17	68,608,805	68,698,203
Insurance contract liabilities	30	45,858,672	45,920,012
Reinsurance contract liabilities	30	32,151	31,728
Provisions	18	972,678	933,701
Net defined benefit liabilities	19	115,602	85,745
Current income tax liabilities		320,362	998,681
Deferred income tax liabilities	13,26	2,293,697	1,574,954
Other liabilities	4,6	50,231,472	28,849,911
Total liabilities		657,588,624	634,520,578
Equity			
Share capital		2,090,558	2,090,558
Hybrid securities		5,032,803	4,434,251
Capital surplus		16,643,623	16,940,731
Accumulated other comprehensive income	28	2,101,772	1,312,522
Retained earnings		31,983,338	28,922,272
Treasury shares		(967,787)	(836,188)
Equity attributable to shareholders of the Parent Company	20	56,884,307	52,864,146
Non-controlling interests		1,966,908	1,280,102
Total equity		58,851,215	54,144,248
Total liabilities and equity		₩ 716,439,839	₩ 688,664,826

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-Month and Nine-Month Periods Ended September 30, 2023 and 2022

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

	Notes	2023 (Unaudited)		2022 (Unaudited)	
		Three months	Nine months	Three months	Nine months
Interest income	₩	7,413,308	₩ 21,410,551	₩ 5,373,772	₩ 14,373,532
Interest income from financial instruments at fair value through other comprehensive income and amortized cost		7,045,473	20,356,792	5,144,402	13,738,792
Interest income from financial instruments at fair value through profit or loss		361,923	1,036,549	225,502	621,651
Insurance finance interest income		5,912	17,210	3,868	13,089
Interest expense		(4,325,760)	(12,563,740)	(2,445,744)	(5,972,741)
Interest expense		(3,903,367)	(11,271,663)	(2,033,386)	(4,784,540)
Insurance finance interest expense		(422,393)	(1,292,077)	(412,358)	(1,188,201)
Net interest income	5,21	<u>3,087,548</u>	<u>8,846,811</u>	<u>2,928,028</u>	<u>8,400,791</u>
Fee and commission income		1,292,826	3,989,242	1,273,764	3,923,997
Fee and commission expense		(391,415)	(1,222,421)	(401,086)	(1,159,507)
Net fee and commission income	5,22	<u>901,411</u>	<u>2,766,821</u>	<u>872,678</u>	<u>2,764,490</u>
Insurance income		2,886,337	8,223,836	2,703,674	7,487,792
Insurance income		2,612,683	7,674,661	2,420,700	7,061,995
Reinsurance income		273,654	549,175	282,974	425,797
Insurance expense		(2,486,595)	(7,011,973)	(2,311,517)	(6,280,064)
Insurance service expense		(2,262,026)	(6,382,895)	(2,115,598)	(5,729,582)
Reinsurance expense		(224,569)	(629,078)	(195,919)	(550,482)
Net insurance income	5,30	<u>399,742</u>	<u>1,211,863</u>	<u>392,157</u>	<u>1,207,728</u>
Net gains (losses) on financial instruments at fair value through profit or loss	5,23	<u>7,441</u>	<u>1,166,755</u>	<u>(809,318)</u>	<u>(2,008,114)</u>
Other insurance finance income	30	<u>161,402</u>	<u>(59,747)</u>	<u>259,595</u>	<u>915,347</u>
Net other operating expenses	5,24	<u>(591,060)</u>	<u>(1,309,268)</u>	<u>(57,151)</u>	<u>(811,307)</u>
General and administrative expenses	5,19,25	<u>(1,564,691)</u>	<u>(4,723,919)</u>	<u>(1,539,246)</u>	<u>(4,573,478)</u>
Operating income before provision for credit losses	5	<u>2,401,793</u>	<u>7,899,316</u>	<u>2,046,743</u>	<u>5,895,457</u>
Provision for credit losses	5,7,9,10,18	<u>(448,685)</u>	<u>(1,768,170)</u>	<u>(312,914)</u>	<u>(788,457)</u>
Net operating income	5	<u>1,953,108</u>	<u>6,131,146</u>	<u>1,733,829</u>	<u>5,107,000</u>
Share of profit (loss) of investments in associates and joint ventures	5	7,659	12,108	5,778	(14,081)
Net other non-operating income (expenses)	5	(51,079)	(244,042)	108,075	329,862
Net non-operating income (expenses)		<u>(43,420)</u>	<u>(231,934)</u>	<u>113,853</u>	<u>315,781</u>
Profit before income tax expense	5	<u>1,909,688</u>	<u>5,899,212</u>	<u>1,847,682</u>	<u>5,422,781</u>
Income tax expense	5,26	<u>(567,718)</u>	<u>(1,553,257)</u>	<u>(487,675)</u>	<u>(1,376,754)</u>
Profit for the period	5	<u>1,341,970</u>	<u>4,345,955</u>	<u>1,360,007</u>	<u>4,046,027</u>

(Continued)

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-Month and Nine-Month Periods Ended September 30, 2023 and 2022 (cont'd)

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

Notes	2023 (Unaudited)		2022 (Unaudited)	
	Three months	Nine months	Three months	Nine months
Items that will not be reclassified to profit or loss:				
Remeasurements of net defined benefit liabilities	₩ (10,560)	(620)	₩ (8,764)	(40,476)
Share of other comprehensive loss of associates and joint ventures	-	(2)	(2)	(4)
Gains (losses) on equity securities at fair value through other comprehensive income	(12,352)	(25,723)	(223,741)	(941,040)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	(708)	(51,293)	13,489	20,723
	<u>(23,620)</u>	<u>(77,638)</u>	<u>(219,018)</u>	<u>(960,797)</u>
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences	72,968	164,926	440,711	706,505
Losses on debt securities at fair value through other comprehensive income	(625,121)	201,403	(1,580,857)	(6,254,156)
Share of other comprehensive income (loss) of associates and joint ventures	594	(587)	(416)	(393)
Gains (losses) on cash flow hedging instruments	8 (33,652)	(47,884)	(41,859)	(20,628)
Gains (losses) on hedging instruments of net investments in foreign operations	8 (30,506)	(69,902)	(137,354)	(233,337)
Insurance finance income(expense)	30 824,893	648,879	1,544,941	6,660,552
	<u>209,176</u>	<u>896,835</u>	<u>225,166</u>	<u>858,543</u>
Other comprehensive income (loss) for the period, net of tax	<u>185,556</u>	<u>819,197</u>	<u>6,148</u>	<u>(102,254)</u>
Total comprehensive income (loss) for the period	<u>₩ 1,527,526</u>	<u>₩ 5,165,152</u>	<u>₩ 1,366,155</u>	<u>₩ 3,943,773</u>
Profit attributable to:				
Shareholders of the Parent Company	5 ₩ 1,373,755	₩ 4,370,442	₩ 1,367,760	₩ 4,038,283
Non-controlling interests	(31,785)	(24,487)	(7,753)	7,744
	<u>₩ 1,341,970</u>	<u>₩ 4,345,955</u>	<u>₩ 1,360,007</u>	<u>₩ 4,046,027</u>
Total comprehensive income (loss) for the period attributable to:				
Shareholders of the Parent Company	₩ 1,565,439	₩ 5,186,159	₩ 1,355,547	₩ 3,902,079
Non-controlling interests	(37,913)	(21,007)	10,608	41,694
	<u>₩ 1,527,526</u>	<u>₩ 5,165,152</u>	<u>₩ 1,366,155</u>	<u>₩ 3,943,773</u>
Earnings per share (in Korean won)				
Basic earnings per share	29 ₩ 3,456	₩ 10,988	₩ 3,422	₩ 10,144
Diluted earnings per share	3,380	10,740	3,346	9,912

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Changes in Equity
Nine-Month Periods Ended September 30, 2023 and 2022
(in millions of Korean won)

	Equity attributable to shareholders of the Parent Company									
	Share capital	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Accumulated other comprehensive income relating to assets of a disposal group held for sale	Retained earnings	Treasury shares	Non-controlling interests	Total equity	
Balance as of January 1, 2022	₩ 2,090,558	₩ 2,838,221	₩ 16,940,231	₩ 1,047,274	₩ 7,671	₩ 25,672,815	₩ (1,136,188)	₩ 833,338	₩ 48,293,920	
Changes in accounting policies	-	-	-	367,477	-	748,903	-	-	1,116,380	
Balance as of January 1, 2022 (After the restatement)	2,090,558	2,838,221	16,940,231	1,414,751	7,671	26,421,718	(1,136,188)	833,338	49,410,300	
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	4,038,283	-	7,744	4,046,027	
Remeasurements of net defined benefit liabilities	-	-	-	(41,208)	-	-	-	732	(40,476)	
Currency translation differences	-	-	-	679,485	(7,671)	-	-	34,691	706,505	
Gains (losses) on financial instruments at fair value through other comprehensive income and transfer to retained earnings	-	-	-	(7,435,923)	-	242,200	-	(1,473)	(7,195,196)	
Share of other comprehensive income of associates and joint ventures	-	-	-	(397)	-	-	-	-	(397)	
Losses on cash flow hedging instruments	-	-	-	(20,628)	-	-	-	-	(20,628)	
Losses on hedging instruments of net investments in foreign operations	-	-	-	(233,337)	-	-	-	-	(233,337)	
Insurance finance income	-	-	-	6,660,552	-	-	-	-	6,660,552	
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	-	-	-	20,723	-	-	-	-	20,723	
Total comprehensive income for the period	-	-	-	(370,733)	(7,671)	4,280,483	-	41,694	3,943,773	
Transactions with shareholders										
Annual dividends paid to shareholders of the Parent Company	-	-	-	-	-	(853,299)	-	-	(853,299)	
Quarterly dividends paid to shareholders of the Parent Company	-	-	-	-	-	(389,634)	-	-	(389,634)	
Issuance of hybrid securities	-	1,596,030	-	-	-	-	-	434,090	2,030,120	
Dividends on hybrid securities	-	-	-	-	-	(85,699)	-	(30,732)	(116,431)	
Retirement of treasury shares	-	-	-	-	-	(300,000)	300,000	-	-	
Others	-	-	500	-	-	-	-	262,894	263,394	
Total transactions with shareholders	-	1,596,030	500	-	-	(1,628,632)	300,000	666,252	934,150	
Balance as of September 30, 2022 (Unaudited)	₩ 2,090,558	₩ 4,434,251	₩ 16,940,731	₩ 1,044,018	₩ -	₩ 29,073,569	₩ (836,188)	₩ 1,541,284	₩ 54,288,223	
Balance as of January 1, 2023	₩ 2,090,558	₩ 4,434,251	₩ 16,940,731	₩ 1,312,521	₩ -	₩ 28,922,273	₩ (836,188)	₩ 1,280,102	₩ 54,144,248	
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	4,370,442	-	(24,487)	4,345,955	
Remeasurements of net defined benefit liabilities	-	-	-	(1,349)	-	-	-	729	(620)	
Currency translation differences	-	-	-	162,050	-	-	-	2,876	164,926	
Gains (losses) on financial instruments at fair value through other comprehensive income and transfer to retained earnings	-	-	-	149,339	-	26,466	-	(125)	175,680	
Share of other comprehensive income of associates and joint ventures	-	-	-	(589)	-	-	-	-	(589)	
Losses on cash flow hedging instruments	-	-	-	(47,884)	-	-	-	-	(47,884)	
Losses on hedging instruments of net investments in foreign operations	-	-	-	(69,902)	-	-	-	-	(69,902)	
Insurance finance income	-	-	-	648,879	-	-	-	-	648,879	
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	-	-	-	(51,293)	-	-	-	-	(51,293)	
Total comprehensive income for the period	-	-	-	789,251	-	4,396,908	-	(21,007)	5,165,152	
Transactions with shareholders										
Annual dividends paid to shareholders of the Parent Company	-	-	-	-	-	(564,970)	-	-	(564,970)	
Quarterly dividends paid to shareholders of the Parent Company	-	-	-	-	-	(391,933)	-	-	(391,933)	
Issuance of hybrid securities	-	598,552	-	-	-	-	-	429,079	1,027,631	
Dividends on hybrid securities	-	-	-	-	-	(136,844)	-	(48,724)	(185,568)	
Acquisition of treasury shares	-	-	-	-	-	-	(373,695)	-	(373,695)	
Retirement of treasury shares	-	-	-	-	-	(242,096)	242,096	-	-	
Changes in ownership interests in subsidiaries	-	-	(289,930)	-	-	-	-	349,201	59,271	
Others	-	-	(7,178)	-	-	-	-	(21,743)	(28,921)	
Total transactions with shareholders	-	598,552	(297,108)	-	-	(1,335,843)	(131,599)	707,813	(458,185)	
Balance as of September 30, 2023 (Unaudited)	₩ 2,090,558	₩ 5,032,803	₩ 16,643,623	₩ 2,101,772	₩ -	₩ 31,983,338	₩ (967,787)	₩ 1,966,908	₩ 58,851,215	

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Cash Flows
Nine-Month Periods Ended September 30, 2023 and 2022

(in millions of Korean won)

Notes	2023 (Unaudited)	2022 (Unaudited)
Cash flows from operating activities		
Profit for the period	₩ 4,345,955	₩ 4,046,027
Adjustment for non-cash items		
Net losses (gains) on financial assets at fair value through profit or loss	(541,537)	1,627,529
Net losses on derivative financial instruments for hedging purposes	105,400	305,561
Provision for credit losses	1,768,170	788,457
Net losses (gains) on financial investments	127,600	116,350
Share of loss (profit) of associates and joint ventures	(12,108)	14,081
Depreciation and amortization expense	633,417	593,912
Other net losses (gains) on property and equipment/intangible assets	167,165	(255,819)
Share-based payments	59,435	24,359
Provision for policy reserves	-	(152)
Post-employment benefits	115,406	165,142
Net interest income	207,383	66,975
Losses (gains) on foreign currency translation	(82,607)	(948,879)
Insurance finance income	(5,912,989)	(6,259,889)
Reinsurance finance expense	833,477	676,550
Other expenses	535,618	581,758
	<u>(1,996,170)</u>	<u>(2,504,065)</u>
Changes in operating assets and liabilities		
Financial asset at fair value through profit or loss	(2,621,024)	3,864,669
Derivative financial instruments	(84,235)	501,214
Loans measured at fair value through other comprehensive income	(282,095)	(138,560)
Loans measured at amortized cost	(10,307,577)	(36,917,621)
Current income tax assets	(58,211)	(142,883)
Deferred income tax assets	(54,077)	(144,674)
Other assets	(11,439,090)	(12,784,210)
Financial liabilities at fair value through profit or loss	(1,476,930)	1,690,963
Deposits	4,674,976	15,486,509
Current income tax liabilities	(678,319)	317,798
Deferred income tax liabilities	458,619	2,361,205
Other liabilities	19,494,791	11,039,382
Insurance contract assets	(132,573)	(73,892)
Reinsurance contract assets	(1,015,697)	(761,578)
Insurance contract liabilities	6,708,415	6,502,753
Reinsurance contract liabilities	3,946	(72,100)
Investment contract liabilities	(234,378)	55,514
	<u>2,956,541</u>	<u>(9,215,511)</u>
Net cash outflow from operating activities	<u>5,306,326</u>	<u>(7,673,549)</u>

(Continued)

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Cash Flows
Nine-Month Periods Ended June 30, 2023 and 2022 (cont'd)

(in millions of Korean won)

	Notes	2023 (Unaudited)	2022 (Unaudited)
Cash flows from investing activities			
Net cash flows from derivative financial instruments for hedging purposes		(42,094)	(121,646)
Disposal of financial asset at fair value through profit or loss		8,739,818	7,404,303
Acquisition of financial asset at fair value through profit or loss		(8,384,554)	(7,833,971)
Disposal of financial investments		30,865,620	17,474,401
Acquisition of financial investments		(32,901,359)	(29,984,285)
Disposal of investments in associates and joint ventures		63,748	137,789
Acquisition of investments in associates and joint ventures		(51,954)	(401,694)
Disposal of property and equipment		7,762	27,811
Acquisition of property and equipment		(190,037)	(149,255)
Disposal of investment property		-	1,282,722
Acquisition of investment property		(122,645)	-
Disposal of intangible assets		5,222	5,848
Acquisition of intangible assets		(288,126)	(158,755)
Net cash flows from changes in ownership of subsidiaries		495,842	745,403
Others		(214,540)	36,165
Net cash outflow from investing activities		(2,017,297)	(11,535,164)
Cash flows from financing activities			
Net cash flows from derivative financial instruments for hedging purposes		(43,373)	24,195
Net Increase (decrease) in borrowings		(2,563,050)	11,531,881
Increase in debentures		40,673,371	48,015,585
Decrease in debentures		(41,269,378)	(44,846,044)
Increase in other payables to trust accounts		1,905,161	-
Decrease in other payables to trust accounts		-	(1,103,799)
Dividends paid		(956,902)	(1,242,933)
Issuance of hybrid securities		598,552	1,596,030
Dividends paid on hybrid securities		(136,844)	(85,699)
Acquisition of treasury shares		(373,695)	-
Redemption of principal elements of lease payments		(208,309)	(192,122)
Increase in non-controlling interests		729,557	403,358
Others		(286,017)	512,675
Net cash inflow from financing activities		(1,930,927)	14,613,127
Effect of exchange rate changes on cash and cash equivalents		64,899	483,306
Net decrease in cash and cash equivalents		1,423,001	(4,112,280)
Cash and cash equivalents at the beginning of the period	31	26,534,798	26,033,162
Cash and cash equivalents at the end of the period	31	₩ 27,957,799	₩ 21,920,882

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

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

1. The Parent Company

KB Financial Group Inc. (the “Parent Company”) was incorporated on September 29, 2008, under the Financial Holding Companies Act of Korea. KB Financial Group Inc. and its subsidiaries (the “Group”) derive substantially all of their revenue and income from providing a broad range of banking and related financial services to consumers and corporations. The Parent 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 Parent Company’s headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. 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 Group 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 Group acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Group 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 Group 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 Group 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 Parent Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

The Parent Company’s share capital as of September 30, 2023, is ₩ 2,090,558 million. The Parent 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. Number of shares authorized in its Articles of Incorporation is 1,000 million.

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

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2. Basis of Preparation

2.1 Application of Korean IFRS

The Group maintains its accounting records in Korean won and prepares statutory consolidated financial statements in the Korean language in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS"). The accompanying condensed consolidated interim financial statements have been translated into English from the Korean language consolidated financial statements.

The consolidated financial statements of the Group 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 the consolidated financial statements requires the use of certain critical accounting estimates. Management also needs to exercise judgment in applying the Group'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 Group's condensed consolidated interim financial statements for the nine-month period ended September 30, 2023, have been prepared in accordance with Korean IFRS No.1034 *Interim Financial Reporting* and contain less information than is required in annual consolidated 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 Group since the end of the previous annual reporting period. These condensed consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of September 30, 2023.

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023.

- *Amendments to Korean IFRS No.1117 Insurance Contract*

2.1.1.1 Major Accounting Policy Changes

Korean IFRS No.1117, '*Insurance Contracts*', which replaces Korean IFRS No.1104, '*Insurance Contracts*', is effective for fiscal years beginning on or after January 1, 2023. The main features of Korean IFRS No.1117 are the measurement of current value of insurance liabilities, recognition of insurance revenue on an accrual basis, and separation of investment components from host insurance contract. In other words, according to Korean IFRS No.1104, insurance liabilities are measured using past information (interest rates at the time of insurance sales, etc.), and when the company receives premiums, the premiums received are recognized as insurance revenue on a cash basis. On the other hand, according to Korean IFRS No.1117, insurance liabilities are measured at current value using a discount rate that reflects assumptions and risks at the present time (reporting time), and insurance revenue reflects services provided by insurance companies to policyholders for each fiscal year. Therefore, revenue is recognized on an accrual basis, and investment components are separated from host insurance contract. When an insurance company prepares financial statements by applying Korean IFRS No.1117, significant differences from the past financial statements are as follows.

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

(Measurement of Insurance liabilities, etc.)

Under Korean IFRS No.1117, the Group estimates all cash flows from insurance contracts and measures the insurance liabilities using discount rate that reflects assumptions and risks at the reporting date.

In detail, the Group identifies a group and portfolio of insurance contracts that are onerous based on the possibility of becoming onerous, similar risks and managed together. The possibility of becoming onerous of insurance contracts is determined by risk adjustment for non-financial risk and the ratio of contractual service margin at the initial recognition of the insurance contract. The Group determines the minimum level of group of insurance contracts at initial recognition as unit of account; and the level of the group determined is not reassessed subsequently. The Group does not include contracts issued more than one year apart within the same group of insurance contracts, except addressed in transition clauses.

The groups of insurance contracts are measured as the sum of the estimate of future cash flows (including cash flows related to policy loans and reflecting time value of money, etc.), risk adjustment, and the contractual service margin. With the adoption of Korean IFRS No.1117, account of the contractual service margin was introduced, which means unearned profit that would be recognized by providing insurance service in the future.

Meanwhile, reinsurance contracts mean insurance contracts issued by a reinsurance company to compensate claims arising from original insurance contracts issued by other insurance companies. The groups of insurance contracts also apply assumptions consistent with the groups of original insurance contracts when estimating the present value of future cash flows for the groups of insurance contracts ceded.

(Recognition and measurement of financial performance)

Under Korean IFRS No.1117, the Group recognizes insurance revenue on an accrual basis for services (insurance coverage) provided to the policyholder by each annual reporting period, excluding investment component (refunds due to termination and maturity) to be paid to the policyholder regardless of the insured event.

The Group also includes the time value of money, financial risk and effects of their fluctuations related to the group of insurance contracts and the Group has selected accounting policy whether the insurance finance income or expenses for the periods are disaggregated to profit or loss, or other comprehensive income.

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

(Accounting policy for transition of insurance contracts)

Under transition requirements of Korean IFRS No.1117, the Group shall adjust the original cost-based measurement to current measurement by applying the fully retrospective approach, modified retrospective approach or fair value approach, for the group of insurance contracts issued before the transition date (the beginning of the annual reporting period immediately preceding initial application date of January 1, 2022).

In principle, the Group shall identify, recognize and measure (the fully retrospective approach) each group of insurance contracts as if Korean IFRS No.1117 had always applied before the transition date. If this method is impracticable, the Group can apply the modified retrospective approach or the fair value approach. However, the fair value approach can be applied even though it is possible to apply the fully retrospective approach for the group of insurance contracts with direct participation features that meet specific requirements.

Meanwhile, the modified retrospective approach is a way to obtain results very close to the fully retrospective approach by using all reasonable and supportable information available without undue cost or effort. The fair value approach is a way to measure group of insurance contracts using fair value measurements based on Korean IFRS No.1113 *Fair Value Measurements*. When applying the fair value approach, contractual service margin or loss component of the liability for remaining coverage at the transition date are measured as the difference between the fair value of a group of insurance contracts at that date and the fulfilment cash flows measured at that date.

KB Life Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within three years before the transition date as of January 1, 2022 (the contracts issued from 2019 to 2021); and applied the fair value approach for the group of insurance contracts issued three years before the transition date (the contracts issued before 2019). Especially, when applying the fully retrospective approach for the group of insurance contracts that former Prudential Life Insurance Company of Korea Ltd. had, the contractual service margin thereof for initial recognition was measured applying the fair value of the business combination in accordance with Korean IFRS No. 1117 paragraph for 'initial recognition of transfers of insurance contracts and business combinations'.

Additionally, KB Insurance Co., Ltd. applied the fully retrospective approach for the group of insurance contracts issued within four years before the transition date (the contracts issued from 2018 to 2021); and applied the fair value approach for the group of insurance contracts issued more than four years before the transition date (the contracts issued before 2018).

Under Korean IFRS No. 1117, the Group measures insurance liabilities at their present value using a discount rate that reflects assumptions and risks at current point in time (the reporting date). Generally, the general model is applied to general life insurance contracts, while the premium allocation approach is used for general non-life insurance contracts with a guaranteed period of one year or less at the initial recognition date.

KB Financial Group Inc. and Subsidiaries
Notes to the Consolidated Interim Financial Statements
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2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

Changes in major accounting policies following the application of Korean IFRS No.1117 are shown in the table below.

	Korean IFRS No.1104	Korean IFRS No.1117
Insurance contract liability measurement	Measured at cost using past information	Measured at current value using information at the time of reporting Necessary to select a conversion method that adjusts the past group of insurance contracts to the current value at the date of conversion. (Complete/modified retrospective method or fair value method applied)
Recognition of insurance revenue	Application of the cash basis in which premiums received are recognized as insurance revenue Investment-type items such as cancellation and maturity refunds are also included in insurance income.	Recognition of revenue by reflecting services provided to contractors by the Group for each fiscal year(accrual basis) Investment components (cancellation, maturity refund) are excluded from insurance income
Insurance contract loan	Recognized as a separate asset	Recognition as included in insurance contract liabilities
Unamortized new contract costs	Unamortized new contract costs are recorded as a separate asset Insurance contract liabilities are evaluated based on net insurance premiums (excluding business expenses)	Unamortized new contract costs are not separately recognized. Insurance contract liabilities are evaluated based on operating insurance premiums (including business expenses)

(Changes in the consolidated statement of financial position and consolidated statement of comprehensive income)

The effect of the change in accounting policy following the initial application of Korean IFRS No.1117 to the consolidated statement of financial position as of December 31, 2022 and the consolidated statement of comprehensive income for the nine-month period ended September 30, 2022 is as follows.

When applying Korean IFRS No.1117, the Group's assets, liabilities and equity as of December 31, 2022 are ₩ 688,664,826 million, ₩ 634,520,578 million, and ₩ 54,144,248 million, respectively, and profit and total comprehensive income for the nine-month period ended September 30, 2022 are ₩ 4,046,027 million and ₩ 3,943,773 million, respectively.

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2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

Compared to Korean IFRS No.1104, the Group's assets and liabilities as of December 31, 2022 decreased by ₩ 12,506,022 million and ₩ 17,007,356 million, respectively, and its equity increased by ₩ 4,501,334 million. Profit, profit attributable to shareholders of the Parent Company and total comprehensive income for the nine-month period ended September 30, 2022 increased by ₩ 10,361 million, ₩ 10,348 million and ₩ 3,864,498 million, respectively.

1) Consolidated statement of financial position as of December 31, 2022

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Assets		Assets		
Cash and due from financial institutions	₩ 32,063,421	Cash and due from financial institutions	₩ 32,474,750	₩ 411,329
Financial assets at fair value through profit or loss	64,935,344	Financial assets at fair value through profit or loss	70,092,497	5,157,153
Derivative financial assets	9,446,134	Derivative financial assets	9,446,580	446
Loans measured at amortized cost	436,530,502	Loans measured at amortized cost	433,038,931	(3,491,571)
Financial investments	116,588,575	Financial investments	115,452,659	(1,135,916)
Investments in associates and joint ventures	682,670	Investments in associates and joint ventures	682,670	-
		Insurance contract assets	83,304	83,304
		Reinsurance contract assets	1,495,966	1,495,966
Property and equipment	4,991,467	Property and equipment	4,991,467	-
Investment properties	3,148,340	Investment properties	3,148,340	-
Intangible assets	3,200,399	Intangible assets	1,858,470	(1,341,929)
Net defined benefit assets	478,934	Net defined benefit assets	478,934	-
Current income tax assets	204,690	Current income tax assets	204,690	-
Deferred income tax assets	251,085	Deferred income tax assets	188,372	(62,713)
Assets held for sale	211,758	Assets held for sale	211,758	-
Other assets	28,437,529	Other assets	14,815,438	(13,622,091)
Total assets	₩ 701,170,848	Total assets	₩ 688,664,826	₩ (12,506,022)

KB Financial Group Inc. and Subsidiaries
Notes to the Consolidated Interim Financial Statements
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2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

1) Consolidated statement of financial position as of December 31, 2022 (cont'd)

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Liabilities		Liabilities		
Financial liabilities at fair value through profit or loss	₩ 12,271,604	Financial liabilities at fair value through profit or loss	₩ 12,271,604	₩ -
Derivative financial liabilities	9,506,709	Derivative financial liabilities	9,509,769	3,060
Deposits	388,888,452	Deposits	393,928,904	5,040,452
Borrowings	71,717,366	Borrowings	71,717,366	-
Debentures	68,698,203	Debentures	68,698,203	-
Insurance contract liabilities	58,230,303	Insurance contract liabilities	45,920,012	(12,310,291)
		Reinsurance contract liabilities	31,728	31,728
Provisions	968,819	Provisions	933,701	(35,118)
Net defined benefit liabilities	85,745	Net defined benefit liabilities	85,745	-
Current income tax liabilities	997,675	Current income tax liabilities	998,681	1,006
Deferred Income tax liabilities	22,693	Deferred Income tax liabilities	1,574,954	1,552,261
Other liabilities	40,140,365	Other liabilities	28,849,911	(11,290,454)
Total liabilities	₩ 651,527,934	Total liabilities	₩ 634,520,578	₩ (17,007,356)
Equity		Equity		
Share capital	₩ 2,090,558	Share capital	₩ 2,090,558	₩ -
Hybrid securities	4,434,251	Hybrid securities	4,434,251	-
Capital surplus	16,940,731	Capital surplus	16,940,731	-
Accumulated other comprehensive income	(2,713,053)	Accumulated other comprehensive income	1,312,522	4,025,575
Retained earnings	28,446,513	Retained earnings	28,922,272	475,759
Treasury stock	(836,188)	Treasury stock	(836,188)	-
Non-controlling interests	1,280,102	Non-controlling interests	1,280,102	-
Total equity	₩ 49,642,914	Total equity	₩ 54,144,248	₩ 4,501,334

KB Financial Group Inc. and Subsidiaries
Notes to the Consolidated Interim Financial Statements
September 30, 2023 and 2022 (Unaudited), and December 31, 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

2) Consolidated statement of comprehensive income for the nine-month period ended September 30, 2022

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Net interest income	₩ 9,661,500	Net interest income*	₩ 8,400,791	₩ (1,260,709)
Interest income	14,377,071	Interest income	14,373,532	(3,539)
Interest income on financial instruments measured at fair value through other comprehensive income and amortized cost	13,793,495	Interest income on financial instruments measured at fair value through other comprehensive income and amortized cost	13,738,792	(54,703)
Interest income on financial instruments measured at fair value through profit or loss	583,576	Interest income on financial instruments measured at fair value through profit or loss	621,651	38,075
Interest expenses	(4,715,571)	Insurance finance interest income	13,089	13,089
Interest expenses	(4,715,571)	Interest expenses	(5,972,741)	(1,257,170)
		Interest expenses	(4,784,540)	(68,969)
		Insurance finance interest expense	(1,188,201)	(1,188,201)
Net fee and commission income	2,603,743	Net fee and commission income	2,764,490	160,747
Fee and commission income	3,916,286	Fee and commission income	3,923,997	7,711
Fee and commission expense	(1,312,543)	Fee and commission expense	(1,159,507)	153,036
Net insurance income	407,760	Insurance service result	1,207,728	799,968
Insurance income	13,142,790	Insurance income	7,487,792	(5,654,998)
Insurance income	13,142,790	Insurance income	7,061,995	(6,080,795)
Insurance expense	(12,735,030)	Reinsurance income	425,797	425,797
Insurance expense	(12,735,030)	Insurance expense	(6,280,064)	6,454,966
		Insurance service expense	(5,729,582)	7,005,448
		Reinsurance expense	(550,482)	(550,482)
Net gains (losses) on financial instruments at fair value through profit or loss	(526,154)	Net gains (losses) on financial instruments at fair value through profit or loss	(2,008,114)	(1,481,960)
		Other insurance finance income	915,347	915,347
Net other operating expenses	(1,090,658)	Net other operating expenses	(811,307)	279,351
General and administrative expenses	(5,180,139)	General and administrative expenses	(4,573,478)	606,661
Operating profit before credit loss allowance	5,876,052	Operating profit before credit loss allowance	5,895,457	19,405
Provision for credit losses	(775,124)	Provision for credit losses	(788,457)	(13,333)
Operating income	5,100,928	Operating income	5,107,000	6,072

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2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

2) Consolidated statement of comprehensive income for the nine-month period ended September 30, 2022 (cont'd)

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Net non-operating income	₩ 312,221	Net non-operating income	₩ 315,781	₩ 3,560
Share of profit of associates and joint ventures	(14,081)	Share of profit of associates and joint ventures	(14,081)	-
Net other non-operating income (expenses)	326,302	Net other non-operating income (expenses)	329,862	3,560
Profit before income tax expense	5,413,149	Profit before income tax expense	5,422,781	9,632
Income tax expense	(1,377,483)	Income tax expense	(1,376,754)	729
Profit for the period	4,035,666	Profit for the period	4,046,027	10,361
Other comprehensive income for the period, net of tax	(3,956,391)	Other comprehensive income for the period, net of tax	(102,254)	3,854,137
Comprehensive income that will not be reclassified to profit or loss	(960,355)	Comprehensive income that will not be reclassified to profit or loss	(960,797)	(442)
Comprehensive income that may be reclassified subsequently to profit or loss	(2,996,036)	Comprehensive income that may be reclassified subsequently to profit or loss	858,543	3,854,579
Total comprehensive income for the period	79,275	Total comprehensive income for the period	3,943,773	3,864,498
Profit attributable to:	4,035,666	Profit attributable to:	4,046,027	10,361
Shareholders of the Parent Company	4,027,935	Shareholders of the Parent Company	4,038,283	10,348
Non-controlling interests	7,731	Non-controlling interests	7,744	13
Total comprehensive income for the period attributable to:	79,275	Total comprehensive income for the period attributable to:	3,943,773	3,864,498
Shareholders of the Parent Company	37,580	Shareholders of the Parent Company	3,902,079	3,864,499
Non-controlling interests	41,695	Non-controlling interests	41,694	(1)

* Includes insurance interest income and insurance interest expense on insurance contract assets and liabilities.

KB Financial Group Inc. and Subsidiaries

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September 30, 2023 and 2022 (Unaudited), and December 31, 2022

2.1.1 The Group has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023. (cont'd)

- Amendments to Korean IFRS No.1001 Presentation of Financial Statements – Accounting Policy Disclosure

The amendments require an entity to define and disclose their material accounting policy information. IFRS Practice Statement 2 *Making Materiality Judgements* was amended to explain and demonstrate how to apply the concept of materiality. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1008 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates

The amendments introduce the definition of accounting estimates and clarify how to distinguish changes in accounting estimates from changes in accounting policies. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1012 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction

The amendments narrow the scope of the deferred tax recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. These amendments do not have a significant impact on the consolidated financial statements.

- Amendments to Korean IFRS No.1001 Presentation of Financial Statements - Disclosure of gains or losses on valuation of financial liabilities with exercise price adjustment conditions

The amendments require disclosures about gains or losses on valuation occurred for the reporting period (but are limited to those included in profit or loss) for the conversion options or warrants (or financial liabilities with warrants), if all or part of the financial instrument whose exercise price is adjusted due to the issuers' stock price fluctuations, are classified as financial liabilities according to paragraph 11 of Korean IFRS No.1032 *Financial Instruments: Presentation*. These amendments do not have a significant impact on the consolidated financial statements.

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2.1.2 Restatement of cash flow statement for the nine-month period ended September 30, 2022

The Group had classified due from financial institutions with restriction to use, such as reserve requirement deposits, as due from financial institutions measured at amortized cost, not cash and cash equivalents until September 30, 2022; however, in accordance with the IFRS Interpretations Committee's decision that cash and cash equivalents include restricted demand deposits, the Group has retrospectively classified due from financial institutions with restriction to use, such as reserve requirement deposits, as cash and cash equivalents from October 1, 2022. The comparative consolidated statement of cash flows have been restated to reflect these changes based on the retrospective application.

The effects on the consolidated statements of cash flows for the nine-month period ended September 30, 2022, are as follows:

(In millions of Korean won)

	2022
Increase in changes in other assets	₩ (4,643,226)
Increase in effect of exchange rate changes on cash and cash equivalents in foreign currency	209,955
Increase in beginning balance of cash and cash equivalents	16,164,813
Increase in ending balance of cash and cash equivalents	11,731,543

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

- 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 the management's expectations. Also, even 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. In addition, agreements that the Group must comply with after the end of the reporting period do not affect the classification of the relevant liabilities at the end of the reporting period; further, if liabilities that must comply with agreements within 12 months after the reporting period are classified as non-current liabilities as of the end of the reporting period, the entity should disclose the risk that the liabilities may be repaid within 12 months after the reporting period. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Group expects that this amendment will not have a significant impact on the consolidated financial statements.

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Notes to the Consolidated Interim Financial Statements

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2.2 Measurement Basis

The consolidated financial statements have been prepared based on the historical cost accounting model unless otherwise specified.

2.3 Functional and Presentation Currency

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Korean won, which is the Parent Company’s functional and presentation currency.

2.4 Critical Accounting Estimates

The preparation of the consolidated financial statements requires the application of accounting policies, certain critical accounting estimates and assumptions that may have a significant impact on the assets (liabilities) and incomes (expenses). Management’s estimates of outcomes may differ from actual outcomes if management’s estimates and assumptions based on management’s best judgment at the reporting date 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.

Significant accounting estimates and assumptions applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2022, except for the estimates used to determine income tax expense.

3. Material Accounting Policies

The material accounting policies and calculation methods applied in the preparation of these condensed consolidated interim financial statements are the same as those applied to the consolidated financial statements for the year ended December 31, 2022, except for the impact of changes due to adopting new and amended standards and interpretations described in Note 2.1 and below paragraph.

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

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

September 30, 2023 and 2022 (Unaudited), and December 31, 2022

4. Financial Risk Management

4.1 Summary

4.1.1 Overview of financial risk management policy

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

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

The Group's risk management system focuses on efficiently supporting long-term strategy and management decisions of the Group by increasing risk transparency, preventing risk transfer between subsidiaries and preemptive response to rapidly changing financial environments. Credit risk, market risk, operational risk, interest rate risk, insurance risk, liquidity risk, credit concentration risk, strategy risk, and reputation risk are recognized as the Group's significant risks and measured and managed by quantifying them in the form of internal capital or Value at Risk ("VaR") using statistical methods.

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 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 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 Group'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.

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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 Group manages all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors in an integrated way.

4.2.2 Credit risk management

The Group measures the expected loss and internal capital for the assets subject to credit risk management, including on-balance and off-balance assets, and uses them as management indicators. The Group allocates and manages credit risk internal capital limits.

In addition, to prevent excessive concentration of exposures by borrower and industry, the total exposure limit at the Group level is introduced, applied, and managed to control the credit concentration risk.

All of the Kookmin Bank's loan customers (individuals and corporates) are assigned a credit rating and managed by a comprehensive internal credit evaluation system. For individuals, the credit rating is evaluated by utilizing personal information, income and job information, asset information, and bank transaction information. For corporates, the credit rating is evaluated by analyzing and utilizing financial and non-financial information which measures current and future corporate value and ability to repay the debt. Also, the extent to which corporates have the ability to meet debt obligations is comprehensively considered.

The credit rating, once assigned, serves as the fundamental instrument in Kookmin Bank's credit risk management, and is applied in a wide range of credit risk management processes, including credit approval, credit limit management, loan pricing, and assessment of allowances for credit losses. For corporates, Kookmin Bank conducts a regular credit evaluation at least once a year, and the review and supervision departments regularly validate the adequacy of credit ratings to manage credit risks.

KB Kookmin Card Co., Ltd.'s credit scoring system is divided into Application Scoring System ("ASS") and Behavior Scoring System ("BSS"). For applications that meet the eligibility criteria for card issuance, the card will be issued only if the ASS credit rating is above the standard. KB Kookmin Card Co., Ltd.'s internal information, external information from the credit bureau company and others, and personal information on the application are used to calculate the ASS credit rating. The BSS, which is recalculated on a weekly basis, predicts the delinquency probability of cardholders, and utilizes it to monitor cardholders and portfolio risk.

In order to establish a credit risk management system, the Group manages credit risk by forming a separate risk management organization. In particular, independently of the Sales Group, the Credit Management & Analysis Group of Kookmin Bank, a subsidiary, is in charge of loan policy, loan system, credit rating, credit analysis, follow-up management, and corporate restructuring. The Risk Management Group of Kookmin Bank is responsible for establishing policies on credit risk management, measuring and limiting internal capital of credit risk, setting credit limits, credit review, and verification of credit rating models.

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4.2.3 Maximum exposure to credit risk

The Group's maximum exposures to credit risk without consideration of collateral values in relation to financial instruments other than equity securities as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30,		December 31,	
	2023		2022	
Financial assets				
Due from financial institutions measured at amortized cost *	₩	29,368,744	₩	29,912,097
Financial assets at fair value through profit or loss:				
Due from financial institutions measured at fair value through profit or loss		74,143		69,469
Securities measured at fair value through profit or loss		69,081,102		65,899,397
Loans measured at fair value through profit or loss		182,689		493,562
Financial instruments indexed to the price of gold		89,491		90,006
Derivatives		8,896,568		9,446,580
Loans measured at amortized cost *		441,720,666		433,038,931
Financial investments:				
Securities measured at fair value through other comprehensive income		75,351,832		76,648,353
Securities measured at amortized cost *		39,701,154		35,919,241
Loans measured at fair value through other comprehensive income		830,880		549,272
Other financial assets *		23,757,812		10,718,383
		<u>689,055,081</u>		<u>662,785,291</u>
Off-balance sheet items				
Acceptances and guarantees contracts		14,212,861		12,425,753
Financial guarantee contracts		8,490,897		8,297,042
Commitments		199,223,468		188,295,902
		<u>221,927,226</u>		<u>209,018,697</u>
	₩	<u>910,982,307</u>	₩	<u>871,803,988</u>

* After netting of allowance

4.2.4 Credit risk of loans

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

The Group 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 Group measures the expected credit losses of 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 consolidated financial statements.

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4.2.4.1 Credit risk exposure

Credit qualities of loans as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Loans measured at amortized cost *					
Corporate					
Grade 1	₩ 143,571,542	₩ 5,088,018	₩ 5,552	₩ -	₩ 148,665,112
Grade 2	66,875,383	8,591,940	101,602	-	75,568,925
Grade 3	3,988,453	3,444,913	6,680	-	7,440,046
Grade 4	647,004	1,032,695	6,723	-	1,686,422
Grade 5	15,150	542,405	2,745,526	-	3,303,081
	215,097,532	18,699,971	2,866,083	-	236,663,586
Retail					
Grade 1	162,370,720	4,080,355	8,705	-	166,459,780
Grade 2	8,325,855	3,572,317	34,932	-	11,933,104
Grade 3	4,975,634	1,488,581	29,739	-	6,493,954
Grade 4	225,920	360,984	28,136	-	615,040
Grade 5	173,821	919,809	1,109,568	-	2,203,198
	176,071,950	10,422,046	1,211,080	-	187,705,076
Credit card					
Grade 1	11,617,442	362,516	-	-	11,979,958
Grade 2	4,939,915	832,359	-	-	5,772,274
Grade 3	1,656,310	1,538,725	-	-	3,195,035
Grade 4	7,049	295,133	-	-	302,182
Grade 5	2,924	201,375	811,522	-	1,015,821
	18,223,640	3,230,108	811,522	-	22,265,270
	409,393,122	32,352,125	4,888,685	-	446,633,932
Loans measured at fair value through other comprehensive income					
Corporate					
Grade1	790,221	-	-	-	790,221
Grade2	40,659	-	-	-	40,659
Grade3	-	-	-	-	-
Grade4	-	-	-	-	-
Grade5	-	-	-	-	-
	830,880	-	-	-	830,880
	830,880	-	-	-	830,880
	₩ 410,224,002	₩ 32,352,125	₩ 4,888,685	₩ -	₩ 447,464,812

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4.2.4.1 Credit risk exposure (cont'd)

(In millions of Korean won)

	December 31, 2022				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Loans measured at amortized cost *					
Corporate					
Grade 1	₩ 134,819,382	₩ 5,877,660	₩ 3,372	₩ -	₩ 140,700,414
Grade 2	65,653,118	8,585,346	4,480	-	74,242,944
Grade 3	4,054,714	3,221,267	14,694	-	7,290,675
Grade 4	570,671	922,748	34,298	-	1,527,717
Grade 5	11,909	419,058	1,959,706	-	2,390,673
	<u>205,109,794</u>	<u>19,026,079</u>	<u>2,016,550</u>	<u>-</u>	<u>226,152,423</u>
Retail					
Grade 1	164,125,295	4,240,281	11,287	-	168,376,863
Grade 2	8,100,613	3,846,756	32,878	-	11,980,247
Grade 3	4,320,640	1,477,297	25,600	-	5,823,537
Grade 4	306,655	315,357	32,330	-	654,342
Grade 5	26,013	742,720	834,178	-	1,602,911
	<u>176,879,216</u>	<u>10,622,411</u>	<u>936,273</u>	<u>-</u>	<u>188,437,900</u>
Credit card					
Grade 1	11,547,014	1,316,136	-	-	12,863,150
Grade 2	4,390,211	1,214,946	-	-	5,605,157
Grade 3	1,142,362	1,925,145	-	-	3,067,507
Grade 4	2,227	302,736	-	-	304,963
Grade 5	666	173,049	595,101	-	768,816
	<u>17,082,480</u>	<u>4,932,012</u>	<u>595,101</u>	<u>-</u>	<u>22,609,593</u>
	<u>399,071,490</u>	<u>34,580,502</u>	<u>3,547,924</u>	<u>-</u>	<u>437,199,916</u>
Loans measured at fair value through other comprehensive income					
Corporate					
Grade1	489,445	-	-	-	489,445
Grade2	59,827	-	-	-	59,827
Grade3	-	-	-	-	-
Grade4	-	-	-	-	-
Grade5	-	-	-	-	-
	<u>549,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,272</u>
	<u>549,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,272</u>
	<u>₩ 399,620,762</u>	<u>₩ 34,580,502</u>	<u>₩ 3,547,924</u>	<u>₩ -</u>	<u>₩ 437,749,188</u>

* Before netting of allowance

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4.2.4.1 Credit risk exposure (cont'd)

Credit qualities of loans graded according to internal credit ratings as of September 30, 2023 and December 31, 2022, are as follows:

	Range of probability of default (%)	Retail	Corporate
Grade 1	0.0 ~ 1.0	1 ~ 5 grade	AAA ~ BBB+
Grade 2	1.0 ~ 5.0	6 ~ 8 grade	BBB ~ BB
Grade 3	5.0 ~ 15.0	9 ~ 10 grade	BB- ~ B
Grade 4	15.0 ~ 30.0	11 grade	B- ~ CCC
Grade 5	30.0 ~	12 grade or under	CC or under

4.2.4.2 Quantification of the extent to which collateral and other credit enhancements mitigate credit risk of loans as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	12-month expected credit losses	Lifetime expected credit losses		
		Non-impaired	Impaired	Total
Guarantees	₩ 106,446,846	₩ 7,150,411	₩ 392,970	₩ 113,990,227
Deposits and savings	1,922,890	119,062	54,280	2,096,232
Property and equipment	15,505,192	1,144,304	209,905	16,859,401
Real estate	194,574,063	16,793,549	2,282,243	213,649,855
	₩ 318,448,991	₩ 25,207,326	₩ 2,939,398	₩ 346,595,715

(In millions of Korean won)

	December 31, 2022			
	12-month expected credit losses	Lifetime expected credit losses		
		Non-impaired	Impaired	Total
Guarantees	₩ 100,429,157	₩ 7,060,738	₩ 301,688	₩ 107,791,583
Deposits and savings	1,855,720	141,016	46,984	2,043,720
Property and equipment	14,648,523	1,002,291	180,103	15,830,917
Real estate	191,121,014	15,793,644	1,708,145	208,622,803
	₩ 308,054,414	₩ 23,997,689	₩ 2,236,920	₩ 334,289,023

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4.2.5 Credit risk of securities

Credit qualities of securities exposed to credit risk other than equity securities among financial investments as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Securities measured at amortized cost *					
Grade 1	₩ 36,140,416	₩ -	₩ -	₩ -	₩ 36,140,416
Grade 2	3,577,446	-	-	-	3,577,446
Grade 3	1,322	-	-	-	1,322
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>39,719,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,719,184</u>
Securities measured at fair value through other comprehensive income					
Grade 1	68,921,503	-	-	-	68,921,503
Grade 2	6,403,198	-	-	-	6,403,198
Grade 3	27,131	-	-	-	27,131
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>75,351,832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,351,832</u>
	<u>₩ 115,071,016</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 115,071,016</u>

(In millions of Korean won)

	December 31, 2022				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Securities measured at amortized cost *					
Grade 1	₩ 34,211,405	₩ -	₩ -	₩ -	₩ 34,211,405
Grade 2	1,713,414	-	-	-	1,713,414
Grade 3	-	-	-	-	-
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>35,924,819</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,924,819</u>
Securities measured at fair value through other comprehensive income					
Grade 1	70,830,502	-	-	-	70,830,502
Grade 2	5,669,442	53,861	-	-	5,723,303
Grade 3	66,797	9,169	-	-	75,966
Grade 4	13,942	4,640	-	-	18,582
Grade 5	-	-	-	-	-
	<u>76,580,683</u>	<u>67,670</u>	<u>-</u>	<u>-</u>	<u>76,648,353</u>
	<u>₩ 112,505,502</u>	<u>₩ 67,670</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 112,573,172</u>

* Before netting of allowance

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4.2.5 Credit risk of securities (cont'd)

Credit qualities of securities other than equity securities, according to the credit ratings by external credit rating agencies as of September 30, 2023 and December 31, 2022, are as follows:

Credit quality	Domestic				Foreign		
	KIS	NICE P&I	KAP	FnPricing Inc.	S&P	Fitch-IBCA	Moody's
Grade 1	AA0 to AAA	AA0 to AAA	AA0 to AAA	AA0 to AAA	A- to AAA	A- to AAA	A3 to Aaa
Grade 2	A- to AA-	A- to AA-	A- to AA-	A- to AA-	BBB- to BBB+	BBB- to BBB+	Baa3 to Baa1
Grade 3	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+	BBB0 to BBB+	BB to BB+	BB to BB+	Ba2 to Ba1
Grade 4	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-	BB0 to BBB-	B+ to BB-	B+ to BB-	B1 to Ba3
Grade 5	BB- or under	BB- or under	BB- or under	BB- or under	B or under	B or under	B2 or under

Credit qualities of debt securities denominated in Korean won are based on the lowest credit rating by the domestic credit rating agencies above, and those denominated in foreign currencies are based on the lowest credit rating by the foreign credit rating agencies above.

4.2.6 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023						
	12-month expected credit losses		Lifetime expected credit losses		Not applying expected credit losses		Total
			Non-impaired	Impaired			
Due from financial institutions measured at amortized cost *							
Grade 1	₩	27,769,187	₩	-	₩	-	₩ 27,769,187
Grade 2		714,162		-		-	714,162
Grade 3		115,427		-		-	115,427
Grade 4		-		-		-	-
Grade 5		773,643		-		-	773,643
	₩	29,372,419	₩	-	₩	-	₩ 29,372,419

(In millions of Korean won)

	December 31, 2022						
	12-month expected credit losses		Lifetime expected credit losses		Not applying expected credit losses		Total
			Non-impaired	Impaired			
Due from financial institutions measured at amortized cost *							
Grade 1	₩	28,023,879	₩	-	₩	-	₩ 28,023,879
Grade 2		1,428,663		-		-	1,428,663
Grade 3		-		-		-	-
Grade 4		-		-		-	-
Grade 5		462,298		-		-	462,298
	₩	29,914,840	₩	-	₩	-	₩ 29,914,840

* Before netting of allowance

The classification criteria of the credit qualities of due from financial institutions as of September 30, 2023 and December 31, 2022, are the same as the criteria for securities other than equity securities.

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4.2.7 Credit risk concentration analysis

4.2.7.1 Classifications of corporate loans by industry as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

September 30, 2023				
	Loans	%	Allowances	Carrying amount
Financial institutions	₩ 24,497,072	10.31	₩ (48,749)	₩ 24,448,323
Manufacturing	54,278,396	22.84	(667,320)	53,611,076
Service	105,230,684	44.27	(776,092)	104,454,592
Wholesale and retail	30,179,880	12.70	(492,066)	29,687,814
Construction	7,081,262	2.98	(263,513)	6,817,749
Public sector	2,146,857	0.90	(105,826)	2,041,031
Others	14,263,004	6.00	(241,934)	14,021,070
	₩ 237,677,155	100.00	₩ (2,595,500)	₩ 235,081,655

(In millions of Korean won)

December 31, 2022				
	Loans	%	Allowances	Carrying amount
Financial institutions	₩ 23,832,403	10.49	₩ (52,250)	₩ 23,780,153
Manufacturing	53,293,160	23.46	(575,186)	52,717,974
Service	98,549,099	43.38	(479,709)	98,069,390
Wholesale and retail	29,712,579	13.08	(352,208)	29,360,371
Construction	6,906,750	3.04	(228,782)	6,677,968
Public sector	1,940,133	0.85	(84,436)	1,855,697
Others	12,961,133	5.70	(213,205)	12,747,928
	₩ 227,195,257	100.00	₩ (1,985,776)	₩ 225,209,481

4.2.7.2 Classifications of retail loans and credit card receivables as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

September 30, 2023				
	Loans	%	Allowances	Carrying amount
Housing loan	₩ 94,855,039	45.18	₩ (222,904)	₩ 94,632,135
General loan	92,850,037	44.22	(1,141,657)	91,708,380
Credit card	22,265,270	10.60	(953,205)	21,312,065
	₩ 209,970,346	100.00	₩ (2,317,766)	₩ 207,652,580

(In millions of Korean won)

December 31, 2022				
	Loans	%	Allowances	Carrying amount
Housing loan	₩ 94,767,212	44.90	₩ (163,348)	₩ 94,603,864
General loan	93,670,687	44.38	(1,174,018)	92,496,669
Credit card	22,609,593	10.72	(837,842)	21,771,751
	₩ 211,047,492	100.00	₩ (2,175,208)	₩ 208,872,284

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4.2.7.3 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Finance and insurance	₩ 29,372,419	100.00	₩ (3,675)	₩ 29,368,744
	<u>29,372,419</u>	<u>100.00</u>	<u>(3,675)</u>	<u>29,368,744</u>
Due from financial institutions measured at fair value through profit or loss				
Finance and insurance	74,143	100.00	-	74,143
	<u>74,143</u>	<u>100.00</u>	<u>-</u>	<u>74,143</u>
Securities measured at fair value through profit or loss				
Government and government funded institutions	20,205,510	29.25	-	20,205,510
Finance and insurance	36,117,808	52.28	-	36,117,808
Others	12,757,784	18.47	-	12,757,784
	<u>69,081,102</u>	<u>100.00</u>	<u>-</u>	<u>69,081,102</u>
Derivative financial assets				
Government and government funded institutions	67,356	0.76	-	67,356
Finance and insurance	8,337,148	93.71	-	8,337,148
Others	492,064	5.53	-	492,064
	<u>8,896,568</u>	<u>100.00</u>	<u>-</u>	<u>8,896,568</u>
Securities measured at fair value through other comprehensive income				
Government and government funded institutions	41,849,295	55.54	-	41,849,295
Finance and insurance	21,182,590	28.11	-	21,182,590
Others	12,319,947	16.35	-	12,319,947
	<u>75,351,832</u>	<u>100.00</u>	<u>-</u>	<u>75,351,832</u>
Securities measured at amortized cost				
Government and government funded institutions	17,126,933	43.13	(695)	17,126,238
Finance and insurance	21,986,819	55.35	(16,365)	21,970,454
Others	605,432	1.52	(970)	604,462
	<u>39,719,184</u>	<u>100.00</u>	<u>(18,030)</u>	<u>39,701,154</u>
	<u>₩ 222,495,248</u>		<u>₩ (21,705)</u>	<u>₩ 222,473,543</u>

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4.2.7.3 Classifications of due from financial institutions, securities other than equity securities, and derivative financial assets by industry as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Finance and insurance	₩ 29,914,840	100.00	₩ (2,743)	₩ 29,912,097
	<u>29,914,840</u>	<u>100.00</u>	<u>(2,743)</u>	<u>29,912,097</u>
Due from financial institutions measured at fair value through profit or loss				
Finance and insurance	69,469	100.00	-	69,469
	<u>69,469</u>	<u>100.00</u>	<u>-</u>	<u>69,469</u>
Securities measured at fair value through profit or loss				
Government and government funded institutions	16,556,811	25.12	-	16,556,811
Finance and insurance	37,674,363	57.17	-	37,674,363
Others	11,668,223	17.71	-	11,668,223
	<u>65,899,397</u>	<u>100.00</u>	<u>-</u>	<u>65,899,397</u>
Derivative financial assets				
Government and government funded institutions	58,060	0.61	-	58,060
Finance and insurance	8,988,025	95.15	-	8,988,025
Others	400,495	4.24	-	400,495
	<u>9,446,580</u>	<u>100.00</u>	<u>-</u>	<u>9,446,580</u>
Securities measured at fair value through other comprehensive income				
Government and government funded institutions	41,566,376	54.23	-	41,566,376
Finance and insurance	22,463,066	29.31	-	22,463,066
Others	12,618,911	16.46	-	12,618,911
	<u>76,648,353</u>	<u>100.00</u>	<u>-</u>	<u>76,648,353</u>
Securities measured at amortized cost				
Government and government funded institutions	16,984,957	47.28	(3)	16,984,954
Finance and insurance	18,368,966	51.13	(5,212)	18,363,754
Others	570,896	1.59	(363)	570,533
	<u>35,924,819</u>	<u>100.00</u>	<u>(5,578)</u>	<u>35,919,241</u>
	<u>₩ 217,903,458</u>		<u>₩ (8,321)</u>	<u>₩ 217,895,137</u>

Due from financial institutions, financial instruments at fair value through profit or loss linked to gold price, and derivative financial instruments are mostly related to the finance and insurance industry with high credit ratings.

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4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group 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 Group manages its liquidity risk through analysis of the contractual maturity of interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

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 Group.

The Group calculates and manages liquidity ratio and others for all transactions and off-balance transactions related to liquidity, that affect the cash flows in Korean won and foreign currency funds raised and operated for the management of liquidity risks and periodically reports them to the Risk Management Committee.

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 consolidated 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.

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4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of September 30, 2023 and December 31 2022, are as follows:

(In millions of Korean won)

	September 30, 2023													
	On demand		Up to 1 month		1-3 months		3-12 months		1-5 years		Over 5 years		Total	
Financial liabilities														
Financial liabilities at fair value through profit or loss ¹	₩	2,452,142	₩	-	₩	-	₩	-	₩	-	₩	-	₩	2,452,142
Financial liabilities designated at fair value through profit or loss ¹		8,430,534		-		-		-		-		-		8,430,534
Derivatives held for trading ¹		8,569,979		-		-		-		-		-		8,569,979
Derivatives held for hedging ²		43,566		(319)		12,014		51,578		16,695		5,944		129,478
Deposits ³		168,451,436		32,215,714		75,802,232		110,755,816		16,291,356		1,150,707		404,667,261
Borrowings		11,001,909		18,755,876		8,087,617		20,837,425		12,014,169		1,120,674		71,817,670
Debentures		144,966		3,445,587		6,427,937		19,512,240		37,414,311		6,448,551		73,393,592
Lease liabilities		202		30,927		45,441		168,649		361,619		22,748		629,586
Other financial liabilities		235,850		35,549,249		156,021		293,195		997,773		430,029		37,662,117
	₩	199,330,584	₩	89,997,034	₩	90,531,262	₩	151,618,903	₩	67,095,923	₩	9,178,653	₩	607,752,359
Off-balance sheet items														
Commitments ⁴	₩	199,223,468	₩	-	₩	-	₩	-	₩	-	₩	-	₩	199,223,468
Acceptances and guarantees contracts		14,212,861		-		-		-		-		-		14,212,861
Financial guarantee contracts ⁵		8,490,897		-		-		-		-		-		8,490,897
	₩	221,927,226	₩	-	₩	-	₩	-	₩	-	₩	-	₩	221,927,226

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4.3.3.1 Remaining contractual maturity of financial liabilities other than derivatives held for cash flow hedge, and off-balance sheet items as of September 30, 2023 and December 31 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022													
	On demand		Up to 1 month		1-3 months		3-12 months		1-5 years		Over 5 years		Total	
Financial liabilities														
Financial liabilities at fair value through profit or loss ¹	₩	2,193,210	₩	-	₩	-	₩	-	₩	-	₩	-	₩	2,193,210
Financial liabilities designated at fair value through profit or loss ¹		10,078,394		-		-		-		-		-		10,078,394
Derivatives held for trading ¹		9,209,537		-		-		-		-		-		9,209,537
Derivatives held for hedging ²		-		11,106		8,886		39,174		221,551		3,502		284,219
Deposits ³		175,530,178		29,911,835		45,245,496		131,765,097		17,979,299		1,129,024		401,560,929
Borrowings		7,831,474		23,821,330		7,676,952		19,120,861		12,839,302		1,159,432		72,449,351
Debentures		11,117		4,011,679		8,353,663		20,995,587		33,216,320		6,485,136		73,073,502
Lease liabilities		164		28,079		45,200		171,449		376,159		2,839		623,890
Other financial liabilities		179,241		17,938,781		368,218		447,898		907,643		428,310		20,270,091
	₩	205,033,315	₩	75,722,810	₩	61,698,415	₩	172,540,066	₩	65,540,274	₩	9,208,243	₩	589,743,123
Off-balance sheet items														
Commitments ⁴	₩	188,295,902	₩	-	₩	-	₩	-	₩	-	₩	-	₩	188,295,902
Acceptances and guarantees contracts		12,425,753		-		-		-		-		-		12,425,753
Financial guarantee contracts ⁵		8,297,042		-		-		-		-		-		8,297,042
	₩	209,018,697	₩	-	₩	-	₩	-	₩	-	₩	-	₩	209,018,697

¹ Financial liabilities measured or designated at fair value through profit or loss and derivatives held for trading are not managed by contractual maturity because they are expected to be traded or redeemed before maturity. Therefore, the carrying amounts of those financial instruments are included in the 'On demand' category.

² Cash flows of derivatives held for hedging are shown at net amount of cash inflows and outflows by remaining contractual maturity.

³ Deposits that are contractually repayable on demand or on short notice are included in the 'On demand' category.

⁴ Commitments are included in the 'On demand' category because payments can be requested at any time.

⁵ Cash flows under financial guarantee contracts are classified based on the earliest period that the contract can be executed.

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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., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks include stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position. The above market risks are measured and managed by each subsidiary.

4.4.2 Risk management

The Group sets and monitors internal capital limits for market risk and interest rate risk to manage the risks of trading and non-trading positions. In order to manage market risk efficiently, the Group maintains risk management systems and procedures such as trading policies and procedures, market risk management guidelines for trading positions, and interest rate risk management guidelines for non-trading positions. The entire process is carried out through consultation with the Risk Management Council and approval by the Risk Management Committee of the Group.

In the case of Kookmin Bank, a major subsidiary, the Risk Management Council establishes and enforces overall market risk management policies for market risk management and decides to establish position limits, loss limits, VaR limits, and approves non-standard new products. In addition, the Market Risk Management Subcommittee, chaired by Chief Risk Officer (“CRO”), is a practical decision-making body for market risk management and determines position limits, loss limits, VaR limits, sensitivity limits, and scenario loss limits for each department of the business group.

Kookmin Bank's Asset-Liability Management Committee (“ALCO”) determines interest rate and commission operating standards and Asset Liability Management (“ALM”) operation policies and enacts and revises relevant guidelines. The Risk Management Committee and the Risk Management Council monitor the establishment and enforcement of ALM risk management policies and enact and revise ALM risk management guidelines. Interest rate risk limits are set based on future asset and liability positions and expected interest rate volatility, which reflect annual business plans. The Financial Planning Department and the Risk Management Department regularly measure and monitor interest rate risk and report the status and limit of interest rate risk including changes in Economic Value of Equity (“ Δ EVE”), changes in Net Interest Income (“ Δ NII”), and duration gap to the ALCO and the Risk Management Council on a monthly basis, and to the Risk Management Committee on a quarterly basis. To ensure the adequacy of interest rate risk and liquidity risk management, the Risk Management Department assigns the limits, monitors and reviews the procedures and tasks of ALM operations conducted by the ALM department, and reports related matters to the management independently.

Kookmin Bank is closely monitoring the outputs of various industry groups and markets that manage the transition to the new interest rate benchmark, including announcements by LIBOR regulation authority and various consultative bodies related to the transition to alternative interest rate. In response to these announcements, Kookmin Bank has completed most of the transition and replacement plans according to LIBOR transition programs and plans consisting of major business areas such as finance, accounting, tax, legal, IT, and risk. The program is under the control of the CFO and related matters are reported to the board of directors and consultative bodies with senior management as members. Kookmin Bank continues its efforts as a market participant to actively express opinions so that the index interest rate benchmark reform can be carried out in the direction of minimizing the financial and non-financial impacts and operational risks and minimizing confusion among stakeholders.

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4.5 Operational Risk

4.5.1 Concept

Operational risk of the Group refers to the risk of loss that may occur due to improper or incorrect internal procedures, personnel, systems or external events. Operational risk management plays a role in enhancing the stability and soundness of financial institutions by managing the appropriate level of capital and supplementing the internal control system.

4.5.2 Risk management

The purpose of operational risk management is not only to comply with supervisory and regulatory requirements, but also to spread risk management culture, strengthen internal control, improve processes, and provide timely feedback to management and all employees. The Parent Company manages the Group's overall operational risk, and each subsidiary establishes and implements operational risk management policies according to its own risk level and implements and operates related systems. The Group Risk Management Committee establishes and allocates risk capital of operational risk for each subsidiary, and subsidiaries manage operational risks at an appropriate level within the allocated risk capital.

5. Segment Information

5.1 Overall Segment Information and Business Segments

The Group classifies reporting segments based on the nature of the products and services provided, the type of customer, and the Group's management organization.

	Corporate banking	Loans, deposit products, and other related financial services to large, small and medium-sized enterprises and SOHOs
Banking business	Retail banking	Loans, deposit products, and other related financial services to individuals and households
	Other banking services	Trading activities in securities and derivatives, funding, and other supporting activities
Securities business		Investment banking, brokerage services, and other supporting activities
Non-life insurance business		Non-life insurance and other supporting activities
Credit card business		Credit sale, cash advance, card loan, and other supporting activities
Life insurance business		Life insurance and other supporting activities

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5.1 Overall Segment Information and Business Segments (cont'd)

Financial information by business segment for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
Net operating revenues from external customers	₩ 4,112,908	₩ 3,397,857	₩ 17,156	₩ 7,527,921	₩ 1,397,694	₩ 1,106,765	₩ 1,463,058	₩ 237,855	₩ 889,942	₩ -	₩ 12,623,235
Intersegment net operating revenues (expenses)	224,463	-	195,614	420,077	(79,284)	(76,387)	(73,637)	2,881	203,007	(396,657)	-
	₩ 4,337,371	₩ 3,397,857	₩ 212,770	₩ 7,947,998	₩ 1,318,410	₩ 1,030,378	₩ 1,389,421	₩ 240,736	₩ 1,092,949	₩ (396,657)	₩ 12,623,235
Net interest income (expenses)	₩ 4,164,284	₩ 2,588,027	₩ 579,552	₩ 7,331,863	₩ 450,873	₩ (135,682)	₩ 1,218,365	₩ (338,388)	₩ 450,937	₩ (131,157)	₩ 8,846,811
Interest income	8,575,166	5,738,115	2,111,331	16,424,612	1,284,377	597,870	1,731,859	430,521	1,022,630	(81,318)	21,410,551
Interest expense	(4,410,882)	(3,150,088)	(1,531,779)	(9,092,749)	(833,504)	(733,552)	(513,494)	(768,909)	(571,693)	(49,839)	(12,563,740)
Net fee and commission income (expenses)	324,712	207,139	334,287	866,138	578,805	(23,609)	439,435	(8,277)	894,432	19,897	2,766,821
Fee and commission income	456,007	314,366	415,927	1,186,300	760,731	18,337	1,264,219	1,513	1,002,793	(244,651)	3,989,242
Fee and commission expense	(131,295)	(107,227)	(81,640)	(320,162)	(181,926)	(41,946)	(824,784)	(9,790)	(108,361)	264,548	(1,222,421)
Net insurance income (expenses)	-	-	-	-	-	875,814	7,157	342,933	-	(14,041)	1,211,863
Insurance income	-	-	-	-	-	7,559,510	15,547	676,455	-	(27,676)	8,223,836
Insurance expense	-	-	-	-	-	(6,683,696)	(8,390)	(333,522)	-	13,635	(7,011,973)
Net gains (losses) on financial instruments at fair value through profit or loss	3,773	-	449,324	453,097	246,131	304,700	6,022	316,949	108,820	(268,964)	1,166,755
Net other insurance finance expense	-	-	-	-	-	(1,086)	-	(58,661)	-	-	(59,747)
Net other operating income (expenses)	(155,398)	602,691	(1,150,393)	(703,100)	42,601	10,241	(281,558)	(13,820)	(361,240)	(2,392)	(1,309,268)

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5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

	2023										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
General and administrative expenses	₩ (1,391,160)	₩ (1,349,042)	₩ (436,149)	₩ (3,176,351)	₩ (675,323)	₩ (105,553)	₩ (453,451)	₩ (70,437)	₩ (341,107)	₩ 98,303	₩ (4,723,919)
Operating income (expenses) before provision for credit losses	2,946,211	2,048,815	(223,379)	4,771,647	643,087	924,825	935,970	170,299	751,842	(298,354)	7,899,316
Reversal (provision) of credit losses	(900,954)	(63,420)	46,123	(918,251)	(37,408)	(1,993)	(567,152)	536	(246,596)	2,694	(1,768,170)
Net operating income (expenses)	2,045,257	1,985,395	(177,256)	3,853,396	605,679	922,832	368,818	170,835	505,246	(295,660)	6,131,146
Share of profit (loss) of associates and joint ventures	-	-	9,358	9,358	(30,436)	1,819	580	-	15,811	14,976	12,108
Net other non-operating income (expenses)	(3,800)	-	(77,033)	(80,833)	(98,632)	2,795	(2,808)	6,913	(47,497)	(23,980)	(244,042)
Segment profit (loss) before income tax expense	2,041,457	1,985,395	(244,931)	3,781,921	476,611	927,446	366,590	177,748	473,560	(304,664)	5,899,212
Income tax benefit (expense)	(534,484)	(501,969)	60,284	(976,169)	(115,094)	(246,489)	(91,626)	(46,338)	(87,426)	9,885	(1,553,257)
Profit (loss) for the period	<u>₩ 1,506,973</u>	<u>₩ 1,483,426</u>	<u>₩ (184,647)</u>	<u>₩ 2,805,752</u>	<u>₩ 361,517</u>	<u>₩ 680,957</u>	<u>₩ 274,964</u>	<u>₩ 131,410</u>	<u>₩ 386,134</u>	<u>₩ (294,779)</u>	<u>₩ 4,345,955</u>
Profit (loss) attributable to shareholders of the Parent Company	₩ 1,525,008	₩ 1,483,426	₩ (153,062)	₩ 2,855,372	₩ 361,147	₩ 680,326	₩ 272,405	₩ 131,410	₩ 384,895	₩ (315,113)	₩ 4,370,442
Profit (loss) attributable to non-controlling interests	(18,035)	-	(31,585)	(49,620)	370	631	2,559	-	1,239	20,334	(24,487)
Total assets *	223,507,226	163,308,701	150,280,591	537,096,518	60,076,177	35,398,383	29,737,753	29,635,663	63,228,576	(38,733,231)	716,439,839
Total liabilities *	200,597,540	199,127,736	101,414,329	501,139,605	53,852,127	29,359,549	24,946,516	25,269,225	25,288,897	(2,267,295)	657,588,624

* Assets and liabilities of the reporting segments are amounts before intersegment transactions.

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5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

	2022										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
Net operating revenues from external customers	₩ 3,425,610	₩ 3,049,593	₩ (195,656)	₩ 6,279,547	₩ 970,743	₩ 1,089,965	₩ 1,323,755	₩ 89,416	₩ 715,509	₩ -	₩ 10,468,935
Intersegment net operating revenues (expenses)	38,824	-	523,092	561,916	(7,488)	(252,792)	(89,012)	(85,730)	246,084	(372,978)	-
	3,464,434	3,049,593	327,436	6,841,463	963,255	837,173	1,234,743	3,686	961,593	(372,978)	10,468,935
Net interest income (expenses)	3,449,617	2,967,670	425,898	6,843,185	399,196	(61,440)	1,090,233	(282,111)	415,678	(3,950)	8,400,791
Interest income	5,321,403	4,064,023	1,090,760	10,476,186	794,150	515,504	1,439,024	421,098	766,064	(38,494)	14,373,532
Interest expense	(1,871,786)	(1,096,353)	(664,862)	(3,633,001)	(394,954)	(576,944)	(348,791)	(703,209)	(350,386)	34,544	(5,972,741)
Net fee and commission income (expenses)	290,182	199,940	336,218	826,340	665,765	(19,624)	413,042	(779)	868,680	11,066	2,764,490
Fee and commission income	407,360	306,717	429,567	1,143,644	815,936	16,539	1,219,589	5,792	967,195	(244,698)	3,923,997
Fee and commission expense	(117,178)	(106,777)	(93,349)	(317,304)	(150,171)	(36,163)	(806,547)	(6,571)	(98,515)	255,764	(1,159,507)
Net insurance income	-	-	-	-	-	957,513	7,976	261,216	-	(18,977)	1,207,728
Insurance income	-	-	-	-	-	6,910,191	14,530	590,603	-	(27,532)	7,487,792
Insurance expense	-	-	-	-	-	(5,952,678)	(6,554)	(329,387)	-	8,555	(6,280,064)
Net gains (losses) on financial instruments at fair value through profit or loss	84,157	-	(89,086)	(4,929)	(253,221)	(58,281)	1,813	(1,121,660)	(185,829)	(386,007)	(2,008,114)
Net other insurance finance income (expenses)	-	-	-	-	-	(6,291)	-	921,638	-	-	915,347
Net other operating income (expenses)	(359,522)	(118,017)	(345,594)	(823,133)	151,515	25,296	(278,321)	225,382	(136,936)	24,890	(811,307)

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5.1 Overall Segment Information and Business Segments (cont'd)

(In millions of Korean won)

	2022										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
General and administrative expenses	₩ (1,387,989)	₩ (1,389,453)	₩ (413,320)	₩ (3,190,762)	₩ (601,717)	₩ (95,468)	₩ (422,307)	₩ (42,890)	₩ (315,707)	₩ 95,373	₩ (4,573,478)
Operating income before provision for credit losses	2,076,445	1,660,140	(85,884)	3,650,701	361,538	741,705	812,436	(39,204)	645,886	(277,605)	5,895,457
Reversal (provision) of credit losses	(114,658)	(174,171)	(66,650)	(355,479)	(18,181)	(831)	(326,897)	269	(88,683)	1,345	(788,457)
Net operating income (expenses)	1,961,787	1,485,969	(152,534)	3,295,222	343,357	740,874	485,539	(38,935)	557,203	(276,260)	5,107,000
Share of profit (loss) of associates and joint ventures	-	-	20,349	20,349	(3,633)	489	1,527	-	(2,537)	(30,276)	(14,081)
Net other non-operating income (expenses)	(12,991)	-	11,717	(1,274)	71,765	208,734	(3,356)	5,582	20	48,391	329,862
Segment profit before income tax expense	1,948,796	1,485,969	(120,468)	3,314,297	411,489	950,097	483,710	(33,353)	554,686	(258,145)	5,422,781
Income tax benefit (expense)	(452,268)	(356,527)	15,663	(793,132)	(106,970)	(249,623)	(127,807)	919	(105,535)	5,394	(1,376,754)
Profit (loss) for the period	₩ 1,496,528	₩ 1,129,442	₩ (104,805)	₩ 2,521,165	₩ 304,519	₩ 700,474	₩ 355,903	₩ (32,434)	₩ 449,151	₩ (252,751)	₩ 4,046,027
Profit (loss) attributable to shareholders of the Parent Company	1,476,193	1,129,442	(55,064)	2,550,571	303,737	699,914	352,265	(32,434)	445,855	(281,625)	4,038,283
Profit (loss) attributable to non-controlling interests	20,335	-	(49,741)	(29,406)	782	560	3,638	-	3,296	28,874	7,744
Total assets *	211,989,036	165,273,848	140,506,628	517,769,512	53,824,245	34,743,259	29,721,017	29,989,683	60,219,661	(37,602,551)	688,664,826
Total liabilities *	205,382,625	191,786,626	86,877,002	484,046,253	47,946,933	29,017,685	24,998,214	26,136,081	25,973,897	(3,598,485)	634,520,578

* Assets and liabilities of the reporting segments are amounts before intersegment transactions and as of December 31, 2022.

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5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023		2022	
Banking service	₩	7,527,921	₩	6,279,547
Securities service		1,397,694		970,743
Non-life insurance service		1,106,765		1,089,965
Credit card service		1,463,058		1,323,755
Life insurance service		237,855		89,416
Others		889,942		715,509
	₩	<u>12,623,235</u>	₩	<u>10,468,935</u>

5.2.2 Geographical information

Geographical net operating revenues from external for the nine-month periods ended September 30, 2023 and 2022, and major non-current assets as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	Net operating revenues from external customers		Major non-current assets	
	2023	2022	September 30, 2023	December 31, 2022
Domestic	₩ 11,568,591	₩ 9,575,887	₩ 8,907,028	₩ 8,699,340
United States	54,707	68,864	58,245	54,415
New Zealand	9,598	9,514	1,185	1,607
China	135,113	119,962	22,017	21,190
Cambodia	428,750	397,434	61,947	44,786
United Kingdom	36,669	21,045	5,293	90,282
Indonesia	240,009	184,710	440,602	461,165
Others	149,798	91,519	460,493	31,821
Consolidation adjustments	-	-	587,070	567,253
	₩ <u>12,623,235</u>	₩ <u>10,468,935</u>	₩ <u>10,543,880</u>	₩ <u>9,971,859</u>

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6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Carrying amount		Fair value	
Financial assets				
Cash and due from financial institutions	₩	31,946,108	₩	31,940,275
Financial assets at fair value through profit or loss:		72,864,006		72,864,006
Due from financial institutions		74,143		74,143
Debt securities		69,081,102		69,081,102
Equity securities		3,436,581		3,436,581
Loans		182,689		182,689
Others		89,491		89,491
Derivatives held for trading		8,466,736		8,466,736
Derivatives held for hedging		429,832		429,832
Loans measured at amortized cost		441,720,666		440,803,120
Securities measured at amortized cost		39,701,154		37,950,573
Financial assets at fair value through other comprehensive income:		78,814,816		78,814,816
Debt securities		75,351,832		75,351,832
Equity securities		2,632,104		2,632,104
Loans		830,880		830,880
Other financial assets		23,757,812		23,757,812
	₩	<u>697,701,130</u>	₩	<u>695,027,170</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩	2,452,142	₩	2,452,142
Financial liabilities designated at fair value through profit or loss		8,430,534		8,430,534
Derivatives held for trading		8,569,981		8,569,981
Derivatives held for hedging		406,080		406,080
Deposits		398,943,631		398,815,636
Borrowings		70,352,817		70,052,885
Debentures		68,608,805		67,826,526
Other financial liabilities		47,811,337		47,811,337
	₩	<u>605,575,327</u>	₩	<u>604,365,121</u>

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6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022			
	Carrying amount		Fair value	
Financial assets				
Cash and due from financial institutions	₩	32,474,750	₩	32,403,730
Financial assets at fair value through profit or loss:				
Due from financial institutions		70,092,497		70,092,497
Debt securities		69,469		69,469
Equity securities		65,899,397		65,899,397
Loans		3,540,063		3,540,063
Others		493,562		493,562
Derivatives held for trading		90,006		90,006
Derivatives held for hedging		8,984,171		8,984,171
Loans measured at amortized cost		462,409		462,409
Securities measured at amortized cost		433,038,931		430,396,089
Financial assets at fair value through other comprehensive income:				
Debt securities		35,919,241		33,593,231
Equity securities		79,533,418		79,533,418
Loans		76,648,353		76,648,353
Other financial assets		2,335,793		2,335,793
		549,272		549,272
		10,718,383		10,718,383
	₩	<u>671,223,800</u>	₩	<u>666,183,928</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩	2,193,210	₩	2,193,210
Financial liabilities designated at fair value through profit or loss		10,078,394		10,078,394
Derivatives held for trading		9,209,537		9,209,537
Derivatives held for hedging		300,232		300,232
Deposits		393,928,904		393,458,279
Borrowings		71,717,366		71,187,130
Debentures		68,698,203		67,036,661
Other financial liabilities		26,163,138		26,163,138
	₩	<u>582,288,984</u>	₩	<u>579,626,581</u>

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 Group 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 a quoted price in an active market.

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6.1.1 Carrying amount and fair value of financial assets and liabilities by category as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

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

Cash and due from financial institutions	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.
Securities	Fair value of securities and others that are traded 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, Free Cash Flow to Equity Model, Comparable Company Analysis, Dividend Discount Model, Risk Adjusted Discount Rate Method, and Net Asset Value Method.
Loans measured at amortized cost	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.
Derivatives and financial instruments at fair value through profit or loss	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 Group 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 Finite Difference Method (“FDM”), MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Closed Form, and Tree Model or valuation results from independent external professional valuation institutions.
Deposits	Carrying amount of demand deposits is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of time deposits 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.
Borrowings	Carrying amount of overdrafts in foreign currency is a reasonable approximation of fair value because they do not have a fixed maturity and are payable on demand. Fair value of other borrowings is determined using DCF Model.
Debentures	Fair value is determined using valuation results of external professional valuation institutions, which are calculated using market inputs.
Other financial assets and other financial liabilities	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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6.1.2 Fair value hierarchy

The Group believes that valuation techniques used for measuring the fair value of financial instruments are reasonable and that the fair value recognized in the consolidated statement of financial position is appropriate. However, the fair value of the financial instruments recognized in the consolidated statement 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 Group 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.

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

Fair value hierarchy of financial assets and liabilities at fair value in the consolidated statements of financial position as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through profit or loss:				
Due from financial institutions	₩ 20,661,200	₩ 33,794,573	₩ 18,408,233	₩ 72,864,006
Debt securities	-	24,252	49,891	74,143
Equity securities	18,993,360	33,300,201	16,787,541	69,081,102
Loans	1,578,349	469,854	1,388,378	3,436,581
Others	-	266	182,423	182,689
Derivatives held for trading	89,491	-	-	89,491
Derivatives held for hedging	60,869	8,313,715	92,152	8,466,736
Financial assets at fair value through other comprehensive income:				
Debt securities	-	429,832	-	429,832
Equity securities	33,929,898	43,402,588	1,482,330	78,814,816
Loans	33,346,426	42,005,406	-	75,351,832
	583,472	566,302	1,482,330	2,632,104
	-	830,880	-	830,880
	<u>₩ 54,651,967</u>	<u>₩ 85,940,708</u>	<u>₩ 19,982,715</u>	<u>₩ 160,575,390</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 2,452,142	₩ -	₩ -	₩ 2,452,142
Financial liabilities designated at fair value through profit or loss	61,347	1,017,182	7,352,005	8,430,534
Derivatives held for trading	256,022	7,490,580	823,379	8,569,981
Derivatives held for hedging	-	406,080	-	406,080
	<u>₩ 2,769,511</u>	<u>₩ 8,913,842</u>	<u>₩ 8,175,384</u>	<u>₩ 19,858,737</u>

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

(In millions of Korean won)

	December 31, 2022			
	Fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through profit or loss:				
Due from financial institutions	₩ 18,209,969	₩ 35,208,843	₩ 16,673,685	₩ 70,092,497
Debt securities	-	24,444	45,025	69,469
Equity securities	16,240,223	34,425,619	15,233,555	65,899,397
Loans	1,879,740	414,291	1,246,032	3,540,063
Others	-	344,489	149,073	493,562
Derivatives held for trading	90,006	-	-	90,006
Derivatives held for hedging	182,019	8,678,896	123,256	8,984,171
Financial assets at fair value through other comprehensive income:				
Debt securities	32,141,450	45,933,688	1,458,280	79,533,418
Equity securities	31,528,524	45,119,829	-	76,648,353
Loans	612,926	264,587	1,458,280	2,335,793
	-	549,272	-	549,272
	<u>₩ 50,533,438</u>	<u>₩ 90,283,836</u>	<u>₩ 18,255,221</u>	<u>₩ 159,072,495</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 2,193,210	₩ -	₩ -	₩ 2,193,210
Financial liabilities designated at fair value through profit or loss	35,687	1,811,404	8,231,303	10,078,394
Derivatives held for trading	442,042	7,984,424	783,071	9,209,537
Derivatives held for hedging	-	300,232	-	300,232
	<u>₩ 2,670,939</u>	<u>₩ 10,096,060</u>	<u>₩ 9,014,374</u>	<u>₩ 21,781,373</u>

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6.1.2.1 Fair value hierarchy of financial assets and liabilities at fair value in the consolidated 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 consolidated statements of financial position as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

		September 30, 2023		
		Fair value	Valuation techniques	Inputs
Financial assets				
Financial assets at fair value through profit or loss:	₩	33,794,573		
Due from financial institutions		24,252	DCF Model, Hull-white Model	Projected cash flow, Discount rate, Volatility, Correlation coefficient
Debt securities		33,300,201	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others	Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others
Equity securities		469,854	DCF Model	Interest rate, Discount rate, and others
Loans		266	DCF Model	Interest rate, Discount rate, and others
Derivatives held for trading		8,313,715	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Option Model and others	Price of underlying asset, Underlying asset index, Interest rate, Dividend yield, Volatility, Foreign exchange rate, Discount rate, and others
Derivatives held for hedging		429,832	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, CRS interest rate, and others
Financial assets at fair value through other comprehensive income:		43,402,588		
Debt securities		42,005,406	DCF Model, Option Model	Underlying asset index, Discount rate, and others
Equity securities		566,302	DCF Model	Discount rate
Loans		830,880	DCF Model	Discount rate
	₩	<u>85,940,708</u>		
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	₩	1,017,182	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Method	Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate
Derivatives held for trading		7,490,580	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model and others	Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others
Derivatives held for hedging		406,080	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, risk-free interest rate and others
	₩	<u>8,913,842</u>		

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

(In millions of Korean won)

	December 31, 2022		
	Fair value	Valuation techniques	Inputs
Financial assets			
Financial assets at fair value through profit or loss:	₩ 35,208,843		
Due from financial institutions	24,444	DCF Model, Hull-white Model	Projected cash flow, Discount rate, Volatility, Correlation coefficient
Debt securities	34,425,619	DCF Model, Closed Form, MonteCarlo Simulation Model, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others	Projected cash flow, Fair value of transferred asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others
Equity securities	414,291	DCF Model	Interest rate, Discount rate, and others
Loans	344,489	DCF Model	Interest rate, Discount rate, and others
Derivatives held for trading	8,678,896	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Option Model and others	Price of underlying asset, Underlying asset index, interest rate, Dividend yield, Volatility, Foreign exchange rate, Discount rate, and others
Derivatives held for hedging	462,409	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, CRS interest rate and others
Financial assets at fair value through other comprehensive income:	45,933,688		
Debt securities	45,119,829	DCF Model, Option Model	Underlying asset index, Discount rate, and others
Equity securities	264,587	DCF Model	Discount rate
Loans	549,272	DCF Model	Discount rate
	<u>₩ 90,283,836</u>		
Financial liabilities			
Financial liabilities designated at fair value through profit or loss	₩ 1,811,404	DCF Model, Closed Form, MonteCarlo Simulation Model, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Model	Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate, Foreign exchange rate
Derivatives held for trading	7,984,424	DCF Model, Closed Form, MonteCarlo Simulation Model, Black-Scholes Model, Hull-white Model, Binomial Model, and others	Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others
Derivatives held for hedging	300,232	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, risk-free interest rate and others
	<u>₩ 10,096,060</u>		

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6.1.2.2 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, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions ¹	₩ 3,489,590	₩ 25,548,079	₩ 2,902,606	₩ 31,940,275
Loans measured at amortized cost	-	254,228	440,548,892	440,803,120
Securities measured at amortized cost ²	4,684,207	33,246,637	19,729	37,950,573
Other financial assets ²	-	-	23,757,812	23,757,812
	<u>₩ 8,173,797</u>	<u>₩ 59,048,944</u>	<u>₩ 467,229,039</u>	<u>₩ 534,451,780</u>
Financial liabilities				
Deposits ¹	₩ -	₩ 167,418,444	₩ 231,397,192	₩ 398,815,636
Borrowings ³	-	5,044,093	65,008,792	70,052,885
Debentures	-	60,614,847	7,211,679	67,826,526
Other financial liabilities ²	-	-	47,811,337	47,811,337
	<u>₩ -</u>	<u>₩ 233,077,384</u>	<u>₩ 351,429,000</u>	<u>₩ 584,506,384</u>

(In millions of Korean won)

	December 31, 2022			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions ¹	₩ 2,517,470	₩ 27,145,486	₩ 2,740,774	₩ 32,403,730
Loans measured at amortized cost	-	63,784	430,332,305	430,396,089
Securities measured at amortized cost ²	5,253,835	28,320,106	19,290	33,593,231
Other financial assets ²	-	-	10,718,383	10,718,383
	<u>₩ 7,771,305</u>	<u>₩ 55,529,376</u>	<u>₩ 443,810,752</u>	<u>₩ 507,111,433</u>
Financial liabilities				
Deposits ¹	₩ -	₩ 168,920,439	₩ 224,537,840	₩ 393,458,279
Borrowings ³	-	6,088,123	65,099,007	71,187,130
Debentures	-	59,272,727	7,763,934	67,036,661
Other financial liabilities ²	-	-	26,163,138	26,163,138
	<u>₩ -</u>	<u>₩ 234,281,289</u>	<u>₩ 323,563,919</u>	<u>₩ 557,845,208</u>

¹ The amounts included in Level 2 are the carrying amounts which are reasonable approximations of fair value.

² The amounts included in Level 3 are the carrying amounts which are reasonable approximations of fair value.

³ Borrowings of ₩ 98,682 million and ₩ 18,266 million included in Level 2 are the carrying amounts which are reasonable approximations of fair value as of September 30, 2023 and December 31, 2022, respectively.

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

For 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, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023		
	Fair value	Valuation techniques	Inputs
Financial assets			
Loans measured at amortized cost	₩ 254,228	DCF Model	Discount rate
Securities measured at amortized cost	33,246,637	DCF Model, MonteCarlo Simulation	Discount rate, Interest rate
	<u>₩ 33,500,865</u>		
Financial liabilities			
Borrowings	₩ 4,945,411	DCF Model	Discount rate
Debentures	60,614,847	DCF Model	Discount rate
	<u>₩ 65,560,258</u>		

(In millions of Korean won)

	December 31, 2022		
	Fair value	Valuation techniques	Inputs
Financial assets			
Loans measured at amortized cost	₩ 63,784	DCF Model	Discount rate
Securities measured at amortized cost	28,320,106	DCF Model, MonteCarlo Simulation	Discount rate, Interest rate
	<u>₩ 28,383,890</u>		
Financial liabilities			
Borrowings	₩ 6,069,857	DCF Model	Discount rate
Debentures	59,272,727	DCF Model	Discount rate
	<u>₩ 65,342,584</u>		

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

Valuation techniques and inputs of financial assets and liabilities classified as Level 3, and whose fair value is disclosed as of September 30, 2023 and December 31, 2022 are as follows:

(In millions of Korean won)

		September 30, 2023		
		Fair value	Valuation techniques	Inputs
Financial assets				
Cash and due from financial institutions	₩	2,902,606	DCF Model	Credit spread, Other spread, Interest rate
Loans measured at amortized cost		440,548,892	DCF Model	Credit spread, Other spread, Prepayment rate, Interest rate
	₩	<u>443,451,498</u>		
Financial liabilities				
Deposits	₩	231,397,192	DCF Model	Other spread, Prepayment rate, Interest rate
Borrowings		65,008,792	DCF Model	Other spread, Interest rate
Debentures		7,211,679	DCF Model	Other spread, Interest rate
	₩	<u>303,617,663</u>		

(In millions of Korean won)

		December 31, 2022		
		Fair value	Valuation techniques	Inputs
Financial assets				
Cash and due from financial institutions	₩	2,740,774	DCF Model	Credit spread, Other spread, Interest rate
Loans measured at amortized cost		430,332,305	DCF Model	Credit spread, Other spread, Prepayment rate, Interest rate
	₩	<u>433,073,079</u>		
Financial liabilities				
Deposits	₩	224,537,840	DCF Model	Other spread, Prepayment rate, Interest rate
Borrowings		65,099,007	DCF Model	Other spread, Interest rate
Debentures		7,763,934	DCF Model	Other spread, Interest rate
	₩	<u>297,400,781</u>		

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

The Group uses external, independent and qualified valuation service in addition to internal valuation models to determine the fair value of financial instruments at the end of every reporting period.

If the changes in situation and events which cause transfers between the fair value hierarchy level for a financial asset or liability occur, the Group's policy is to recognize such transfers as having occurred at the beginning of the reporting period.

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

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023							
	Financial assets at fair value through profit or loss			Financial investments		Financial liabilities at fair value through profit or loss	Net derivative financial instruments	
	Due from financial institutions measured at fair value through profit or loss	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Loans measured at fair value through other comprehensive income	Financial liabilities designated at fair value through profit or loss	Derivatives held for trading	
Beginning	₩ 45,025	₩ 16,479,588	₩ 149,074	₩ 1,458,280	₩ -	₩ (8,231,303)	₩ (659,816)	
Total gains or losses:								
Profit or loss	4,866	441,352	(3,037)	-	-	(321,699)	(114,878)	
Other comprehensive income (loss)	-	1	-	(52,676)	-	(35,794)	-	
Purchases	-	2,737,742	40,255	126,804	-	-	10,504	
Sales	-	(1,437,547)	(3,869)	(50,078)	-	-	(9,410)	
Issues	-	-	-	-	-	(2,456,156)	(6,541)	
Settlements	-	-	-	-	-	3,692,947	48,914	
Transfers into Level 3 *	-	729	-	-	-	-	-	
Transfers out of Level 3 *	-	(45,946)	-	-	-	-	-	
Ending	₩ 49,891	₩ 18,175,919	₩ 182,423	₩ 1,482,330	₩ -	₩ (7,352,005)	₩ (731,227)	

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6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the nine-month periods ended September 30, 2023 and 2022, are as follows:
(cont'd)

(In millions of Korean won)

	2022						
	Financial assets at fair value through profit or loss			Financial investments		Financial liabilities at fair value through profit or loss	Net derivative financial instruments
	Due from financial institutions measured at fair value through profit or loss	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Loans measured at fair value through other comprehensive income	Financial liabilities designated at fair value through profit or loss	Derivatives held for trading
Beginning	₩ 72,016	₩ 13,677,260	₩ 93,929	₩ 1,444,435	₩ 13,970	₩ (7,817,514)	₩ 35,405
Total gains or losses:							
Profit or loss	(5,412)	353,968	(13,973)	-	-	1,021,322	(987,946)
Other comprehensive income (loss)	-	2,473	-	93,977	130	34,031	-
Purchases	11,689	4,280,711	65,082	43,471	-	-	17,141
Sales	(32,597)	(1,562,952)	(10,671)	-	(14,100)	-	(64,329)
Issues	-	-	-	-	-	(3,456,549)	(14,511)
Settlements	-	(61,055)	-	-	-	2,370,948	14,721
Transfers into Level 3 *	-	4,442	-	-	-	-	-
Transfers out of Level 3 *	-	(45,212)	-	-	-	-	-
Ending	₩ 45,696	₩ 16,649,635	₩ 134,367	₩ 1,581,883	₩ -	₩ (7,847,762)	₩ (999,519)

* Transfers into or out of Level 3 of the fair value hierarchy occurred due to the change in the availability of observable market data.

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6.2.2.2 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, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			2022		
	Net gains (losses) on financial instruments at fair value through profit or loss	Other operating income	Net interest income	Net gains (losses) on financial instruments at fair value through profit or loss	Other operating income	Net interest income
Total gains (losses) recognized in profit or loss for the period	₩ (178,648)	₩ 185,252	₩ -	₩ (114,273)	₩ 482,232	₩ -
Total gains (losses) recognized in profit or loss from financial instruments held at the end of the reporting period	28,901	173,776	-	59,254	447,286	-

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6.2.3 Sensitivity analysis of changes in unobservable inputs

6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

		September 30, 2023				
		Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial assets						
Financial assets at fair value through profit or loss:						
Due from financial institutions	₩ 49,891		Hull-white Model	Interest rate	2.50	The lower the interest rate, the higher the fair value
Debt securities	16,787,541		DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others	Growth rate	1.00 ~ 3.00	The higher the growth rate, the higher the fair value
				Volatility	0.60 ~ 113.53	The higher the volatility, the higher the fair value fluctuation
				Discount rate	2.55 ~ 13.62	The lower the discount rate, the higher the fair value
				Volatility of stock price	10.00 ~ 29.87	The higher the volatility, the higher the fair value
				Correlation coefficient between underlying assets	-60.13 ~ 89.47	The higher the correlation coefficient, the higher the fair value fluctuation
				Liquidation value	-1.00 ~ 1.00	The higher the liquidation value, the higher the fair value
				Recovery rate	40.00	The higher the recovery rate, the higher the fair value
				Rate of real estate price fluctuation	-1.00 ~ 1.00	The higher the sale price of real estate, the higher the fair value
Equity securities	1,388,378		Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others	Growth rate	0.00 ~ 3.00	The higher the growth rate, the higher the fair value
				Discount rate	2.15 ~ 23.00	The lower the discount rate, the higher the fair value
				Volatility	0.56 ~ 47.00	The higher the volatility, the higher the fair value fluctuation
Loans	182,423		DCF Model	Discount rate	9.87	The lower the discount rate, the higher the fair value

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6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

		September 30, 2023			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Derivatives held for trading:					
Stock and index	₩ 70,457	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model, Net Asset Value Method	Volatility of underlying asset Correlation coefficient	15.15 ~ 56.32 -60.13 ~ 78.03	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Currency, interest rate, and others	21,695	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Volatility Correlation coefficient	8.59 ~ 113.53 1.84 ~ 81.03	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:					
Equity securities	1,482,330	DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, IMV Model, Income Approach, Net Asset Value Method, Market Value Approach, Tree Model, MonteCarlo Simulation, and others	Growth rate Discount rate Volatility	0.00 ~ 2.00 8.17 ~ 20.00 19.94 ~ 21.98	The higher the growth rate, the higher the fair value The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation
		<u>₩ 19,982,715</u>			

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6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

		September 30, 2023			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial liabilities					
Financial liabilities designated at fair value through profit or loss:					
Derivative-linked securities	₩ 7,352,005	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others	Volatility of underlying asset Correlation coefficient	3.64 ~ 113.53 -60.13 ~ 89.47	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Derivatives held for trading:					
Stock and index	364,027	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others	Volatility of underlying asset Correlation coefficient	15.15 ~ 56.32 -60.13 ~ 78.03	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Others	459,352	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Discount rate Volatility of underlying asset Correlation coefficient between underlying assets	5.18 ~ 5.38 3.64 ~ 113.53 -60.13 ~ 89.47	The higher the discount rate, the lower the fair value The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
	<u>₩ 8,175,384</u>				

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6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

		December 31, 2022				
		Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial assets						
Financial assets at fair value through profit or loss:						
Due from financial institutions	₩	45,025	Hull-white Model	Interest rate	0.86	The lower the interest rate, the higher the fair value
Debt securities		15,233,555	DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others	Growth rate	0.00 ~ 3.00	The higher the growth rate, the higher the fair value
				Volatility	0.24 ~ 37.39	The higher the volatility, the higher the fair value fluctuation
				Discount rate	1.54 ~ 15.75	The lower the discount rate, the higher the fair value
				Correlation coefficient between underlying assets	-60.10 ~ 93.32	The higher the correlation coefficient, the higher the fair value fluctuation
				Liquidation value	-1.00 ~ 1.00	The higher the liquidation value, the higher the fair value
				Recovery rate	40.00	The higher the recovery rate, the higher the fair value
				Rate of real estate price fluctuation	-1.00 ~ 1.00	The higher the sale price of real estate, the higher the fair value
			Volatility of stock price	18.87 ~ 19.48	The higher the volatility, the higher the fair value fluctuation	
Equity securities		1,246,032	Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others	Growth rate	0.00 ~ 4.00	The higher the growth rate, the higher the fair value
				Discount rate	8.00 ~ 23.00	The lower the discount rate, the higher the fair value
				Volatility of stock price	16.80 ~ 25.50	The higher the volatility, the higher the fair value fluctuation
Loans		149,073	DCF Model	Discount rate	9.91	The lower the discount rate, the higher the fair value

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6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

		December 31, 2022			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Derivatives held for trading:					
Stock and index	₩ 79,297	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model, Net Asset Value	Volatility of underlying asset	10.00 ~ 58.84	The higher the volatility, the higher the fair value fluctuation
			Correlation coefficient	-60.10 ~ 79.72	The higher the correlation coefficient, the higher the fair value fluctuation
Currency, interest rate, and others	43,959	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Volatility	9.77 ~ 32.92	The higher the volatility, the higher the fair value fluctuation
			Correlation coefficient	8.42 ~ 93.32	The higher the correlation coefficient, the higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:					
Equity securities	1,458,280	Risk Adjusted Discount Rate Method, IMV Model, DCF Model, Comparable Company Analysis, Dividend Discount Model, Net Asset Value Method, Market Value Approach, Income Approach and others	Growth rate	0.00 ~ 2.00	The higher the growth rate, the higher the fair value
			Discount rate	7.96 ~ 19.14	The lower the discount rate, the higher the fair value
			Volatility of stock price	23.36 ~ 25.49	The higher the volatility, the higher the fair value fluctuation
			Volatility of interest rate	56.32 ~ 121.17	The higher the volatility, the higher the fair value fluctuation
<u>₩ 18,255,221</u>					

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6.2.3.1 Information about fair value measurements using unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

		December 31, 2022			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial liabilities					
Financial liabilities designated at fair value through profit or loss:					
Derivative-linked securities	₩ 8,231,303	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Net Asset Valuation	Volatility of underlying asset Correlation coefficient between underlying assets	1.00 ~ 119.27 -60.10 ~ 93.32	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Derivatives held for trading:					
Stock and index	370,093	DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Net Asset Valuation	Volatility of underlying asset Correlation coefficient between underlying assets	0.09 ~ 119.27 -60.10 ~ 79.72	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Others	412,978	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Discount rate Volatility of underlying asset Correlation coefficient between underlying assets	4.83 ~ 6.85 8.68 ~ 119.27 -50.43 ~ 93.32	The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
		<u>₩ 9,014,374</u>			

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6.2.3.2 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. Level 3 financial instruments subject to sensitivity analysis are (a) loans, equity-related derivatives, currency-related derivatives, and interest rate related derivatives whose fair value changes are recognized in profit or loss, (b) financial liabilities designated at fair value through profit or loss, and (c) due from financial institutions, debt securities (including beneficiary certificates), equity securities, and loans whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

Results of the sensitivity analysis of changes in unobservable inputs as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss: ¹				
Due from financial institutions	₩ 246	₩ (250)	₩ -	₩ -
Debt securities ⁴	96,781	(95,795)	-	-
Equity securities ³	22,445	(14,724)	-	-
Loans ⁵	2,193	(1,986)	-	-
Derivatives held for trading ²	11,895	(12,310)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities ³	-	-	128,226	(71,863)
	₩ 133,560	₩ (125,065)	₩ 128,226	₩ (71,863)
Financial liabilities				
Financial liabilities designated at fair value through profit or loss ¹	₩ 52,453	₩ (51,234)	₩ -	₩ -
Derivatives held for trading ²	22,339	(24,606)	-	-
	₩ 74,792	₩ (75,840)	₩ -	₩ -

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6.2.3.2 Sensitivity analysis of changes in unobservable inputs (cont'd)

(In millions of Korean won)

	December 31, 2022			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss: ¹				
Due from financial institutions	₩ 221	₩ (247)	₩ -	₩ -
Debt securities ⁴	19,034	(19,765)	-	-
Equity securities ³	34,564	(25,586)	-	-
Loans ⁵	2,276	(2,055)	-	-
Derivatives held for trading ²	18,076	(19,034)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities ³	-	-	179,307	(82,595)
	<u>₩ 74,171</u>	<u>₩ (66,687)</u>	<u>₩ 179,307</u>	<u>₩ (82,595)</u>
Financial liabilities				
Financial liabilities designated at fair value through profit or loss ¹	₩ 94,001	₩ (97,663)	₩ -	₩ -
Derivatives held for trading ²	48,768	(46,427)	-	-
	<u>₩ 142,769</u>	<u>₩ (144,090)</u>	<u>₩ -</u>	<u>₩ -</u>

¹ For financial instruments at fair value through profit or loss, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate, recovery rate, liquidation value by $\pm 1\%$ p and volatility of underlying asset, growth rate by $\pm 1\%$ p or $\pm 10\%$ and correlation coefficient by $\pm 10\%$.

² For derivative financial instruments, changes in fair value are calculated by shifting principal unobservable input parameters such as price of underlying asset and volatility by $\pm 10\%$.

³ For equity securities, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate (-1% p~ 1% p) and growth rate (-1% p~ 1% p).

⁴ For beneficiary certificates, it is practically impossible to analyze sensitivity of changes in unobservable inputs. However, for beneficiary certificates whose underlying assets are real estates, changes in fair value are calculated by shifting rate of real estate price fluctuation by -1% p~ 1% p, and for beneficiary certificates whose underlying assets are equity investments, changes in fair value are calculated by shifting principal unobservable input parameters such as liquidation value by -1% p~ 1% p and discount rate by -1% p~ 1% p.

⁵ For loans, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate by -1% p~ 1% p.

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6.2.4 Valuation gains and losses on transaction day

When the Group measures the fair value of OTC derivatives using inputs that are not based on observable market data, there could be a difference between the transaction price and the amount determined using that valuation technique. In these circumstances, the fair value of financial instruments is recognized as the transaction price, and the difference is not recognized in profit or loss but deferred and amortized using the straight-line method over the life of the financial instrument. When the fair value of the financial instruments is subsequently determined using observable market inputs, the remaining deferred amount is recognized in profit or loss.

Changes in deferred valuation gains and losses on transaction day for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Balance at the beginning of the period	₩ 71,504	₩ 77,208
New transactions	77,898	120,899
Changes during the period	(111,931)	(90,874)
Balance at the end of the period	<u>₩ 37,471</u>	<u>₩ 107,233</u>

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6.3 Carrying Amount of Financial Instruments by Category

Financial assets and liabilities are measured at fair value or amortized cost. Carrying amount of financial assets and liabilities by category as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023					
	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Financial instruments designated at fair value through other comprehensive income	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial assets						
Cash and due from financial institutions	₩ -	₩ -	₩ -	₩ 31,946,108	₩ -	₩ 31,946,108
Financial assets at fair value through profit or loss	72,864,006	-	-	-	-	72,864,006
Derivative financial assets	8,466,736	-	-	-	429,832	8,896,568
Loans measured at amortized cost	-	-	-	441,720,666	-	441,720,666
Financial investments	-	76,182,711	2,632,105	39,701,154	-	118,515,970
Other financial assets	-	-	-	23,757,812	-	23,757,812
	<u>₩ 81,330,742</u>	<u>₩ 76,182,711</u>	<u>₩ 2,632,105</u>	<u>₩ 537,125,740</u>	<u>₩ 429,832</u>	<u>₩ 697,701,130</u>

(In millions of Korean won)

	September 30, 2023					
	Financial instruments at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total	
Financial liabilities						
Financial liabilities at fair value through profit or loss	₩ 2,452,142	₩ 8,430,534	₩ -	₩ -	₩ 10,882,676	
Derivative financial liabilities	8,569,981	-	-	406,080	8,976,061	
Deposits	-	-	398,943,631	-	398,943,631	
Borrowings	-	-	70,352,817	-	70,352,817	
Debentures	-	-	68,608,805	-	68,608,805	
Other financial liabilities *	-	-	47,811,337	-	47,811,337	
	<u>₩ 11,022,123</u>	<u>₩ 8,430,534</u>	<u>₩ 585,716,590</u>	<u>₩ 406,080</u>	<u>₩ 605,575,327</u>	

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6.3 Carrying Amount of Financial Instruments by Category (cont'd)

(In millions of Korean won)

	December 31, 2022					
	Financial instruments at fair value through profit or loss	Financial instruments at fair value through other comprehensive income	Financial instruments designated at fair value through other comprehensive income	Financial instruments at amortized cost	Derivatives held for hedging	Total
Financial assets						
Cash and due from financial institutions	₩ -	₩ -	₩ -	₩ 32,474,750	₩ -	₩ 32,474,750
Financial assets at fair value through profit or loss	70,092,497	-	-	-	-	70,092,497
Derivative financial assets	8,984,171	-	-	-	462,409	9,446,580
Loans measured at amortized cost	-	-	-	433,038,931	-	433,038,931
Financial investments	-	77,197,625	2,335,793	35,919,241	-	115,452,659
Other financial assets	-	-	-	10,718,383	-	10,718,383
	<u>₩ 79,076,668</u>	<u>₩ 77,197,625</u>	<u>₩ 2,335,793</u>	<u>₩ 512,151,305</u>	<u>₩ 462,409</u>	<u>₩ 671,223,800</u>

(In millions of Korean won)

	December 31, 2022					
	Financial instruments at fair value through profit or loss	Financial instruments designated at fair value through profit or loss	Financial instruments at amortized cost	Derivatives held for hedging	Total	
Financial liabilities						
Financial liabilities at fair value through profit or loss	₩ 2,193,210	₩ 10,078,394	₩ -	₩ -	₩ 12,271,604	
Derivative financial liabilities	9,209,537	-	-	300,232	9,509,769	
Deposits	-	-	393,928,904	-	393,928,904	
Borrowings	-	-	71,717,366	-	71,717,366	
Debentures	-	-	68,698,203	-	68,698,203	
Other financial liabilities *	-	-	26,163,138	-	26,163,138	
	<u>₩ 11,402,747</u>	<u>₩ 10,078,394</u>	<u>₩ 560,507,611</u>	<u>₩ 300,232</u>	<u>₩ 582,288,984</u>	

* Other financial liabilities include lease liabilities that are not included in the category of financial instruments measured at amortized cost.

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7. Due from Financial Institutions Measured at Amortized Cost

7.1 Details of due from financial institutions as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>			Interest rate (%)					
		Financial institutions	as of	September 30,	September 30,	December 31,		
			September 30,	2023	2023	2022		
			2023					
Due from financial institutions in Korean won	Due from the Bank of Korea	The Bank of Korea	-	₩	15,551,612	₩	15,169,704	
	Due from banks	Hana Bank and others	0.00 ~ 5.60		2,803,324		3,941,987	
	Due from others	NH Investment & Securities Co., Ltd. and others	0.00 ~ 4.65		1,739,804		1,509,698	
					20,094,740	20,621,389		
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	Federal Reserve Bank of New York and others	0.00 ~ 5.16		6,242,465		5,653,587	
	Time deposits in foreign currencies	Bank of Communications Co., Ltd.(Seoul) and others	0.00 ~ 9.50		519,888		573,493	
	Due from others	State Street Bank and Trust Company(Seoul) and others	0.00 ~ 10.70		2,515,326		3,066,370	
					9,277,679	9,293,450		
					₩	29,372,419	₩	29,914,839

* Before netting of allowance

7.2 Details of restricted due from financial institutions as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>		Financial institutions	September 30,	December 31,	Reasons of restriction		
			2023	2022			
Due from financial institutions in Korean won	Due from the Bank of Korea	The Bank of Korea	₩	15,551,612	₩	15,169,704	Bank of Korea Act
	Due from banks	Shinhan Bank and others		136,540		522,306	Net settlement and others
	Due from others	NH Investment & Securities Co., Ltd. and others		1,012,751		1,113,712	Derivatives margin account and others
			16,700,903	16,805,722			
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	The Bank of Korea and others		1,440,218		2,350,933	Bank of Korea Act and others
	Time deposits in foreign currencies	Bank of Communications Co., Ltd.(New York) and others		97,714		72,437	Bank Act of the State of New York and others
	Due from others	State Steet Bank and Trust Company(Seoul) and others		1,829,197		2,092,655	Derivatives margin account and others
			3,367,129	4,516,025			
			₩	20,068,032	₩	21,321,747	

* Before netting of allowance

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7.3 Changes in allowances for credit losses of due from financial institutions for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			
	12-month expected credit losses	Lifetime expected credit losses		
		Non-impaired	Impaired	
Beginning	₩ 2,743	₩ -	₩ -	-
Transfer between stages:				
Transfer to 12-month expected credit losses	-	-		-
Transfer to lifetime expected credit losses	-	-		-
Impairment	-	-		-
Sales	-	-		-
Provision for credit losses	386	-		-
Business combination	6	-		-
Others	540	-		-
Ending	₩ 3,675	₩ -	₩ -	-

(In millions of Korean won)

	2022			
	12-month expected credit losses	Lifetime expected credit losses		
		Non-impaired	Impaired	
Beginning	₩ 2,969	₩ -	₩ -	-
Transfer between stages:				
Transfer to 12-month expected credit losses	-	-		-
Transfer to lifetime expected credit losses	-	-		-
Impairment	-	-		-
Sales	-	-		-
Provision for credit losses	402	-		-
Others	169	-		-
Ending	₩ 3,540	₩ -	₩ -	-

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8. Derivative Financial Instruments and Hedge Accounting

The Group's derivative operations focus on addressing the needs of the Group's corporate clients to hedge their risk exposure and hedging the Group's risk exposure that results from such client contracts. The Group also engages in derivative trading activities to hedge the interest rate risk and currency risk arising from the Group's own assets and liabilities. In addition, the Group engages in proprietary trading of derivatives within the predetermined transaction limit.

The Group provides and trades a range of derivative financial instruments, including:

- Interest rate swaps relating to interest rate risk in Korean won
- Cross-currency swaps, forwards, and options relating to currency risk
- Stock index options linked with the Korea Composite Stock Price Index ("KOSPI")

In particular, the Group applies fair value hedge accounting using interest rate swaps, currency forwards, and others to hedge the risk of changes in fair value due to the changes in interest rate and foreign exchange rate of structured debentures in Korean won, debentures in foreign currencies, structured deposits in foreign currencies, and others. The Group applies cash flow hedge accounting using interest rate swaps, currency swaps, and others to hedge the risk of changes in cash flows of floating rate debt securities in Korean won, borrowings in foreign currencies, group of loans measured at amortized cost, and others. In addition, the Group applies net investments in foreign operations hedge accounting by designating debentures in foreign currencies and cross currency forwards as hedging instruments to hedge the currency risk of net investments in foreign operations.

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8.1 Details of derivative financial instruments held for trading as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			December 31, 2022		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate						
Forwards	₩ 14,530,438	₩ 893,013	₩ 463,172	₩ 8,261,663	₩ 821,603	₩ 431,002
Futures *	4,173,213	2,552	1,034	4,450,505	765	256
Swaps	444,017,942	874,423	817,827	359,581,194	859,670	694,713
Options	9,544,000	297,485	307,735	10,508,000	274,596	272,284
	<u>472,265,593</u>	<u>2,067,473</u>	<u>1,589,768</u>	<u>382,801,362</u>	<u>1,956,634</u>	<u>1,398,255</u>
Currency						
Forwards	124,966,484	2,380,188	1,335,231	115,682,577	2,813,603	2,472,119
Futures *	692,348	2,019	72	413,960	36	2,364
Swaps	90,064,027	3,498,730	4,530,760	91,646,725	3,525,458	4,049,390
Options	1,363,675	11,274	4,352	1,852,065	27,258	13,025
	<u>217,086,534</u>	<u>5,892,211</u>	<u>5,870,415</u>	<u>209,595,327</u>	<u>6,366,355</u>	<u>6,536,898</u>
Stock and index						
Futures *	1,617,315	14,752	10,456	1,828,302	37,455	89,624
Swaps	5,708,892	321,998	452,950	6,649,735	377,840	492,275
Options	6,598,539	107,743	311,983	7,257,715	168,311	359,274
	<u>13,924,746</u>	<u>444,493</u>	<u>775,389</u>	<u>15,735,752</u>	<u>583,606</u>	<u>941,173</u>
Credit						
Swaps	3,326,894	20,145	10,295	3,006,114	32,860	17,468
	<u>3,326,894</u>	<u>20,145</u>	<u>10,295</u>	<u>3,006,114</u>	<u>32,860</u>	<u>17,468</u>
Commodity						
Futures *	35,617	157	870	28,577	1,970	941
Swaps	32,995	978	978	-	-	-
Options	34,885	121	120	131,500	887	885
	<u>103,497</u>	<u>1,256</u>	<u>1,968</u>	<u>160,077</u>	<u>2,857</u>	<u>1,826</u>
Others	<u>1,176,710</u>	<u>41,158</u>	<u>322,146</u>	<u>1,003,301</u>	<u>41,859</u>	<u>313,917</u>
	<u>₩ 707,883,974</u>	<u>₩ 8,466,736</u>	<u>₩ 8,569,981</u>	<u>₩ 612,301,933</u>	<u>₩ 8,984,171</u>	<u>₩ 9,209,537</u>

* Gains or losses arising from some daily mark-to-market futures are reflected in the margin accounts.

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8.2 Average price conditions of future nominal cash flows by type of hedge accounting as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	December 31, 2023						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	₩ 5,586,200	₩ 3,799,644	₩ 1,642,332	₩ 519,301	₩ 264,447	₩ 2,305,121	₩ 14,117,045
Average price condition (%)	4.09	4.75	5.06	5.68	5.39	4.83	4.63
Average price condition (KRW/USD)	1,262.50	1,302.25	1,206.09	-	-	-	1,267.17
Average price condition (KRW/EUR)	1,365.40	1,397.88	1,433.03	1,448.34	-	-	1,402.19
Average price condition (KRW/AUD)	886.53	833.60	-	-	-	-	885.94
Average price condition (KRW/GBP)	-	1,537.21	-	-	-	-	1,537.21
Cash flow hedge							
Nominal amount of the hedging instrument	₩ 1,854,888	₩ 1,452,456	₩ 2,295,039	₩ 1,247,249	₩ 210,428	₩ 210,000	₩ 7,270,060
Average price condition (%)	4.39	3.10	10.04	9.35	5.26	2.72	10.67
Average price condition (KRW/USD)	1,184.93	1,206.06	1,229.35	1,246.80	1,155.92	-	1,209.70
Average price condition (KRW/EUR)	1,364.00	1,370.12	-	-	1,392.00	-	1,372.29
Average price condition (KRW/AUD)	856.40	851.50	889.00	-	-	-	866.92
Average price condition (KRW/SGD)	866.14	-	-	-	-	-	866.14
Hedge of net investments in foreign operations							
Nominal amount of the hedging instrument	₩ 62,100	₩ -	₩ -	₩ 216,513	₩ -	₩ -	₩ 278,613
Average price condition (KRW/USD)	1,071.00	-	-	1,178.92	-	-	1,164.76
Average price condition (KRW/GBP)	1,465.26	-	-	-	-	-	1,465.26

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8.2 Average price conditions of future nominal cash flows by type of hedge accounting as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	₩ 5,677,321	₩ 1,921,072	₩ 2,701,675	₩ 1,883,332	₩ 426,551	₩ 2,147,845	₩ 14,757,796
Average price condition (%)	4.17	4.52	4.64	4.56	4.36	4.64	4.43
Average price condition (KRW/USD)	1,197.01	1,262.56	1,276.70	-	-	-	1,240.59
Average price condition (KRW/EUR)	1,363.42	1,373.32	-	1,436.86	-	-	1,387.71
Average price condition (KRW/AUD)	886.23	895.76	-	-	-	-	890.17
Average price condition (KRW/GBP)	1,617.02	-	1,535.25	-	-	-	1,537.85
Cash flow hedge							
Nominal amount of the hedging instrument	₩ 3,033,420	₩ 892,720	₩ 1,846,139	₩ 771,585	₩ 1,078,676	₩ 210,000	₩ 7,832,540
Average price condition (%)	2.90	2.60	4.42	4.62	4.95	3.99	3.54
Average price condition (KRW/USD)	1,178.13	1,196.80	1,166.24	1,225.35	1,252.61	-	1,202.02
Average price condition (KRW/EUR)	1,321.00	1,364.00	1,374.73	-	-	-	1,362.51
Average price condition (KRW/AUD)	-	856.40	851.50	-	-	-	853.40
Average price condition (KRW/SGD)	866.14	-	-	-	-	-	866.14
Hedge of net investments in foreign operations							
Nominal amount of the hedging instrument	₩ 65,012	₩ 27,499	₩ -	₩ -	₩ -	₩ -	₩ 92,511
Average price condition (KRW/USD)	1,071.00	-	-	-	-	-	1,071.00
Average price condition (KRW/GBP)	-	1,465.26	-	-	-	-	1,465.26

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8.3 Fair Value Hedge

8.3.1 Details of fair value hedged items as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

		September 30, 2023				2023
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Hedge accounting						
Interest rate	Debt securities in Korean won	₩ 1,940,153	₩ -	₩ (82,269)	₩ -	₩ 17,800
	Debt securities in foreign currencies	2,757,612	-	(190,012)	-	16,552
	Deposits in Korean won	-	48,039	-	(1,961)	1,961
	Deposits in foreign currencies	-	30,857	-	(9,488)	896
	Debentures in Korean won	-	6,406,056	-	(223,944)	(17,137)
	Debentures in foreign currencies	-	1,322,758	-	(116,178)	20,313
			<u>4,697,765</u>	<u>7,807,710</u>	<u>(272,281)</u>	<u>(351,571)</u>
Currency	Debt securities in foreign currencies	1,500,689	-	178,230	-	4,778
		1,500,689	-	178,230	-	4,778
		<u>₩ 6,198,454</u>	<u>₩ 7,807,710</u>	<u>₩ (94,051)</u>	<u>₩ (351,571)</u>	<u>₩ 45,163</u>

(In millions of Korean won)

		December 31, 2022				2022
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Hedge accounting						
Interest rate	Debt securities in Korean won	₩ 2,467,171	₩ -	₩ (107,444)	₩ -	₩ (129,945)
	Debt securities in foreign currencies	3,142,973	-	(232,085)	-	(261,856)
	Deposits in foreign currencies	-	29,429	-	(8,591)	9,673
	Debentures in Korean won	-	5,690,371	-	(249,629)	230,051
	Debentures in foreign currencies	-	1,196,781	-	(95,865)	139,450
			<u>5,610,144</u>	<u>6,916,581</u>	<u>(339,529)</u>	<u>(354,085)</u>
Currency	Debt securities in foreign currencies	1,602,384	-	(79,616)	-	325,824
		1,602,384	-	(79,616)	-	325,824
		<u>₩ 7,212,528</u>	<u>₩ 6,916,581</u>	<u>₩ (419,145)</u>	<u>₩ (354,085)</u>	<u>₩ 313,197</u>

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8.3.2 Details of derivative instruments designated as fair value hedge as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	September 30, 2023				2023
	Notional amount	Carrying amount		Changes in fair value	
		Assets	Liabilities		
Interest rate					
Swaps	₩ 12,507,063	₩ 141,500	₩ 134,538	₩	(33,733)
Currency					
Forwards	1,609,982	16,308	49,958		(64,913)
	₩ 14,117,045	₩ 157,808	₩ 184,496	₩	(98,646)

(In millions of Korean won)

	December 31, 2022				2022
	Notional amount	Carrying amount		Changes in fair value	
		Assets	Liabilities		
Interest rate					
Swaps	₩ 13,290,183	₩ 186,258	₩ 104,856	₩	15,559
Currency					
Forwards	1,467,613	37,015	29,069		(300,591)
	₩ 14,757,796	₩ 223,273	₩ 133,925	₩	(285,032)

8.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Hedge accounting				
Interest rate	₩	6,652	₩	2,932
Currency		(60,135)		25,233
	₩	(53,483)	₩	28,165

8.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Losses on hedging instruments	₩	(95,172)	₩	(275,004)
Gains on hedged items attributable to the hedged risk		43,022		292,466
	₩	(52,150)	₩	17,462

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8.4 Cash Flow Hedge

8.4.1 Details of cash flow hedged items as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	Cash flow hedge reserve		Changes in fair value	
	September 30, 2023	December 31, 2022	2023	2022
Hedge accounting				
Interest rate risk	₩ 11,005	₩ 46,234	₩ 14,635	₩ (102,900)
Currency risk	(39,257)	(26,602)	(5,191)	39,557
	₩ (28,252)	₩ 19,632	₩ 9,444	₩ (63,343)

8.4.2 Details of derivative instruments designated as cash flow hedge as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			2023
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Forwards	₩ 750,396	₩ 2,920	₩ 93,443	₩ (23,522)
Swaps	3,223,213	113,487	-	16,739
Currency				
Swaps	3,296,451	155,617	118,441	3,724
	₩ 7,270,060	₩ 272,024	₩ 211,884	₩ (3,059)

(In millions of Korean won)

	December 31, 2022			2022
	Notional amount	Assets	Liabilities	Changes in fair value
Interest rate				
Forwards	₩ 1,079,652	₩ 20,200	₩ 56,753	₩ (70,443)
Swaps	3,231,288	101,975	124	112,913
Currency				
Swaps	3,521,600	116,961	98,237	103,248
	₩ 7,832,540	₩ 239,136	₩ 155,114	₩ 145,718

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8.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>		<u>2022</u>
Gains (losses) on hedging instruments:	₩ (3,059)	₩	145,718
Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss)	(5,185)		139,039
Ineffective portion of gains on cash flow hedging instruments (recognized in profit or loss)	2,126		6,679

8.4.4 Amounts recognized in other comprehensive income (loss) and reclassified from equity to profit or loss related to derivative instruments designated as cash allow hedge for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>		<u>2022</u>
Other comprehensive income (loss)	₩ (5,185)	₩	139,039
Reclassification to profit or loss	(44,187)		(113,299)
Income tax effect	1,488		(46,368)
	<u>₩ (47,884)</u>	<u>₩</u>	<u>(20,628)</u>

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8.5 Hedge of Net Investments in Foreign Operations

8.5.1 Details of net investments in foreign operations hedged items as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	Foreign currency translation reserve		Changes in fair value	
	September 30, 2023	December 31, 2022	2023	2022
Hedge accounting				
Currency risk	₩ (184,644)	₩ (114,742)	₩ 94,983	₩ 318,925

8.5.2 Details of financial instruments designated as hedge of net investments in foreign operations as of September 30, 2023 and December 31, 2022 and changes in fair value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			2023
	Notional amount	Assets	Liabilities	Changes in fair value
Currency				
Forwards	₩ 62,100	₩ -	₩ 9,700	₩ 1,124
Debentures in foreign currencies	1,505,409	-	1,505,409	(96,107)
	₩ 1,567,509	₩ -	₩ 1,515,109	₩ (94,983)

(In millions of Korean won)

	December 31, 2022			2022
	Notional amount	Assets	Liabilities	Changes in fair value
Currency				
Forwards	₩ 92,511	₩ -	₩ 11,193	₩ (51,177)
Debentures in foreign currencies	1,361,080	-	1,361,080	(267,748)
	₩ 1,453,591	₩ -	₩ 1,372,273	₩ (318,925)

8.5.3 Fair value of non-derivative financial instruments designated as hedge of net investments in foreign operations as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Debentures in foreign currencies	₩ 1,535,965	₩ 1,211,215

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8.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	<u>2023</u>	<u>2022</u>
Losses on hedging instruments:	₩ (94,983)	₩ (318,925)
Effective portion of losses on hedge of net investments in foreign operations (recognized in other comprehensive income or loss)	(94,983)	(318,925)
Ineffective portion of losses on hedge of net investments in foreign operations (recognized in profit or loss)	-	-

8.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive income (loss) for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	<u>2023</u>	<u>2022</u>
Other comprehensive loss	₩ (94,983)	₩ (318,925)
Reclassification to profit or loss	-	-
Income tax effect	25,081	85,588
	<u>₩ (69,902)</u>	<u>₩ (233,337)</u>

8.6 Interest Rate Benchmark Reform

The USD LIBOR interest rate will be replaced by the Secured Overnight Financing Rate (“SOFR”) based on actual transactions. In the case of KRW, the Korean government bond/monetary stabilization bond RP rate has been finally decided as the Risk-Free Reference Rate (“RFR”) and will replace the Certificate of Deposit (“CD”) rate in the mid to long-term. Within the corresponding hedging relationship of related significant interest rate benchmark, the Group assumed that the spread to be changed on the RFR basis including SOFR would be similar to that included in the interest rate swap used as a hedging instrument, and no other changes were assumed.

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9. Loans Measured at Amortized Cost

9.1 Details of loans as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Loans measured at amortized cost	₩ 446,056,666	₩ 436,647,081
Deferred loan origination fees and costs	577,266	552,834
Less: Allowances for credit losses	(4,913,266)	(4,160,984)
	<u>₩ 441,720,666</u>	<u>₩ 433,038,931</u>

9.2 Details of loans to banks as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Loans measured at amortized cost	₩ 10,751,207	₩ 9,751,737
Less: Allowances for credit losses	(3,308)	(1,951)
	<u>₩ 10,747,899</u>	<u>₩ 9,749,786</u>

9.3 Details of loan types and customer types of loans to customers other than banks as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Retail	Corporate	Credit card	Total
Loans in Korean won	₩ 176,031,542	₩ 187,853,084	₩ -	₩ 363,884,626
Loans in foreign currencies	5,204,352	26,342,024	-	31,546,376
Domestic import usance bills	-	4,772,464	-	4,772,464
Off-shore funding loans	-	707,608	-	707,608
Call loans	-	102,604	-	102,604
Bills bought in Korean won	-	3,166	-	3,166
Bills bought in foreign currencies	-	2,126,034	-	2,126,034
Guarantee payments under acceptances and guarantees	-	25,133	-	25,133
Credit card receivables in Korean won	-	-	22,218,754	22,218,754
Credit card receivables in foreign currencies	-	-	46,516	46,516
Bonds purchased under repurchase agreements	-	2,017,083	-	2,017,083
Privately placed bonds	-	938,269	-	938,269
Factored receivables	22	150	-	172
Lease receivables	469,548	384,473	-	854,021
Loans for installment credit	5,999,612	640,287	-	6,639,899
	<u>187,705,076</u>	<u>225,912,379</u>	<u>22,265,270</u>	<u>435,882,725</u>
Proportion (%)	43.06	52.83	5.11	100.00
Less: Allowances for credit losses	(1,364,561)	(2,592,192)	(953,205)	(4,909,958)
	<u>₩ 186,340,515</u>	<u>₩ 223,320,187</u>	<u>₩ 21,312,065</u>	<u>₩ 430,972,767</u>

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9.3 Details of loan types and customer types of loans to customers other than banks as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022			
	Retail	Corporate	Credit card	Total
Loans in Korean won	₩ 177,278,504	₩ 177,766,170	₩ -	₩ 355,044,674
Loans in foreign currencies	4,667,895	26,052,080	-	30,719,975
Domestic import usance bills	-	4,499,072	-	4,499,072
Off-shore funding loans	-	908,266	-	908,266
Call loans	-	119,066	-	119,066
Bills bought in Korean won	-	285,727	-	285,727
Bills bought in foreign currencies	-	1,780,874	-	1,780,874
Guarantee payments under acceptances and guarantees	1	18,459	-	18,460
Credit card receivables in Korean won	-	-	22,562,217	22,562,217
Credit card receivables in foreign currencies	-	-	47,376	47,376
Bonds purchased under repurchase agreements	-	3,151,157	-	3,151,157
Privately placed bonds	-	719,079	-	719,079
Factored receivables	111	5	-	116
Lease receivables	576,165	558,318	-	1,134,483
Loans for installment credit	5,915,223	542,413	-	6,457,636
	<u>188,437,899</u>	<u>216,400,686</u>	<u>22,609,593</u>	<u>427,448,178</u>
Proportion (%)	44.08	50.63	5.29	100.00
Less: Allowances for credit losses	(1,337,366)	(1,983,825)	(837,842)	(4,159,033)
	<u>₩ 187,100,533</u>	<u>₩ 214,416,861</u>	<u>₩ 21,771,751</u>	<u>₩ 423,289,145</u>

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10. Allowances for Credit Losses

10.1 Changes in allowances for credit losses of loans measured at amortized cost for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023								
	Retail			Corporate			Credit card		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired		Non- impaired	Impaired		Non- impaired	Impaired
Beginning	₩ 602,037	₩ 284,816	₩ 450,513	₩ 522,552	₩ 561,936	₩ 901,288	₩ 163,185	₩ 354,315	₩ 320,342
Transfer between stages:									
Transfer to 12-month expected credit losses	119,890	(115,826)	(4,064)	108,494	(101,651)	(6,843)	79,739	(77,440)	(2,299)
Transfer to lifetime expected credit losses	(96,344)	126,180	(29,836)	(97,441)	128,059	(30,618)	(21,268)	25,165	(3,897)
Impairment	(9,711)	(66,885)	76,596	(6,007)	(93,590)	99,597	(2,687)	(29,620)	32,307
Write-offs	-	-	(474,543)	-	9	(197,707)	-	-	(420,304)
Sales	(979)	(528)	(12,639)	-	(241)	(17,904)	-	-	-
Provision (reversal) for credit losses ^{1,2}	(42,849)	56,808	491,928	295,077	116,915	370,827	(14,333)	41,952	537,330
Others (exchange differences, etc.)	2,391	749	6,857	16	1,014	41,718	134	139	(29,555)
Ending	₩ 574,435	₩ 285,314	₩ 504,812	₩ 822,691	₩ 612,451	₩ 1,160,358	₩ 204,770	₩ 314,511	₩ 433,924

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10.1 Changes in allowances for credit losses of loans measured at amortized cost for the nine-month periods ended September 30, 2023 and 2022, are as follows:
(cont'd)

(In millions of Korean won)

	2022								
	Retail			Corporate			Credit card		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired		Non- impaired	Impaired		Non- impaired	Impaired
Beginning	₩ 474,475	₩ 242,819	₩ 288,912	₩ 448,084	₩ 477,993	₩ 960,964	₩ 175,168	₩ 322,649	₩ 294,327
Transfer between stages:									
Transfer to 12-month expected credit losses	112,580	(104,070)	(8,510)	120,364	(103,252)	(17,112)	50,823	(49,950)	(873)
Transfer to lifetime expected credit losses	(82,825)	102,587	(19,762)	(73,543)	94,695	(21,152)	(23,653)	24,910	(1,257)
Impairment	(5,428)	(48,665)	54,093	(6,070)	(34,578)	40,648	(1,894)	(20,470)	22,364
Write-offs	-	(1)	(322,687)	-	(3)	(376,370)	-	-	(326,183)
Sales	(813)	(83)	(8,129)	(103)	(87)	(63,270)	-	-	-
Provision (reversal) for credit losses ^{1,2}	36,001	57,311	341,115	34,133	120,831	123,634	(33,722)	43,763	331,917
Others (exchange differences, etc.)	1,147	1,769	13,872	17,996	(1,881)	52,734	114	-	(8,793)
Ending	₩ 535,137	₩ 251,667	₩ 338,904	₩ 540,861	₩ 553,718	₩ 700,076	₩ 166,836	₩ 320,902	₩ 311,502

¹ Provision for credit losses in the consolidated statements of comprehensive income also includes provision (reversal) for credit losses of due from financial institutions (Note 7.3), provision (reversal) for credit losses of financial investments (Note 11.5), provision (reversal) for credit losses of unused commitments, acceptances and guarantees (Note 18.2), provision (reversal) for credit losses of financial guarantee contracts (Note 18.3), and provision (reversal) for credit losses of other financial assets.

² Includes ₩ 232,917 million and ₩ 336,694 million of collections from written-off loans for the nine-month periods ended September 30, 2023 and 2022, respectively.

The Group manages the written-off loans that their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 9,915,832 million and ₩ 9,830,171 million as of September 30, 2023 and December 31, 2022, respectively.

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10.2 Changes in gross carrying amount of loans for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	12-month expected	Lifetime expected credit losses	
	credit losses	Non-impaired	Impaired
Beginning	₩ 399,089,134	₩ 34,563,171	₩ 3,547,610
Transfer between stages:			
Transfer to 12-month expected credit losses	27,874,429	(27,563,651)	(310,778)
Transfer to lifetime expected credit losses (non-impaired)	(31,308,737)	31,864,424	(555,687)
Transfer to lifetime expected credit losses (impaired)	(1,397,503)	(2,194,373)	3,591,876
Write-offs	-	9	(1,092,554)
Sales	(3,058,051)	(36,288)	(215,524)
Net increase (decrease) (execution, repayment, and others)	18,201,847	(4,289,165)	(76,257)
Ending	₩ 409,401,119	₩ 32,344,127	₩ 4,888,686

(In millions of Korean won)

	2022		
	12-month expected	Lifetime expected credit losses	
	credit losses	Non-impaired	Impaired
Beginning	₩ 381,796,028	₩ 32,788,361	₩ 3,485,825
Transfer between stages:			
Transfer to 12-month expected credit losses	27,741,293	(27,568,406)	(172,887)
Transfer to lifetime expected credit losses (non-impaired)	(31,195,862)	31,552,551	(356,689)
Transfer to lifetime expected credit losses (impaired)	(695,707)	(1,074,734)	1,770,441
Write-offs	-	(4)	(1,025,240)
Sales	(3,120,629)	(15,203)	(174,115)
Net increase (decrease) (execution, repayment, and others)	44,572,448	(1,155,543)	2,689
Ending	₩ 419,097,571	₩ 34,527,022	₩ 3,530,024

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11. Financial Assets at Fair Value through Profit or Loss and Financial Investments

11.1 Details of financial assets at fair value through profit or loss and financial investments as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Financial assets at fair value through profit or loss		
Debt securities:		
Government and public bonds	₩ 10,687,631	₩ 9,310,991
Financial bonds	10,746,586	12,509,496
Corporate bonds	6,245,181	4,983,552
Asset-backed securities	107,437	164,543
Beneficiary certificates	20,147,016	19,838,465
Derivative-linked securities	1,716,467	1,625,950
Other debt securities	19,430,784	17,466,400
Equity securities:		
Stocks	2,868,023	2,926,094
Other equity securities	568,558	613,969
Loans:		
Privately placed bonds	149,549	158,731
Other loans	33,140	334,831
Due from financial institutions:		
Other due from financial institutions	74,143	69,469
Others	89,491	90,006
	<u>₩ 72,864,006</u>	<u>₩ 70,092,497</u>
Financial investments		
Financial assets at fair value through other comprehensive income		
Debt securities:		
Government and public bonds	₩ 30,156,619	₩ 29,556,711
Financial bonds	20,843,243	22,009,492
Corporate bonds	22,349,679	24,134,382
Asset-backed securities	1,745,207	662,791
Other debt securities	257,084	284,977
Equity securities:		
Stocks	1,850,820	1,907,737
Equity investments	9,559	17,096
Other equity securities	771,725	410,960
Loans:		
Privately placed bonds	830,880	549,272
	<u>78,814,816</u>	<u>79,533,418</u>
Financial assets at amortized cost		
Debt securities:		
Government and public bonds	6,497,254	6,520,633
Financial bonds	14,271,345	10,965,141
Corporate bonds	9,685,703	10,642,200
Asset-backed securities	8,867,258	7,432,860
Other debt securities	397,624	363,985
Less: Allowances for credit losses	(18,030)	(5,578)
	<u>39,701,154</u>	<u>35,919,241</u>
	<u>₩ 118,515,970</u>	<u>₩ 115,452,659</u>

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11.2 Dividend income from equity securities designated at fair value through other comprehensive income for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

		2023		2022	
		From the equity securities derecognized	From the equity securities held	From the equity securities derecognized	From the equity securities held
Equity securities measured at fair value through other comprehensive income:					
Stocks	Listed	₩ -	₩ 1,999	₩ -	₩ 411
	Unlisted	-	14,406	-	22,140
	Other equity securities	1,874	19,871	-	9,441
		₩ 1,874	₩ 36,276	₩ -	₩ 31,992

11.3 Derecognized equity securities measured at fair value through other comprehensive income for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

		2023		2022	
		Disposal price	Accumulated other comprehensive income (loss) as of disposal date	Disposal price	Accumulated other comprehensive income as of disposal date
Equity securities measured at fair value through other comprehensive income:					
Stocks	Listed	₩ 36,595	₩ 36,719	₩ 424,306	₩ 334,069
	Unlisted	-	(758)	-	-
		₩ 36,595	₩ 35,961	₩ 424,306	₩ 334,069

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11.4 Provision (reversal) for credit losses of financial investments for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	Provision	Reversal	Total
Securities measured at fair value through other comprehensive income	₩ 11,197	₩ (2,327)	₩ 8,870
Loans measured at fair value through other comprehensive income	490	(3)	487
Securities measured at amortized cost	13,474	(1,033)	12,441
	₩ 25,161	₩ (3,363)	₩ 21,798

(In millions of Korean won)

	2022		
	Provision	Reversal	Total
Securities measured at fair value through other comprehensive income	₩ 3,731	₩ (1,254)	₩ 2,477
Loans measured at fair value through other comprehensive income	194	(185)	9
Securities measured at amortized cost	2,779	(365)	2,414
	₩ 6,704	₩ (1,804)	₩ 4,900

11.5 Changes in allowances for credit losses of financial investments for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	₩ 16,343	₩ 270	₩ 76
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(512)	(270)	-
Provision for credit losses	21,798	-	-
Others	(189)	-	-
Ending	₩ 37,440	₩ -	₩ 76

(In millions of Korean won)

	2022		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	₩ 18,952	₩ 28	₩ 76
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(474)	(23)	-
Provision for credit losses	4,803	98	-
Others	334	-	-
Ending	₩ 23,615	₩ 103	₩ 76

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12. Investments in Associates and Joint Ventures

12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023				Industry	Location
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount		
KB-KDBC Pre-IPO New Technology Business Investment Fund ²	66.66	₩ 3,601	₩ 6,022	₩ 6,022	Investment finance	Korea
Balhae Infrastructure Company ¹	12.61	91,675	89,463	89,427	Investment finance	Korea
Hahn & Company No. 4-3 Private Equity Fund	24.82	8,188	11,443	7,253	Investment finance	Korea
Aju Good Technology Venture Fund	38.47	343	14,224	14,224	Investment finance	Korea
Incheon Bridge Co., Ltd. ¹	14.99	9,158	(13,274)	-	Operation of highways and related facilities	Korea
Big Dipper Co., Ltd. ¹	17.86	440	87	87	Research, consulting, and big data	Korea
Food Factory Co., Ltd. ⁴	22.22	1,000	590	1,448	Farm product distribution	Korea
KBSP Private Equity Fund No.4 ¹	14.95	6,100	2,852	2,852	Investment finance	Korea
Korea Credit Bureau Co., Ltd. ¹	9.00	4,500	6,744	6,744	Credit information	Korea
KB Social Impact Investment Fund	30.00	4,500	5,018	5,018	Investment finance	Korea
KB-Solidus Global Healthcare Fund ²	43.33	17,217	23,297	23,994	Investment finance	Korea
POSCO-KB Shipbuilding Fund	31.25	1,826	4,503	4,503	Investment finance	Korea
KB-TS Technology Venture Private Equity Fund ²	56.00	9,072	12,487	12,487	Investment finance	Korea
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund ²	42.55	4,850	12,205	11,455	Investment finance	Korea
KB-SJ Tourism Venture Fund ¹	18.52	4,599	3,841	3,841	Investment finance	Korea
UNION Media Commerce Fund	28.99	1,000	953	953	Investment finance	Korea
KB-Stonebridge Secondary Private Equity Fund ¹	14.56	16,837	16,756	16,756	Investment finance	Korea
KB SPROTT Renewable Private Equity Fund No.1 ²	37.69	17,565	15,917	15,974	Investment finance	Korea
KB-UTC Inno-Tech Venture Fund ²	44.29	19,125	17,138	17,140	Investment finance	Korea
WJ Private Equity Fund No.1	26.95	10,000	9,526	9,526	Investment finance	Korea
All Together Korea Fund No.2 ⁵	99.99	10,000	10,463	10,463	Asset management	Korea

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12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	September 30, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB-NAU Special Situation Corporate Restructuring Private Equity Fund ¹	12.00	₩ 9,572	₩ 11,569	₩ 11,569	Asset management	Korea
December & Company Inc. ¹	16.78	29,951	1,165	1,165	Investment finance	Korea
2020 KB Fintech Renaissance Fund ¹	5.05	550	1,084	1,084	Investment finance	Korea
KB Material and Parts No.1 PEF ¹	14.47	3,400	3,313	3,313	Investment finance	Korea
FineKB Private Equity Fund No.1	25.00	10,650	7,894	7,894	Investment finance	Korea
G payment Joint Stock Company	43.84	9,271	3,512	9,371	Investment advisory and securities trading	Vietnam
KB-GeneN Medical Venture Fund No.1	22.52	2,000	1,933	1,933	Investment finance	Korea
KB-BridgePole Venture Investment Fund ¹	6.30	850	822	822	Investment finance	Korea
KB-Kyobo New Mobility Power Fund	28.57	3,000	2,785	2,785	Investment finance	Korea
DA-Friend New Technology Investment Fund No.2	27.06	988	933	933	Investment finance	Korea
Cornerstone Pentastone Fund No.4	21.52	818	780	780	Investment finance	Korea
Star-Lord General Investors Private Real Estate Investment Company No.10	26.24	46,700	49,395	-	Real estate investment	Korea
KB-Badgers Future Mobility ESG Fund No.1	40.91	7,675	6,286	6,286	Investment finance	Korea
JS Private Equity Fund No.3	20.48	1,700	2,802	2,802	Investment finance	Korea
Mirae Asset Mobility Investment Fund No.1	22.99	2,000	1,957	1,957	Investment finance	Korea
KB-FT 1st Green Growth Investment Fund ¹	10.34	2,000	1,939	1,939	Investment finance	Korea
Glenwood Credit Private Equity Fund No.2	29.89	42,000	43,196	43,196	Investment finance	Korea
THE CHAEUL FUND NO.1	31.25	1,000	977	977	Investment finance	Korea
Smart Korea KB Future9-Sejong Venture Fund	38.46	3,000	2,844	2,844	Investment finance	Korea
KB-KTB Technology Venture Fund ²	50.90	22,400	21,491	21,491	Investment finance	Korea
KB-SOLIDUS Healthcare Investment Fund ²	90.40	24,762	22,790	22,675	Investment finance	Korea

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12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	September 30, 2023						
	Ownership (%)	Acquisition cost	Share of net asset amount		Carrying amount	Industry	Location
Paramark KB Fund No.1 ¹	17.34	₩ 15,061	₩	13,626	₩ 13,626	Investment finance	Korea
KB Co-Investment Private Equity Fund No.1 ¹	7.12	9,476		9,477	9,394	Investment finance	Korea
POSITIVE Sobujang Venture Fund No.1	43.96	2,000		1,974	1,974	Investment finance	Korea
History 2022 Fintech Fund	34.78	2,000		1,948	1,948	Investment finance	Korea
PEBBLES-MW M.C.E New Technology Investment Fund ^{1st}	23.26	1,670		1,630	1,630	Investment finance	Korea
KB-NP Green ESG New Technology Venture Capital Fund	29.85	13,699		12,863	12,863	Investment finance	Korea
TMAP Mobility Co., Ltd. ¹	8.25	200,000		54,387	186,405	Application software development and supply	Korea
Nextrade Co., Ltd. ¹	6.64	9,700		9,483	9,483	Investment finance	Korea
Shinhan Global Mobility Fund No.1	24.56	1,345		1,331	1,331	Investment finance	Korea
SKB Next Unicorn K-Battery Fund No.1	24.84	1,995		1,995	1,995	Investment finance	Korea
Lakewood-AVES Fund No.1	39.06	2,000		1,980	1,980	Investment finance	Korea
MW-Pyco NewWave New Technology Investment Fund 4th ²	51.30	2,000		1,975	1,975	Investment finance	Korea
Bitgoeul Cheomdan Green 1st Co., Ltd. ¹	19.00	190		187	187	Electricity	Korea
KB-SUSUNG 1st Inverstment Fund ¹	10.00	2,000		1,982	1,982	Investment finance	Korea
Friend 55 New Technology Business Investment Fund ²	53.30	1,200		1,189	1,189	Investment finance	Korea
DSIP-Pharos Bioenergy Fund	34.10	4,000		3,922	3,922	Investment finance	Korea
Shinhan-Eco Venture Fund 2nd	20.00	500		488	488	Investment finance	Korea
Leading H2O Fund 1	48.20	1,500		1,497	1,497	Investment finance	Korea
2023 JB Newhech No.2 Fund	25.70	1,800		1,798	1,798	Investment finance	Korea
Others		2,024		(1)	1,026		
		₩ 740,043	₩	563,453	₩ 662,676		

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12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB-KDBC Pre-IPO New Technology Business Investment Fund ²	66.66	₩ 3,601	₩ 5,978	₩ 5,978	Investment finance	Korea
Balhae Infrastructure Company ¹	12.61	96,516	90,653	90,617	Investment finance	Korea
Aju Good Technology Venture Fund	38.47	8,143	19,840	19,836	Investment finance	Korea
KG Capital Co., Ltd.	49.00	9,800	20,250	19,162	Auto loans	Korea
Incheon Bridge Co., Ltd. ¹	14.99	9,158	(15,963)	-	Operation of highways and related facilities	Korea
Big Dipper Co., Ltd. ¹	17.86	440	60	60	Research, consulting, and big data	Korea
Paycoms Co., Ltd. ³	12.24	800	201	213	System software publishing	Korea
Food Factory Co., Ltd. ⁴	22.22	1,000	696	1,399	Farm product distribution	Korea
KBSP Private Equity Fund No.4 ¹	14.95	6,100	1,892	1,892	Investment finance	Korea
Korea Credit Bureau Co., Ltd. ¹	9.00	4,500	4,959	4,959	Credit information	Korea
KB Social Impact Investment Fund	30.00	4,500	4,266	4,266	Investment finance	Korea
KB-Solidus Global Healthcare Fund ²	43.33	25,927	21,735	22,432	Investment finance	Korea
POSCO-KB Shipbuilding Fund	31.25	1,826	4,798	4,798	Investment finance	Korea
KB-TS Technology Venture Private Equity Fund ²	56.00	9,744	13,794	13,794	Investment finance	Korea
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund ²	42.55	12,450	17,801	17,051	Investment finance	Korea
KB-SJ Tourism Venture Fund ¹	18.52	4,599	3,773	3,773	Investment finance	Korea
UNION Media Commerce Fund	28.99	1,000	957	957	Investment finance	Korea
KB-Stonebridge Secondary Private Equity Fund ¹	14.56	23,801	25,144	25,144	Investment finance	Korea
KB SPROTT Renewable Private Equity Fund No.1 ²	37.69	18,041	16,539	16,539	Investment finance	Korea
KB-UTC Inno-Tech Venture Fund ²	44.29	21,375	19,180	19,180	Investment finance	Korea
WJ Private Equity Fund No.1	26.95	10,000	9,542	9,542	Investment finance	Korea
All Together Korea Fund No.2 ⁵	99.99	10,000	10,244	10,244	Asset management	Korea

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12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB-NAU Special Situation Corporate Restructuring Private Equity Fund ¹	12.00	₩ 10,006	₩ 12,554	₩ 12,554	Asset management	Korea
December & Company Inc. ¹	16.78	29,951	3,735	16,029	Investment finance	Korea
2020 KB Fintech Renaissance Fund ¹	5.05	550	630	630	Investment finance	Korea
KB Material and Parts No.1 PEF ¹	14.47	3,400	3,321	3,321	Investment finance	Korea
FineKB Private Equity Fund No.1	25.00	12,775	10,483	10,483	Investment finance	Korea
G payment Joint Stock Company	43.84	9,029	2,917	9,281	Investment advisory and securities trading	Vietnam
KB-GeneN Medical Venture Fund No.1	22.52	2,000	1,965	1,965	Investment finance	Korea
KB-BridgePole Venture Investment Fund ¹	6.30	850	835	835	Investment finance	Korea
KB-Kyobo New Mobility Power Fund	28.57	3,000	2,826	2,826	Investment finance	Korea
DA-Friend New Technology Investment Fund No.2	27.06	988	949	949	Investment finance	Korea
Cornerstone Pentastone Fund No.4	21.52	818	792	792	Investment finance	Korea
SKS-VLP New Technology Investment Fund No.2	23.11	1,156	1,121	1,121	Investment finance	Korea
Star-Lord General Investors Private Real Estate Investment Company No.10	26.24	46,700	45,157	-	Real estate investment	Korea
KB-Badgers Future Mobility ESG Fund No.1	40.91	2,137	1,475	1,475	Investment finance	Korea
JS Private Equity Fund No.3	20.48	1,700	1,664	1,664	Investment finance	Korea
Mirae Asset Mobility Investment Fund No.1	22.99	2,000	1,979	1,979	Investment finance	Korea
KB-FT 1st Green Growth Investment Fund ¹	10.34	2,000	1,970	1,970	Investment finance	Korea
Glenwood Credit Private Equity Fund No.2	29.89	42,000	43,468	43,468	Investment finance	Korea
THE CHAEUL FUND NO.1	31.25	1,000	989	989	Investment finance	Korea
Smart Korea KB Future9-Sejong Venture Fund	38.46	2,000	1,870	1,870	Investment finance	Korea
KB-KTB Technology Venture Fund ²	50.90	16,800	16,256	16,256	Investment finance	Korea

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12.1 Details of investments in associates and joint ventures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022						Industry	Location
	Owners hip (%)	Acquisition cost	Share of net asset amount		Carrying amount			
KB-SOLIDUS Healthcare Investment Fund ²	88.23	₩ 19,800	₩ 18,651	₩ 18,651		Investment finance	Korea	
Paramark KB Fund No.1 ¹	17.34	12,199	10,966	10,966		Investment finance	Korea	
KB Co-Investment Private Equity Fund No.1 ¹	7.12	7,268	7,269	7,233		Investment finance	Korea	
POSITIVE Sobujang Venture Fund No.1	43.96	2,000	1,977	1,977		Investment finance	Korea	
History 2022 Fintech Fund	34.78	2,000	1,981	1,981		Investment finance	Korea	
PEBBLES-MW M.C.E New Technology Investment Fund 1 st	23.26	2,000	1,982	1,982		Investment finance	Korea	
KB-NP Green ESG New Technology Venture Capital Fund	29.85	9,350	9,043	9,043		Investment finance	Korea	
TMAP Mobility Co., Ltd. ¹	8.25	200,000	61,518	194,455		Application software development and supply	Korea	
Nextrade Co., Ltd. ¹	6.64	9,700	9,700	9,700		Investment finance	Korea	
Shinhan Global Mobility Fund No.1	24.56	1,345	1,345	1,345		Investment finance	Korea	
SKB Next Unicorn K-Battery Fund No.1	24.84	1,995	1,995	1,995		Investment finance	Korea	
Others		2,029	(741)	1,049				
		₩ 743,867	₩ 558,981	₩ 682,670				

¹ As of September 30, 2023 and December 31, 2022, the Group can exercise significant influence on the decision-making processes of the associate's financial and business policies through participation in governing bodies.

² In order to direct relevant activities, it is necessary to obtain the consent of the two co-operative members; the Group has applied the equity method as the Group cannot control the investee by itself.

³ The ownership of Paycoms Co., Ltd. would be 21.68% as of December 31, 2022, considering the potential voting rights of convertible bonds.

⁴ The ownership of Food Factory Co., Ltd. would be 30.00% and 30.00% as of September 30, 2023 and December 31, 2022, respectively, considering the potential voting rights of convertible bonds.

⁵ As of September 30, 2023 and December 31, 2022, the Group participates in the investment management committee but cannot exercise control.

In accordance with Korean IFRS No.1028 *Investments in Associates and Joint Ventures*, the Group elected an exemption from applying the equity method for 52 companies including Banksalad Co., Ltd. and classified them as financial assets at fair value through profit or loss.

Although the Group holds 20% or more of the ownership, investment trusts with limited influence on related activities according to trust contracts, and companies with limited influence on related activities due to bankruptcy and corporate rehabilitation proceedings are excluded from associates.

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13. Deferred Income Tax Assets and Liabilities

Details of deferred income tax assets and liabilities as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023		
	Assets	Liabilities	Net amount
Other provisions	₩ 190,574	₩ -	₩ 190,574
Allowances for credit losses	34,779	-	34,779
Impairment losses of property and equipment	9,553	(1,391)	8,162
Share-based payments	23,155	-	23,155
Provisions for acceptances and guarantees	51,021	-	51,021
Gains or losses on valuation of derivatives	271,521	(317,425)	(45,904)
Present value discount	14,119	(13)	14,106
Gains or losses on fair value hedge	-	(92,815)	(92,815)
Accrued interest	-	(185,757)	(185,757)
Deferred loan origination fees and costs	14,750	(186,166)	(171,416)
Advanced depreciation provision	-	(4,009)	(4,009)
Gains or losses on revaluation	313	(291,292)	(290,979)
Investments in subsidiaries and others	49,830	(340,898)	(291,068)
Gains or losses on valuation of security investment	1,950,756	(60,262)	1,890,494
Defined benefit liabilities	536,695	(1,218)	535,477
Accrued expenses	241,622	-	241,622
Retirement insurance expense	-	(622,506)	(622,506)
Adjustments to the prepaid contributions	-	(34,422)	(34,422)
Derivative-linked securities	15,103	(231,962)	(216,859)
Others	1,113,753	(3,988,379)	(2,874,626)
	<u>4,517,544</u>	<u>(6,358,515)</u>	<u>(1,840,971)</u>
Offsetting of deferred income tax assets and liabilities	(4,272,264)	4,064,818	(207,446)
	<u>₩ 245,280</u>	<u>₩ (2,293,697)</u>	<u>₩ (2,048,417)</u>

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13. Deferred Income Tax Assets and Liabilities (cont'd)

(In millions of Korean won)

	December 31, 2022		
	Assets	Liabilities	Net amount
Other provisions	₩ 195,191	₩ -	₩ 195,191
Allowances for credit losses	2,139	(12,259)	(10,120)
Impairment losses of property and equipment	6,088	(1,476)	4,612
Share-based payments	21,406	-	21,406
Provisions for acceptances and guarantees	39,787	-	39,787
Gains or losses on valuation of derivatives	135,985	(207,778)	(71,793)
Present value discount	20,247	(2,571)	17,676
Gains or losses on fair value hedge	-	(93,833)	(93,833)
Accrued interest	-	(168,068)	(168,068)
Deferred loan origination fees and costs	13,675	(185,723)	(172,048)
Advanced depreciation provision	-	(4,018)	(4,018)
Gains or losses on revaluation	315	(292,373)	(292,058)
Investments in subsidiaries and others	48,693	(203,130)	(154,437)
Gains or losses on valuation of security investment	1,951,876	(46,551)	1,905,325
Defined benefit liabilities	497,982	(799)	497,183
Accrued expenses	268,529	-	268,529
Retirement insurance expense	-	(583,156)	(583,156)
Adjustments to the prepaid contributions	-	(27,986)	(27,986)
Derivative-linked securities	10,102	(283,840)	(273,738)
Others	2,534,543	(3,404,605)	(870,062)
	<u>5,746,558</u>	<u>(5,518,166)</u>	<u>228,392</u>
Offsetting of deferred income tax assets and liabilities	(5,558,186)	3,943,212	(1,614,974)
	<u>₩ 188,372</u>	<u>₩ (1,574,954)</u>	<u>₩ (1,386,582)</u>

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14. Financial Liabilities at Fair Value through Profit or Loss

14.1 Details of financial liabilities at fair value through profit or loss and financial liabilities designated at fair value through profit or loss as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss		
Borrowed securities sold	₩ 2,362,728	₩ 2,102,537
Others	89,415	90,673
	<u>2,452,143</u>	<u>2,193,210</u>
Financial liabilities designated at fair value through profit or loss		
Derivative-linked securities	8,430,533	10,078,394
	<u>8,430,533</u>	<u>10,078,394</u>
	<u>₩ 10,882,676</u>	<u>₩ 12,271,604</u>

14.2 Difference between the amount contractually required to pay at maturity and carrying amount of financial liabilities designated at fair value through profit or loss as of September 30, 2023 and December 31, 2022 are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Amount contractually required to pay at maturity	₩ 8,302,940	₩ 9,973,340
Carrying amount	8,430,533	10,078,394
Difference	<u>₩ (127,593)</u>	<u>₩ (105,054)</u>

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15. Deposits

Details of deposits as of September 30, 2023 and December 31, 2022 are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Demand deposits		
Demand deposits in Korean won	₩ 151,226,288	₩ 152,079,457
Demand deposits in foreign currencies	10,269,802	12,844,385
	<u>161,496,090</u>	<u>164,923,842</u>
Time deposits		
Time deposits in Korean won	194,439,966	194,117,692
Fair value adjustments of fair value hedged time deposits in Korean won	(1,961)	-
	<u>194,438,005</u>	<u>194,117,692</u>
Time deposits in foreign currencies	24,846,322	23,529,633
Fair value adjustments of fair value hedged time deposits in foreign currencies	(9,488)	(8,591)
	<u>24,836,834</u>	<u>23,521,042</u>
	<u>219,274,839</u>	<u>217,638,734</u>
Certificates of deposits	13,342,480	6,325,876
Investment contract liabilities	4,830,222	5,040,452
	<u>₩ 398,943,631</u>	<u>₩ 393,928,904</u>

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16. Borrowings

16.1 Details of borrowings as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
General borrowings	₩ 54,114,041	₩ 55,789,869
Bonds sold under repurchase agreements and others	12,884,790	11,773,494
Call money	3,353,986	4,154,003
	<u>₩ 70,352,817</u>	<u>₩ 71,717,366</u>

16.2 Details of general borrowings as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

		Lenders	Interest rate (%) as of September 30, 2023	September 30, 2023	December 31, 2022
Borrowings in Korean won	Borrowings from the Bank of Korea	The Bank of Korea	0.25~2.00	₩ 4,814,643	₩ 8,282,289
	Borrowings from the government	SEMAS and others	0.00~3.07	2,595,345	2,670,867
	Borrowings from banks	Shinhan Bank and others	0.00~7.79	975,400	914,360
	Borrowings from non-banking financial institutions	Korea Securities Finance Corporation and others	1.28~6.96	2,254,910	2,189,510
	Other borrowings	The Korea Development Bank and others	0.00~7.60	21,967,909	19,806,869
				<u>32,608,207</u>	<u>33,863,895</u>
Borrowings in foreign currencies	Due to banks	Hana Bank and others	-	98,682	18,266
	Borrowings from banks	Citicorp International Ltd and others	0.00~12.00	16,692,844	16,296,725
	Borrowings from other financial institutions	The Export-Import Bank of Korea and others	5.95~6.40	24,747	38,249
	Other borrowings	Standard Chartered Bank and others	0.00~12.00	4,689,561	5,572,734
				<u>21,505,834</u>	<u>21,925,974</u>
				<u>₩ 54,114,041</u>	<u>₩ 55,789,869</u>

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17. Debentures

17.1 Details of debentures as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	Interest rate (%) as of		
	September 30, 2023	September 30, 2023	December 31, 2022
Debentures in Korean won			
Structured debentures	5.86~8.62	₩ 50,680	₩ 710
Exchangeable bonds *	-	240,000	240,000
Subordinated fixed rate debentures	2.02~7.86	4,454,310	5,354,890
Fixed rate debentures	1.18~13.70	46,969,452	45,424,094
Floating rate debentures	3.67~6.17	4,310,000	5,455,000
		<u>56,024,442</u>	<u>56,474,694</u>
Fair value adjustments of fair value hedged debentures in Korean won		(223,944)	(249,629)
Less: Discount on debentures in Korean won		(31,379)	(29,166)
Less: Adjustment for exchange right of exchangeable bonds in Korean won		(5,944)	(8,435)
		<u>55,763,175</u>	<u>56,187,464</u>
Debentures in foreign currencies			
Floating rate debentures	4.16~6.94	1,769,766	2,168,341
Fixed rate debentures	0.05~12.00	11,229,607	10,482,244
		<u>12,999,373</u>	<u>12,650,585</u>
Fair value adjustments of fair value hedged debentures in foreign currencies		(116,178)	(95,865)
Less: Discount on debentures in foreign currencies		(37,565)	(43,981)
		<u>12,845,630</u>	<u>12,510,739</u>
		<u>₩ 68,608,805</u>	<u>₩ 68,698,203</u>

* 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 the liability component from the issuance amount, represents the value of the 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. Exercise period for exchange right is from the 60th day of the issuance date to 10 days before the maturity date.

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18. Provisions

18.1 Details of provisions as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30,		December 31,	
	2023		2022	
Provisions for credit losses of unused loan commitments	₩	378,667	₩	342,182
Provisions for credit losses of acceptances and guarantees		191,348		153,529
Provisions for credit losses of financial guarantee contracts		7,028		2,955
Provisions for restoration costs		153,507		159,033
Others		242,128		276,002
	₩	972,678	₩	933,701

18.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired		Non-impaired	Impaired
Beginning	₩ 179,885	₩ 151,067	₩ 11,230	₩ 26,906	₩ 118,724	₩ 7,899
Transfer between stages:						
Transfer to 12-month expected credit losses	57,546	(55,414)	(2,132)	(3,580)	(414)	3,994
Transfer to lifetime expected credit losses	(14,754)	15,049	(295)	(262)	363	(101)
Impairment	(440)	(2,064)	2,504	-	(113)	113
Provision (reversal) for credit losses	8,802	25,781	(1,113)	8,965	28,974	(5,254)
Others (exchange differences, etc.)	1,633	1,420	(38)	746	4,176	212
Ending	₩ 232,672	₩ 135,839	₩ 10,156	₩ 32,775	₩ 151,710	₩ 6,863

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18.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non-impaird	Impaird		Non-impaird	Impaird
Beginning	₩ 153,997	₩ 146,619	₩ 8,024	₩ 27,397	₩ 82,170	₩ 11,537
Transfer between stages:						
Transfer to 12-month expected credit losses	36,228	(35,281)	(947)	1,138	(1,138)	-
Transfer to lifetime expected credit losses	(14,618)	15,058	(440)	(341)	1,002	(661)
Impairment	(206)	(1,407)	1,613	(9)	(138)	147
Provision (reversal) for credit losses	1,869	19,956	1,086	(4,100)	39,613	(832)
Others (exchange differences, etc.)	3,402	1,550	-	3,332	10,365	418
Ending	₩ 180,672	₩ 146,495	₩ 9,336	₩ 27,417	₩ 131,874	₩ 10,609

18.3 Changes in provisions for credit losses of financial guarantee contracts for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Beginning	₩	2,955	₩	5,351
Provision (reversal)		4,073		(449)
Others		-		(867)
Ending	₩	7,028	₩	4,035

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18.4 Changes in provisions for restoration costs for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Beginning	₩	159,033	₩	152,186
Provision		4,638		8,507
Reversal		(1,428)		(1,681)
Used		(13,517)		(12,130)
Unwinding of discount		4,641		2,064
Effect of changes in discount rate		140		160
Ending	₩	153,507	₩	149,106

Provisions for restoration costs are the present value of estimated costs to be incurred for the restoration of the leased properties. The expenditure of the restoration cost will be incurred at the end of each lease contract, and the lease period is used to reasonably estimate the time of expenditure. Also, the average restoration expense based on actual three-year historical data and three-year historical average inflation rate are used to estimate the present value of estimated costs.

18.5 Changes in other provisions for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023				
	Membership rewards program	Dormant accounts	Litigations	Others	Total
Beginning	₩ 46	₩ 2,794	₩ 113,527	₩ 159,635	₩ 276,002
Increase	48	2,889	9,744	4,986	17,667
Decrease	(47)	(2,609)	(33,060)	(23,531)	(59,247)
Others	-	-	5,662	2,044	7,706
Ending	₩ 47	₩ 3,074	₩ 95,873	₩ 143,134	₩ 242,128

(In millions of Korean won)

	2022				
	Membership rewards program	Dormant accounts	Litigations	Others	Total
Beginning	₩ 22,902	₩ 3,062	₩ 55,168	₩ 109,174	₩ 190,306
Increase	55,590	2,124	2,414	14,599	74,727
Decrease	(56,315)	(2,315)	(1,154)	(12,740)	(72,524)
Others	-	-	657	(328)	329
Ending	₩ 22,177	₩ 2,871	₩ 57,085	₩ 110,705	₩ 192,838

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19. Net Defined Benefit Liabilities

19.1 Defined Benefit Plan

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

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

The net defined benefit liabilities recognized in the consolidated statement of financial position are calculated by the independent actuary in accordance with actuarial valuation method. The defined benefit obligation is calculated using the projected unit credit method. Assumptions based on market data and historical data such as discount rate, future salary increase rate, mortality, and consumer price index are used which are updated annually.

Actuarial assumptions may differ from actual results, due to changes in the market conditions, economic trends, and mortality trends which may affect net defined benefit liabilities and future payments. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in the period incurred through other comprehensive income.

19.2 Details of net defined benefit liabilities as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Present value of defined benefit obligation	₩ 2,195,189	₩ 2,215,330
Fair value of plan assets	(2,539,495)	(2,608,519)
Net defined benefit liabilities (asset) *	₩ (344,306)	₩ (393,189)

* As of September 30, 2023, the net defined benefit asset of ₩ 344,306 million is the amount obtained by subtracting the net defined benefit liability of ₩ 115,602 million from the net defined benefit asset of ₩ 459,908 million. Similarly, as of December 31, 2022, the net defined benefit asset of ₩ 393,189 million is the amount obtained by subtracting the net defined benefit liability of ₩ 85,745 million from the net defined benefit asset of ₩ 478,934 million.

19.3 Details of post-employment benefits recognized in profit or loss for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023	2022
Current service cost	₩ 148,770	₩ 186,875
Net interest expense(income) on net defined benefit liabilities	(17,349)	1,461
Gains or losses on settlement	55	-
Post-employment benefits *	₩ 131,476	₩ 188,336

* Includes post-employment benefits amounting to ₩ 13,848 million recognized as insurance service expenses, ₩ 2,119 million recognized as other operating expenses and ₩ 103 million recognized as advanced payments for the nine-month period ended September 30, 2023, and ₩ 20,921 million recognized as insurance service expenses and ₩ 2,273 million recognized as other operating expenses for the nine-month period ended September 30, 2022.

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20. Equity

20.1 Share Capital

20.1.1 Details of share capital as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won and in number of shares)</i>	September 30, 2023	December 31, 2022
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	403,511,072	408,897,068
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.

20.1.2 Changes in outstanding shares for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In number of shares)</i>	2023	2022
Beginning	389,634,335	389,634,335
Increase	-	-
Decrease	(7,285,996)	-
Ending	<u>382,348,339</u>	<u>389,634,335</u>

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20.2 Hybrid Securities

Details of hybrid securities classified as equity as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

Hybrid securities	Issuance date	Maturity	Interest rate (%)		
			as of September 30, 2023	September 30, 2023	December 31, 2022
The 1-1 st	May 2, 2019	Perpetual bond	3.23	₩ 349,309	₩ 349,309
The 1-2 nd	May 2, 2019	Perpetual bond	3.44	49,896	49,896
The 2-1 st	May 8, 2020	Perpetual bond	3.30	324,099	324,099
The 2-2 nd	May 8, 2020	Perpetual bond	3.43	74,812	74,812
The 3-1 st	Jul. 14, 2020	Perpetual bond	3.17	369,099	369,099
The 3-2 nd	Jul. 14, 2020	Perpetual bond	3.38	29,922	29,922
The 4-1 st	Oct. 20, 2020	Perpetual bond	3.00	433,996	433,996
The 4-2 nd	Oct. 20, 2020	Perpetual bond	3.28	64,855	64,855
The 5-1 st	Feb. 19, 2021	Perpetual bond	2.67	419,071	419,071
The 5-2 nd	Feb. 19, 2021	Perpetual bond	2.87	59,862	59,862
The 5-3 rd	Feb. 19, 2021	Perpetual bond	3.28	119,727	119,727
The 6-1 st	May 28, 2021	Perpetual bond	3.20	165,563	165,563
The 6-2 nd	May 28, 2021	Perpetual bond	3.60	109,708	109,708
The 7-1 st	Oct. 8, 2021	Perpetual bond	3.57	208,468	208,468
The 7-2 nd	Oct. 8, 2021	Perpetual bond	3.80	59,834	59,834
The 8-1 st	Feb. 16, 2022	Perpetual bond	4.00	442,970	442,970
The 8-2 nd	Feb. 16, 2022	Perpetual bond	4.30	155,626	155,626
The 9-1 st	May 12, 2022	Perpetual bond	4.68	478,829	478,829
The 9-2 nd	May 12, 2022	Perpetual bond	4.97	19,906	19,906
The 10-1 st	Aug. 26, 2022	Perpetual bond	4.90	407,936	407,936
The 10-2 nd	Aug. 26, 2022	Perpetual bond	5.15	70,819	70,819
The 10-3 rd	Aug. 26, 2022	Perpetual bond	5.30	19,944	19,944
The 11-1 st	Feb. 3, 2023	Perpetual bond	4.90	548,681	-
The 11-2 nd	Feb. 3, 2023	Perpetual bond	5.03	49,871	-
				<u>₩ 5,032,803</u>	<u>₩ 4,434,251</u>

The above hybrid securities are early redeemable by the Group after 5 or 7 or 10 years from the issuance date. On the other hand, hybrid securities of ₩ 1,282,993 million issued by Kookmin Bank, hybrid securities of ₩ 102,673 million issued by KB Securities Co., Ltd. and hybrid securities of ₩ 49,800 million issued by KB Life Insurance Co., Ltd. are recognized as non-controlling interests and are early redeemable by the Group after 5 years from the issuance date and each interest payment date thereafter.

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20.3 Capital Surplus

Details of capital surplus as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Paid-in capital in excess of par value	₩ 13,190,274	₩ 13,190,274
Losses on sales of treasury shares	(481,332)	(481,332)
Other capital surplus	3,922,748	4,219,856
Consideration for exchange right of exchangeable bonds	11,933	11,933
	<u>₩ 16,643,623</u>	<u>₩ 16,940,731</u>

20.4 Accumulated Other Comprehensive Income

Details of accumulated other comprehensive income as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Remeasurements of net defined benefit liabilities	₩ (90,119)	₩ (88,770)
Currency translation differences	416,496	254,446
Losses on financial instruments at fair value through other comprehensive income	(5,932,221)	(6,081,560)
Share of other comprehensive loss of associates and joint ventures	(3,931)	(3,342)
Gains (losses) on cash flow hedging instruments	(28,252)	19,632
Losses on hedging instruments of net investments in foreign operations	(184,644)	(114,742)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	(10,230)	41,063
Finance gains or losses on insurance contract assets (liabilities)	7,934,673	7,285,794
	<u>₩ 2,101,772</u>	<u>₩ 1,312,521</u>

20.5 Retained Earnings

20.5.1 Details of retained earnings as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Legal reserves *	₩ 1,007,685	₩ 839,235
Voluntary reserves	982,000	982,000
Unappropriated retained earnings	29,993,653	27,101,037
	<u>₩ 31,983,338</u>	<u>₩ 28,922,272</u>

* With respect to the allocation of net profit earned in a fiscal term, the Parent 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 paid-in capital in accordance with Article 53 of the Financial Holding Company Act. This 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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20.5.2 Regulatory reserve for credit losses

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

20.5.2.1 Details of regulatory reserve for credit losses as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023		December 31, 2022	
Regulatory reserve for credit losses attributable to:				
Shareholders of the Parent Company	₩	4,115,555	₩	4,355,734
Non-controlling interests		191,501		89,214
	₩	<u>4,307,056</u>	₩	<u>4,444,948</u>

20.5.2.2 Regulatory reserve for credit losses estimated to be appropriated and adjusted profit after provision of regulatory reserve for credit losses for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won, except for per share amounts)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
Provision (reversal) of regulatory reserve for credit losses	₩ 180,616	₩ (240,179)	₩ 164,057	₩ 374,000
Adjusted profit after provision of regulatory reserve for credit losses ^{1,2}	1,145,068	4,473,776	1,169,188	3,578,585
Adjusted basic earnings per share after provision of regulatory reserve for credit losses ¹	2,985	11,611	3,001	9,184
Adjusted diluted earnings per share after provision of regulatory reserve for credit losses ¹	2,920	11,349	2,934	8,974

¹ Adjusted profit after provision of regulatory reserve for credit losses is not based on Korean IFRS. It is calculated by reflecting provision of regulatory reserve for credit losses before tax to the net profit attributable to shareholders of the Parent Company.

² After deducting dividends on hybrid securities

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20.6 Treasury Shares

Changes in treasury shares for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won and in number of shares)

	2023			
	Beginning	Acquisition	Retirement	Ending
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

(In millions of Korean won and in number of shares)

	2022			
	Beginning	Acquisition	Retirement	Ending
Number of treasury shares *	26,173,585	-	(6,910,852)	19,262,733
Carrying amount	₩ 1,136,188	-	₩ (300,000)	₩ 836,188

* 5 million treasury shares are deposited at the Korea Securities Depository for the exchange of exchangeable bonds.

In accordance with the resolution of the Board of Directors on July 25, 2023, the Parent Company plans to acquire and retire 6,295,907 shares (₩ 300,000 million) of treasury stocks on the market by July 31, 2024. However, the above number of stocks were computed based on the closing price (₩ 47,650) as of July 24, 2023, the day before the Board of Directors meeting; as such, the final number of treasury stocks to be retired may change according to stock price.

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21. Net Interest Income

Details of interest income, interest expense, and net interest income for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
Interest income				
Due from financial institutions measured at fair value through profit or loss	₩ 462	₩ 1,461	₩ 619	₩ 2,220
Securities measured at fair value through profit or loss	357,669	1,025,127	220,247	609,552
Loans measured at fair value through profit or loss	3,792	9,961	4,636	9,879
Securities measured at fair value through other comprehensive income	570,003	1,614,544	421,742	1,120,032
Loans measured at fair value through other comprehensive income	10,729	27,337	4,869	11,219
Due from financial institutions measured at amortized cost	88,114	252,203	45,063	92,922
Securities measured at amortized cost	285,954	813,085	171,030	427,858
Loans measured at amortized cost	5,963,419	17,277,635	4,420,666	11,844,089
Insurance finance income	5,912	17,210	3,868	13,089
Others	127,254	371,988	81,032	242,672
	<u>7,413,308</u>	<u>21,410,551</u>	<u>5,373,772</u>	<u>14,373,532</u>
Interest expense				
Deposits	2,554,604	7,320,728	1,178,684	2,754,272
Borrowings	642,341	1,851,835	358,752	782,725
Debentures	579,448	1,686,630	436,643	1,112,296
Insurance finance expense	422,393	1,292,077	412,358	1,188,201
Others	126,974	412,470	59,307	135,247
	<u>4,325,760</u>	<u>12,563,740</u>	<u>2,445,744</u>	<u>5,972,741</u>
Net interest income	<u>₩ 3,087,548</u>	<u>₩ 8,846,811</u>	<u>₩ 2,928,028</u>	<u>₩ 8,400,791</u>

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22. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
Fee and commission income				
Banking activity fees	₩ 44,927	₩ 136,091	₩ 45,829	₩ 135,545
Lending activity fees	22,963	74,415	21,083	61,710
Credit card and debit card related fees	364,917	1,162,448	376,076	1,126,490
Agent activity fees	44,214	147,838	72,082	162,836
Trust and other fiduciary fees	93,834	283,239	84,351	254,531
Fund management related fees	35,331	100,443	35,008	105,283
Acceptances and guarantees fees	20,359	54,846	15,968	49,283
Foreign currency related fees	80,413	233,398	74,646	211,579
Securities agency fees	28,514	87,631	32,693	99,395
Other business account commission on consignment	6,621	27,656	7,422	28,638
Commissions received on securities business	180,288	520,299	125,084	524,810
Lease fees	270,139	806,295	258,250	740,231
Others	100,306	354,643	125,272	423,666
	<u>1,292,826</u>	<u>3,989,242</u>	<u>1,273,764</u>	<u>3,923,997</u>
Fee and commission expense				
Trading activity related fees *	17,173	43,434	8,486	30,179
Lending activity fees	9,020	26,032	11,685	33,419
Credit card and debit card related fees	194,862	623,772	214,871	599,422
Outsourcing related fees	40,111	123,146	42,725	119,062
Foreign currency related fees	25,012	66,321	20,201	49,290
Others	105,237	339,716	103,118	328,135
	<u>391,415</u>	<u>1,222,421</u>	<u>401,086</u>	<u>1,159,507</u>
Net fee and commission income	<u>₩ 901,411</u>	<u>₩ 2,766,821</u>	<u>₩ 872,678</u>	<u>₩ 2,764,490</u>

* Fees from financial instruments at fair value through profit or loss

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23. Net Gains or Losses on Financial Instruments at Fair Value through Profit or Loss

23.1 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 instruments at fair value through profit or loss for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)	2023		2022	
	Three months	Nine months	Three months	Nine months
Gains on financial instruments at fair value through profit or loss				
Financial assets at fair value through profit or loss:				
Debt securities	₩ 297,245	₩ 2,274,400	₩ 473,828	₩ 1,599,061
Equity securities	86,605	610,559	76,610	371,189
	383,850	2,884,959	550,438	1,970,250
Derivatives held for trading:				
Interest rate	1,560,122	4,753,946	4,082,999	13,599,284
Currency	3,036,824	8,994,046	11,080,228	19,158,069
Stock or stock index	259,847	1,641,910	465,383	1,494,289
Credit	967	25,567	35,459	88,370
Commodity	1,378	20,586	7,509	24,406
Others	(29,665)	87,314	41,436	150,932
	4,829,473	15,523,369	15,713,014	34,515,350
Financial liabilities at fair value through profit or loss	93,044	211,589	58,161	201,712
Other financial instruments	105	508	607	698
	5,306,472	18,620,425	16,322,220	36,688,010
Losses on financial instruments at fair value through profit or loss				
Financial assets at fair value through profit or loss:				
Debt securities	456,139	1,044,541	1,122,992	3,747,772
Equity securities	93,870	279,238	179,751	819,159
	550,009	1,323,779	1,302,743	4,566,931
Derivatives held for trading:				
Interest rate	1,354,157	4,425,657	3,673,918	12,488,158
Currency	3,109,009	9,345,190	11,427,610	19,685,063
Stock or stock index	427,798	1,602,854	1,068,018	2,641,038
Credit	1,209	29,144	29,226	72,287
Commodity	4,080	29,801	8,364	23,510
Others	26,485	123,199	106,396	389,526
	4,922,738	15,555,845	16,313,532	35,299,582
Financial liabilities at fair value through profit or loss	53,562	268,098	14,605	48,792
Other financial instruments	108	318	571	631
	5,526,417	17,148,040	17,631,451	39,915,936
Net gains (losses) on financial instruments at fair value through profit or loss	₩ (219,945)	₩ 1,472,385	₩ (1,309,231)	₩ (3,227,926)

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23.2 Net Gains or Losses on Financial Instruments Designated at Fair Value through Profit or Loss

Net gains or losses on financial instruments designated at fair value through profit or loss include 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 instruments designated at fair value through profit or loss for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
Gains on financial instruments designated at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	₩ 225,516	₩ 512,943	₩ 637,789	₩1,485,550
	<u>225,516</u>	<u>512,943</u>	<u>637,789</u>	<u>1,485,550</u>
Losses on financial instruments designated at fair value through profit or loss				
Financial liabilities designated at fair value through profit or loss	(1,870)	818,573	137,876	265,738
	<u>(1,870)</u>	<u>818,573</u>	<u>137,876</u>	<u>265,738</u>
Net gains (losses) on financial instruments designated at fair value through profit or loss	₩ 227,386	₩ (305,630)	₩ 499,913	₩1,219,812

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24. Net Other Operating Income and Expenses

Details of other operating income and expenses for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)	2023		2022	
	Three months	Nine months	Three months	Nine months
Other operating income				
Gains on financial instruments at fair value through other comprehensive income:				
Gains on redemption of financial instruments at fair value through other comprehensive income	₩ 3,038	₩ 5,688	₩ 11	₩ 14
Gains on disposal of financial instruments at fair value through other comprehensive income	1,977	57,021	6,960	15,617
	<u>5,015</u>	<u>62,709</u>	<u>6,971</u>	<u>15,631</u>
Gains on financial assets at amortized cost:				
Gains on sale of loans measured at amortized cost	17,582	91,023	19,366	77,691
Gains on disposal of securities measured at amortized cost	-	118	27	27
	<u>17,582</u>	<u>91,141</u>	<u>19,393</u>	<u>77,718</u>
Gains on hedge accounting	48,005	177,518	362,190	1,126,001
Gains on foreign exchange transactions	1,180,625	5,536,748	4,179,946	8,411,892
Dividend income	8,598	38,150	4,212	31,992
Others	148,695	434,923	146,536	363,069
	<u>1,408,520</u>	<u>6,341,189</u>	<u>4,719,248</u>	<u>10,026,303</u>
Other operating expenses				
Losses on financial instruments at fair value through other comprehensive income:				
Losses on redemption of financial instruments at fair value through other comprehensive income	3	5	807	2,360
Losses on disposal of financial instruments at fair value through other comprehensive income	73,758	190,422	37,783	129,648
	<u>73,761</u>	<u>190,427</u>	<u>38,590</u>	<u>132,008</u>
Losses on financial assets at amortized cost:				
Losses on sale of loans measured at amortized cost	8,456	24,352	51,423	57,891
	<u>8,456</u>	<u>24,352</u>	<u>51,423</u>	<u>57,891</u>
Losses on hedge accounting	63,310	239,896	415,716	1,139,096
Losses on foreign exchanges transactions	1,084,523	4,934,479	3,469,806	7,329,863
Deposit insurance fee	141,936	426,420	134,926	398,673
Credit guarantee fund fee	81,288	230,699	72,488	207,189
Depreciation expenses of operating lease assets	181,792	532,278	172,586	501,774
Others	364,514	1,071,906	420,864	1,071,116
	<u>1,999,580</u>	<u>7,650,457</u>	<u>4,776,399</u>	<u>10,837,610</u>
Net other operating expenses	<u>₩ (591,060)</u>	<u>₩ (1,309,268)</u>	<u>₩ (57,151)</u>	<u>₩ (811,307)</u>

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25. General and Administrative Expenses

25.1 Details of general and administrative expenses for the three-month and nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
Expenses related to employee				
Employee benefits - salaries	₩ 655,546	₩ 1,993,893	₩ 650,726	₩ 1,959,646
Employee benefits - others	204,391	639,644	220,313	653,327
Post-employment benefits - defined benefit plans	39,520	115,406	55,829	165,142
Post-employment benefits - defined contribution plans	8,537	22,624	7,020	22,398
Termination benefits	2	4,221	3,080	3,508
Share-based payments	32,767	59,435	1,179	24,359
	<u>940,763</u>	<u>2,835,223</u>	<u>938,147</u>	<u>2,828,380</u>
Depreciation and amortization	<u>216,553</u>	<u>633,417</u>	<u>206,968</u>	<u>593,912</u>
Other general and administrative expenses				
Rental expense	23,582	71,924	24,857	71,255
Tax and dues	69,466	239,358	50,764	181,692
Communication	12,253	34,658	11,224	35,417
Electricity and utilities	11,097	29,707	9,646	24,773
Publication	1,929	6,417	2,455	7,280
Repairs and maintenance	11,587	33,239	13,107	33,642
Vehicle	4,557	13,071	4,987	13,240
Travel	4,478	13,384	4,591	11,437
Training	10,879	30,611	10,197	27,080
Service fees	49,000	158,784	56,257	162,094
Electronic data processing expenses	85,431	262,929	80,065	219,223
Advertising	54,257	154,748	50,969	149,125
Others	68,859	206,449	75,012	214,928
	<u>407,375</u>	<u>1,255,279</u>	<u>394,131</u>	<u>1,151,186</u>
General and Administrative Expenses	<u>₩ 1,564,691</u>	<u>₩ 4,723,919</u>	<u>₩ 1,539,246</u>	<u>₩ 4,573,478</u>

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25.2 Share-based Payments

25.2.1 Stock grants

The Group changed the scheme of share-based payments awarded to executives and employees from stock options to stock grants in November 2007. The stock grants award program 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.

25.2.1.1 Details of stock grants linked to long-term performance as of September 30, 2023, are as follows:

<i>(In number of shares)</i>	Grant date	Number of granted shares ¹	Vesting conditions ²
KB Financial Group Inc.			
Series 28	Nov. 21, 2020	68,135	Services fulfillment, market performance ³ 35%, and non-market performance ⁵ 65%
Series 30	Apr. 1, 2021	3,070	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 33	Jan. 1, 2022	57,464	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 34	Feb. 1, 2022	654	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 35	May 27, 2022	6,364	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 36	Jan. 1, 2023	83,561	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Deferred grant in 2015		3,183	Satisfied
Deferred grant in 2016		943	Satisfied
Deferred grant in 2018		884	Satisfied
Deferred grant in 2020		18,871	Satisfied
Deferred grant in 2021		18,105	Satisfied
Deferred grant in 2022		38,277	Satisfied
		299,511	
Kookmin Bank			
Series 83	Apr. 1, 2021	14,972	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 85	Jan. 1, 2022	259,724	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
			Services fulfillment, market performance ³ 30%, and EPS & Asset Quality ⁶ 70%
Series 86	Feb. 1, 2022	1,525	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 88	Mar. 14, 2022	5,884	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 90	Jul. 18, 2022	4,131	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 91	Aug. 24, 2022	7,277	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 92	Jan. 1, 2023	216,811	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 93	Apr. 1, 2023	13,422	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%

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25.2.1.1 Details of stock grants linked to long-term performance as of September 30, 2023, are as follows: (cont'd)

(In number of shares)

<i>Grant date</i>	Number of granted shares ¹	Vesting conditions ²
Deferred grant in 2016	799	Satisfied
Deferred grant in 2017	893	Satisfied
Deferred grant in 2018	1,145	Satisfied
Deferred grant in 2020	26,763	Satisfied
Deferred grant in 2021	104,643	Satisfied
Deferred grant in 2022	87,342	Satisfied
Deferred grant in 2023	1,289	Satisfied
	<u>746,620</u>	
Other subsidiaries		
Stock granted in 2010	106	
Stock granted in 2011	146	
Stock granted in 2012	420	
Stock granted in 2013	544	
Stock granted in 2014	1,028	
Stock granted in 2015	2,014	
Stock granted in 2016	936	
Stock granted in 2017	9,162	Services fulfillment, market performance ³ 0~50%, and
Stock granted in 2018	19,861	non-market performance ⁴ 50~100%
Stock granted in 2019	23,789	
Stock granted in 2020	94,348	
Stock granted in 2021	120,615	
Stock granted in 2022	389,825	
Stock granted in 2023	381,102	
	<u>1,043,896</u>	
	<u>2,090,027</u>	

¹ Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of September 30, 2023 (Deferred grants are residual shares vested as of September 30, 2023).

² 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.

³ Relative TSR (Total Shareholder Return): [(Fair value at the end of the contract - Fair value at the beginning of the contract) + (Total amount of dividend per share paid during the contract period)] / Fair value at the beginning of the contract

⁴ Performance results of company and employee

⁵ EPS (Earnings Per Share), Asset Quality, HCROI (Human Capital Return on Investment), Profit from non-banking segments

⁶ EPS, Asset Quality

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25.2.1.2 Details of stock grants linked to short-term performance as of September 30, 2023, are as follows:

<i>(In number of shares)</i>	Estimated number of vested shares *	Vesting conditions
KB Financial Group Inc.		
Stock granted in 2015	2,097	Satisfied
Stock granted in 2016	3,034	Satisfied
Stock granted in 2017	306	Satisfied
Stock granted in 2018	380	Satisfied
Stock granted in 2020	12,336	Satisfied
Stock granted in 2021	23,677	Satisfied
Stock granted in 2022	45,115	Satisfied
Stock granted in 2023	34,204	Proportional to service period
Kookmin Bank		
Stock granted in 2015	419	Satisfied
Stock granted in 2016	2,135	Satisfied
Stock granted in 2017	535	Satisfied
Stock granted in 2018	739	Satisfied
Stock granted in 2020	44,890	Satisfied
Stock granted in 2021	86,235	Satisfied
Stock granted in 2022	164,595	Satisfied
Stock granted in 2023	95,539	Proportional to service period
Other subsidiaries		
Stock granted in 2015	4,048	Satisfied
Stock granted in 2016	18,144	Satisfied
Stock granted in 2017	35,359	Satisfied
Stock granted in 2018	82,096	Satisfied
Stock granted in 2019	91,957	Satisfied
Stock granted in 2020	262,400	Satisfied
Stock granted in 2021	464,574	Satisfied
Stock granted in 2022	511,024	Satisfied
Stock granted in 2023	221,859	Proportional to service period
	<u>2,207,697</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.

25.2.1.3 The accrued expenses for share-based payments related to stock grants are ₩ 192,524 million and ₩ 186,908 million as of September 30, 2023 and December 31, 2022, respectively, and the compensation costs amounting to ₩ 65,621 million and ₩ 26,160 million were recognized for the nine-month periods ended September 30, 2023 and 2022, respectively.

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25.2.2 Mileage stock

25.2.2.1 Details of mileage stock as of September 30, 2023, are as follows:

(In number of shares)

Grant date	Number of granted shares ¹	Expected exercise period (years) ²	Remaining shares
<i>Stock granted in 2019</i>			
Nov. 1, 2019	119	0.00~1.08	48
Nov. 8, 2019	14	0.00~1.10	6
Dec. 5, 2019	56	0.00~1.18	39
Dec. 6, 2019	84	0.00~1.18	39
Dec. 31, 2019	87	0.00~1.25	22
<i>Stock granted in 2020</i>			
Jan. 18, 2020	28,645	0.00~1.30	14,085
May 12, 2020	46	0.00~1.61	43
Jun. 30, 2020	206	0.00~1.75	147
Aug. 26, 2020	40	0.00~1.90	27
Oct. 29, 2020	160	0.00~2.08	107
Nov. 6, 2020	45	0.00~2.10	37
Nov. 30, 2020	35	0.00~2.17	34
Dec. 2, 2020	57	0.00~2.17	26
Dec. 4, 2020	154	0.00~2.18	79
Dec. 30, 2020	88	0.00~2.25	64
<i>Stock granted in 2021</i>			
Jan. 15, 2021	28,156	0.00~2.29	16,306
Apr. 5, 2021	89	0.00~2.51	53
Jul. 1, 2021	54	0.00~2.75	54
Jul. 2, 2021	11	0.00~2.75	11
Jul. 27, 2021	70	0.00~2.82	63
Nov. 1, 2021	71	0.00~3.09	71
Nov. 16, 2021	53	0.00~3.13	13
Dec. 3, 2021	91	0.00~3.18	79
Dec. 6, 2021	87	0.00~3.18	79
Dec. 30, 2021	76	0.00~3.25	76

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25.2.2.1 Details of mileage stock as of September 30, 2023, are as follows: (cont'd)

(In number of shares)

Grant date	Number of granted shares ¹	Expected exercise period (years) ²	Remaining shares
<i>Stock granted in 2022</i>			
Jan. 14, 2022	20,909	0.00~3.29	16,890
Apr. 4, 2022	65	0.00~3.51	65
Apr. 19, 2022	33	0.00~3.55	33
Jul. 1, 2022	62	0.00~3.75	21
Aug. 3, 2022	62	0.00~3.84	25
Aug. 9, 2022	81	0.00~3.86	60
Oct. 19, 2022	55	0.00~4.05	55
Nov. 1, 2022	177	0.00~4.09	175
Dec. 1, 2022	49	0.00~4.17	49
Dec. 2, 2022	42	0.00~4.17	42
Dec. 6, 2022	88	0.00~4.18	88
Dec. 12, 2022	114	0.00~4.20	114
Dec. 15, 2022	42	0.00~4.21	42
Dec. 30, 2022	114	0.00~4.25	114
<i>Stock granted in 2023</i>			
Jan. 9, 2023	23,071	0.00~4.28	22,107
Jan. 14, 2023	742	0.00~4.29	688
Mar. 7, 2023	58	0.00~4.43	58
Mar. 27, 2023	58	0.00~4.49	58
Mar. 31, 2023	97	0.00~4.50	97
May. 4, 2023	105	0.00~4.59	105
Jul. 3, 2023	63	0.00~4.76	63
Jul. 26, 2023	38	0.00~4.82	38
Jul. 31, 2023	220	0.00~4.83	220
	104,939		72,815

¹ Mileage stock is exercisable for four years after one year from the grant date at the closing price of the end of the previous month. However, mileage stock can be exercised at the closing price of the end of the previous month on the date of occurrence of retirement or transfer despite a one-year grace period.

² Assessed based on the stock price as of September 30, 2023. These shares are vested immediately at grant date.

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25.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 4,027 million and ₩ 2,738 million as of September 30, 2023 and December 31, 2022, respectively. The compensation costs amounting to ₩ 3,242 million and ₩ 564 million were recognized as expenses for the nine-month periods ended September 30, 2023 and 2022, respectively.

25.2.3 Long-term share-based payments

The Group calculates the short-term performance bonus of executives of KB Life Insurance Co., Ltd.(former Prudential Life Insurance Company of Korea Ltd.) based on the result of performance evaluation as of the grant date and defers the bonus for three years and pays it in cash reflecting the stock price of KB Financial Group Inc. at that time.

25.2.3.1 Details of long-term share-based payments as of September 30, 2023, are as follows:

(In number of shares)

	<u>Grant date</u>	<u>Vested shares</u>	<u>Expected exercise period (years)</u>	<u>Vesting condition</u>
Granted in 2020	2020	13,402	0.25	Services fulfillment

25.2.3.2 The accrued expenses for long-term share-based payments amount to ₩ 732 million and ₩ 625 million as of September 30, 2023 and December 31, 2022, respectively. The compensation cost and the reversal compensation cost amounting to ₩ 107 million and ₩ 136 million were recognized for the nine-month periods ended September 30, 2023 and 2022, respectively.

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26. Income Tax Expense

26.1 Details of income tax expense for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>	<u>2022</u>
Income tax payable		
Current income tax expense	₩ 1,153,666	₩ 1,692,503
Adjustments of income tax of prior years recognized in current tax	(25,706)	(114,592)
	<u>1,127,960</u>	<u>1,577,911</u>
Changes in deferred income tax assets and liabilities	<u>661,835</u>	<u>(524,839)</u>
Income tax recognized directly in equity and others	<u>(249,273)</u>	<u>316,357</u>
Remeasurements of net defined benefit liabilities	696	15,998
Currency translation differences	(6,086)	(32,987)
Net gains or losses on financial assets at fair value through other comprehensive income	(64,026)	2,828,305
Share of other comprehensive income or loss of associates and joint ventures	188	100
Gains or losses on cash flow hedging instruments	1,488	(46,368)
Gains or losses on hedging instruments of net investments in foreign operations	25,081	85,588
Gain on revaluation of property, plant and equipment	84	-
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	18,475	(7,861)
Finance gains or losses on insurance contract assets (liabilities)	<u>(225,173)</u>	<u>(2,526,418)</u>
Others	<u>12,735</u>	<u>7,325</u>
Income tax expense	<u>₩ 1,553,257</u>	<u>₩ 1,376,754</u>

27. Dividends

The annual dividends to the shareholders of the Parent Company for the year ended December 31, 2022, amounting to ₩ 564,970 million (₩ 1,450 per share) were declared at the annual general shareholders' meeting on March 24, 2023 and paid in April 10, 2023. According to the resolution of the Board of Directors on April 27, 2023, the quarterly dividends per share of ₩ 510 (total dividends: ₩ 195,966 million) with dividend record date of March 31, 2023 were paid on May 11, 2023, and according to the resolution of the Board of Directors on July 25, 2023, the quarterly dividends per share of ₩ 510 (total dividends: ₩ 195,966 million) with dividend record date of June 30, 2023 were paid on August 8, 2023. Meanwhile, the annual dividends and quarterly dividends paid in 2022 were ₩ 853,299 million (₩ 2,190 per share) and ₩ 584,452 million (₩ 500 per share), respectively.

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28. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023					
	<u>Beginning</u>	<u>Changes except for reclassifi- cation</u>	<u>Reclassification to profit or loss</u>	<u>Transfer within equity</u>	<u>Tax effect</u>	<u>Ending</u>
Remeasurements of net defined benefit liabilities	₩ (88,770)	₩ (2,045)	₩ -	₩ -	₩ 696	₩ (90,119)
Currency translation differences	254,446	191,889	(23,753)	-	(6,086)	416,496
Gains (losses) on financial instruments at fair value through other comprehensive income	(6,081,560)	97,438	151,888	(35,961)	(64,026)	(5,932,221)
Share of other comprehensive loss of associates and joint ventures	(3,342)	(777)	-	-	188	(3,931)
Gains (losses) on cash flow hedging instruments	19,632	(5,185)	(44,187)	-	1,488	(28,252)
Gains (losses) on hedging instruments of net investments in foreign operations	(114,742)	(94,983)	-	-	25,081	(184,644)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	41,063	(69,768)	-	-	18,475	(10,230)
Gains on revaluation of property and equipment	-	(84)	-	-	84	-
Finance gains or losses on insurance contract assets (liabilities)	7,285,794	874,052	-	-	(225,173)	7,934,673
	<u>₩ 1,312,521</u>	<u>₩ 990,537</u>	<u>₩ 83,948</u>	<u>₩ (35,961)</u>	<u>₩ (249,273)</u>	<u>₩ 2,101,772</u>

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28. Accumulated Other Comprehensive Income (Loss) (cont'd)

Changes in accumulated other comprehensive income (loss) for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2022					
	Beginning	Changes except for reclassifi- cation	Reclassification to profit or loss	Transfer within equity	Tax effect	Ending
Remeasurements of net defined benefit liabilities	₩ (328,392)	₩ (57,206)	₩ -	₩ -	₩ 15,998	₩ (369,600)
Currency translation differences	96,129	712,472	-	-	(32,987)	775,614
Gains (losses) on financial instruments at fair value through other comprehensive income	434,956	(10,338,478)	408,319	(334,069)	2,828,305	(7,000,967)
Share of other comprehensive loss of associates and joint ventures	(2,980)	(497)	-	-	100	(3,377)
Gains (losses) on cash flow hedging instruments	(6,535)	139,039	(113,299)	-	(46,368)	(27,163)
Gains (losses) on hedging instruments of net investments in foreign operations	(35,658)	(318,925)	-	-	85,588	(268,995)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	2,208	28,584	-	-	(7,861)	22,931
Assets of a disposal group held for sale	7,671	(7,671)	-	-	-	-
Finance gains or losses on insurance contract assets (liabilities)	1,255,023	9,186,970	-	-	(2,526,418)	7,915,575
	<u>₩ 1,422,422</u>	<u>₩ (655,712)</u>	<u>₩ 295,020</u>	<u>₩ (334,069)</u>	<u>₩ 316,357</u>	<u>₩ 1,044,018</u>

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29. Earnings per Share

29.1 Basic Earnings per Share

Basic earnings per share is calculated by dividing profit attributable to ordinary equity holders of the Parent Company by the weighted average number of ordinary shares outstanding.

29.1.1 Weighted average number of ordinary shares outstanding

<i>(In number of shares)</i>	2023		2022	
	Three months	Nine months	Three months	Nine months
Number of issued ordinary shares	403,511,072	403,511,072	408,897,068	408,897,068
Number of treasury shares*	(21,162,733)	(21,162,733)	(19,262,733)	(19,262,733)
Weighted average number of ordinary shares outstanding	383,565,730	385,292,960	389,634,335	389,634,335

* Initial dates of treasury stock that were deducted by the retirement for the nine-month periods ended September 30, 2023 and 2022 were April 4, 2023 and February 14, 2022, respectively.

29.1.2 Basic earnings per share

<i>(In Korean won and in number of shares)</i>	2023	
	Three months	Nine months
Profit attributable to shareholders of the Parent Company	₩ 1,373,754,856,427	₩ 4,370,441,663,149
Deduction: Dividends on hybrid securities	(48,070,325,000)	(136,844,725,000)
Profit attributable to the ordinary equity holders of the Parent Company (A)	1,325,684,531,427	4,233,596,938,149
Weighted average number of ordinary shares outstanding (B)	383,565,730	385,292,960
Basic earnings per share (A/B)	₩ 3,456	₩ 10,988

<i>(In Korean won and in number of shares)</i>	2022	
	Three months	Nine months
Profit attributable to shareholders of the Parent Company	₩ 1,367,759,930,896	₩ 4,038,282,803,940
Deduction: Dividends on hybrid securities	(34,514,700,000)	(85,698,100,000)
Profit attributable to the ordinary equity holders of the Parent Company (A)	1,333,245,230,896	3,952,584,703,940
Weighted average number of ordinary shares outstanding (B)	389,634,335	389,634,335
Basic earnings per share (A/B)	₩ 3,422	₩ 10,144

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29.2 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 Group 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 during the period) 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.

29.2.1 Adjusted profit for diluted earnings per share

(In Korean won)

	2023	
	Three months	Nine months
Profit attributable to shareholders of the Parent Company	₩ 1,373,754,856,427	₩ 4,370,441,663,149
Deduction: Dividends on hybrid securities	(48,070,325,000)	(136,844,725,000)
Profit attributable to ordinary equity holders of the Parent Company	1,325,684,531,427	4,233,596,938,149
Adjustments: Interest expense on exchangeable bonds	618,000,813	1,833,850,237
Adjusted profit for diluted earnings per share	<u>₩ 1,326,302,532,240</u>	<u>₩ 4,235,430,788,386</u>

(In Korean won)

	2022	
	Three months	Nine months
Profit attributable to shareholders of the Parent Company	₩ 1,367,759,930,896	₩ 4,038,282,803,940
Deduction: Dividends on hybrid securities	(34,514,700,000)	(85,698,100,000)
Profit attributable to ordinary equity holders of the Parent Company	1,333,245,230,896	3,952,584,703,940
Adjustments: Interest expense on exchangeable bonds	600,130,825	1,780,822,991
Adjusted profit for diluted earnings per share	<u>₩ 1,333,845,361,721</u>	<u>₩ 3,954,365,526,931</u>

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

(In number of shares)

	2023		2022	
	Three months	Nine months	Three months	Nine months
Weighted average number of ordinary shares outstanding	383,565,730	385,292,960	389,634,335	389,634,335
Adjustment:				
Stock grants	3,804,449	4,064,265	4,008,204	4,328,225
Exchangeable bonds	5,000,000	5,000,000	5,000,000	5,000,000
Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share	392,370,179	394,357,225	398,642,539	398,962,560

29.2.3 Diluted earnings per share

(In Korean won and in number of shares)

	2023	
	Three months	Nine months
Adjusted profit for diluted earnings per share	₩ 1,326,302,532,240	₩ 4,235,430,788,386
Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share	392,370,179	394,357,225
Diluted earnings per share	₩ 3,380	₩ 10,740

(In Korean won and in number of shares)

	2022	
	Three months	Nine months
Adjusted profit for diluted earnings per share	₩ 1,333,845,361,721	₩ 3,954,365,526,931
Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share	398,642,539	398,962,560
Diluted earnings per share	₩ 3,346	₩ 9,912

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30. Insurance Contracts

30.1 Details of insurance contract assets and insurance contract liabilities as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	September 30, 2023									
	Life insurance					Non-life insurance				
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas	
Insurance contract assets	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 201,267	₩ 14,610	₩ -	₩ -	
Insurance contract liabilities	10,557,882	341,710	6,572,221	5,866,884	-	18,347,311	1,700,173	2,197,495	274,996	
Net insurance contract liabilities	₩ 10,557,882	₩ 341,710	₩ 6,572,221	₩ 5,866,884	₩ -	₩ 18,146,044	₩ 1,685,563	₩ 2,197,495	₩ 274,996	
Reinsurance contract assets	₩ 251	₩ (90)	₩ -	₩ -	₩ 4,770	₩ 390,008	₩ 1,084,398	₩ 12,018	₩ 195,499	
Reinsurance contract liabilities	12,525	16,086	-	-	-	-	3,540	-	-	
Net reinsurance contract assets (liabilities)	₩ (12,274)	₩ (16,176)	₩ -	₩ -	₩ 4,770	₩ 390,008	₩ 1,080,858	₩ 12,018	₩ 195,499	

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30.1 Details of insurance contract assets and insurance contract liabilities as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 31, 2022									
	Life insurance					Non-life insurance				
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas	
Insurance contract assets	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 78,687	₩ 4,617	₩ -	₩ -	
Insurance contract liabilities	10,518,422	327,144	7,315,863	5,698,737	-	18,195,275	1,469,824	2,172,574	222,173	
Net insurance contract liabilities	₩ 10,518,422	₩ 327,144	₩ 7,315,863	₩ 5,698,737	₩ -	₩ 18,116,588	₩ 1,465,207	₩ 2,172,574	₩ 222,173	
Reinsurance contract assets	₩ 837	₩ -	₩ -	₩ -	₩ 3,827	₩ 381,733	₩ 1,014,266	₩ 31,750	₩ 63,553	
Reinsurance contract liabilities	12,008	16,572	-	-	-	-	3,148	-	-	
Net reinsurance contract assets (liabilities)	₩ (11,171)	₩ (16,572)	₩ -	₩ -	₩ 3,827	₩ 381,733	₩ 1,011,118	₩ 31,750	₩ 63,553	

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023									
	Life insurance					Non-life insurance				Total
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas	
Insurance revenue:										
Insurance contracts not applying the premium allocation approach:										
Expected insurance claims and expenses	₩ 189,966	₩ 24,719	₩ 27,132	₩ 64,222	₩ -	₩ 3,079,712	₩ -	₩ -	₩ -	₩ 3,385,751
Changes in risk adjustment due to release of risk	13,374	2,144	3,575	4,016	-	137,629	-	-	-	160,738
Contractual service margin recognized in profit or loss for the services provided	219,311	14,842	24,152	66,693	-	612,724	-	-	-	937,722
Experience adjustments on premium related to current and past services	-	-	-	-	-	-	-	-	-	-
Recovery of insurance acquisition cash flows	12,340	2,069	4,211	3,872	-	124,235	-	-	-	146,727
Other insurance revenues	(1,617)	(218)	(2,413)	(744)	-	-	-	-	-	(4,992)
	<u>433,374</u>	<u>43,556</u>	<u>56,657</u>	<u>138,059</u>	<u>-</u>	<u>3,954,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,625,946</u>
Insurance revenue for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	962,849	2,017,364	68,502	3,048,715
Total insurance revenue	<u>₩ 433,374</u>	<u>₩ 43,556</u>	<u>₩ 56,657</u>	<u>₩ 138,059</u>	<u>₩ -</u>	<u>₩ 3,954,300</u>	<u>₩ 962,849</u>	<u>₩ 2,017,364</u>	<u>₩ 68,502</u>	<u>₩ 7,674,661</u>

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023										
	Life insurance					Non-life insurance				Total	
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas		
Insurance service expenses:											
Incurred claims and expenses	₩ (178,103)	₩ (25,024)	₩ (24,680)	₩ (62,960)	₩ -	₩ (3,032,416)	₩ (922,662)	₩ (1,712,636)	₩ (131,050)	₩ (6,089,531)	
Amortization of insurance acquisition cash flows	(12,340)	(2,069)	(4,211)	(3,872)	-	(107,030)	(96,260)	(228,202)	(1,909)	(455,893)	
Changes in fulfilment cash flows relating to incurred claims	4,064	(1,536)	(1,759)	(477)	-	25,245	200,801	33,650	-	259,988	
Losses on onerous contracts and reversals	(3,262)	1,135	(1,190)	(6,023)	-	(89,333)	1,098	-	-	(97,575)	
Other insurance service expenses	2,757	136	(1,836)	(941)	-	-	-	-	-	116	
Insurance service expenses for insurance contracts not applying the premium allocation approach	(186,884)	(27,358)	(33,676)	(74,273)	-	(3,203,534)	-	-	-	(3,525,725)	
Insurance service expenses for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	(817,023)	(1,907,188)	(132,959)	(2,857,170)	
Total insurance service expenses	₩ (186,884)	₩ (27,358)	₩ (33,676)	₩ (74,273)	₩ -	₩ (3,203,534)	₩ (817,023)	₩ (1,907,188)	₩ (132,959)	₩ (6,382,895)	
Reinsurance income:											
Recovery of incurred reinsurance claims and expenses	₩ 310	₩ 1,286	₩ -	₩ -	₩ 1,425	₩ 91,139	₩ 484,840	₩ 309	₩ 106,889	₩ 686,198	
Changes in fulfilment cash flows relating to incurred claims	(177)	(171)	-	-	539	5,480	(162,884)	1,445	-	(155,768)	
Recognition and reversal of loss-recovery component	34	20	-	-	825	18,071	(205)	-	-	18,745	
Other reinsurance income	-	-	-	-	-	-	-	-	-	-	
Reinsurance income for reinsurance contracts not applying the premium allocation approach	167	1,135	-	-	2,789	113,452	-	-	-	117,543	
Reinsurance income for reinsurance contracts applying the premium allocation approach	-	-	-	-	-	1,238	321,751	1,754	106,889	431,632	
Total reinsurance income	₩ 167	₩ 1,135	₩ -	₩ -	₩ 2,789	₩ 114,690	₩ 321,751	₩ 1,754	₩ 106,889	₩ 549,175	

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023									
	Life insurance					Non-life insurance				Total
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas	
Reinsurance expense:										
Reinsurance contracts not applying the premium allocation approach:										
Expected recovery of incurred claims and expenses	₩ (688)	₩ (1,598)	₩ -	₩ -	₩ (991)	₩ (108,793)	₩ -	₩ -	₩ -	₩ (112,070)
Changes in risk adjustment due to release of risk	(92)	(97)	-	-	(36)	(5,882)	-	-	-	(6,107)
Contractual service margin recognized in profit or loss for the services received	(833)	(393)	-	-	(1,195)	3,199	-	-	-	778
Experience adjustments on reinsurance premium related to current and past services	-	-	-	-	-	-	-	-	-	-
Other reinsurance expenses	11	6	-	-	328	-	-	-	-	345
	<u>(1,602)</u>	<u>(2,082)</u>	<u>-</u>	<u>-</u>	<u>(1,894)</u>	<u>(111,476)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(117,054)</u>
Reinsurance expenses for reinsurance contracts applying the premium allocation approach	-	-	-	-	-	(1,464)	(446,525)	(7,553)	(56,482)	(512,024)
Total reinsurance expense	<u>(1,602)</u>	<u>(2,082)</u>	<u>-</u>	<u>-</u>	<u>(1,894)</u>	<u>(112,940)</u>	<u>(446,525)</u>	<u>(7,553)</u>	<u>(56,482)</u>	<u>(629,078)</u>
Total insurance service result	<u>₩ 245,055</u>	<u>₩ 15,251</u>	<u>₩ 22,981</u>	<u>₩ 63,786</u>	<u>₩ 895</u>	<u>₩ 752,516</u>	<u>₩ 21,052</u>	<u>₩ 104,377</u>	<u>₩ (14,050)</u>	<u>₩ 1,211,863</u>

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022										Total	
	Life insurance					Non-life insurance						
	Death	Health	Pension	Variables	Other	Compound	Long-term	General	Automobile			Overseas
Insurance revenue:												
Insurance contracts not applying the premium allocation approach:												
Expected insurance claims and expenses	₩ 185,209	₩ 21,903	₩ 28,576	₩ 60,146	₩ -	₩ -	₩ 2,768,403	₩ -	₩ -	₩ -	₩ -	₩ 3,064,237
Changes in risk adjustment due to release of risk	12,603	1,279	3,383	2,198	-	-	125,239	-	-	-	-	144,702
Contractual service margin recognized in profit or loss for the services provided	163,859	12,508	21,215	58,741	-	-	540,662	-	-	-	-	796,985
Experience adjustments on premium related to current and past services	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of insurance acquisition cash flows	8,606	949	2,949	3,602	-	-	98,427	-	-	-	-	114,533
Other insurance revenues	(426)	(197)	(132)	(305)	-	-	-	-	-	-	-	(1,060)
	<u>369,851</u>	<u>36,442</u>	<u>55,991</u>	<u>124,382</u>	<u>-</u>	<u>-</u>	<u>3,532,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,119,397</u>
Insurance revenue for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	-	954,528	1,909,523	78,547	-	2,942,598
Total insurance revenue	<u>₩ 369,851</u>	<u>₩ 36,442</u>	<u>₩ 55,991</u>	<u>₩ 124,382</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,532,731</u>	<u>₩ 954,528</u>	<u>₩ 1,909,523</u>	<u>₩ 78,547</u>	<u>₩ -</u>	<u>₩ 7,061,995</u>

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022											
	Life insurance						Non-life insurance				Total	
	Death	Health	Pension	Variables	Other	Compound	Long-term	General	Automobile	Overseas		
Insurance service expenses:												
Incurred claims and expenses	₩ (194,066)	₩ (23,510)	₩ (29,559)	₩ (64,461)	₩ 11,304	₩ -	₩ (2,652,586)	₩ (776,921)	₩ (1,602,898)	₩ (58,242)	₩ (5,390,939)	
Amortization of insurance acquisition cash flows	(8,606)	(949)	(2,949)	(3,602)	-	-	(125,705)	(91,150)	(219,232)	(1,658)	(453,851)	
Changes in fulfillment cash flows relating to incurred claims	5,958	794	4,435	3,220	-	-	100,129	21,738	24,531	-	160,805	
Losses on onerous contracts and reversals	(1,971)	(683)	1,805	(23,297)	-	-	(21,331)	(102)	-	-	(45,579)	
Other insurance service expenses	(658)	(54)	1,026	(332)	-	-	-	-	-	-	(18)	
Insurance service expenses for insurance contracts not applying the premium allocation approach	(199,343)	(24,402)	(25,242)	(88,472)	11,304	-	(2,699,493)	-	-	-	(3,025,648)	
Insurance service expenses for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	-	(846,435)	(1,797,599)	(59,900)	(2,703,934)	
Total insurance service expenses	₩ (199,343)	₩ (24,402)	₩ (25,242)	₩ (88,472)	₩ 11,304	₩ -	₩ (2,699,493)	₩ (846,435)	₩ (1,797,599)	₩ (59,900)	₩ (5,729,582)	

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022																					
	Life insurance					Non-life insurance					Total											
	Death	Health	Pension	Variables	Other	Compound	Long-term	General	Automobile	Overseas												
Reinsurance income:																						
Recovery of incurred reinsurance claims and expenses	₩	891	₩	1,093	₩	-	₩	-	₩	-	₩	2,642	₩	54,832	₩	358,347	₩	21,653	₩	(25,736)	₩	413,722
Changes in fulfillment cash flows relating to incurred claims		(115)		(276)		-		-		-		(700)		(9,458)		20,067		486		-		10,004
Recognition and reversal of loss-recovery component		(267)		18		-		-		-		69		2,354		(9)		-		-		2,165
Other reinsurance income		(3)		(6)		-		-		-		(85)		-		-		-		-		(94)
Reinsurance income for reinsurance contracts not applying the premium allocation approach		506		829		-		-		-		1,926		47,443		-		-		-		50,704
Reinsurance income for reinsurance contracts applying the premium allocation approach		-		-		-		-		-		-		285		378,405		22,139		(25,736)		375,093
Total reinsurance income	₩	506	₩	829	₩	-	₩	-	₩	-	₩	1,926	₩	47,728	₩	378,405	₩	22,139	₩	(25,736)	₩	425,797

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30.2 Details of insurance service results for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022																					
	Life insurance					Non-life insurance				Total												
	Death	Health	Pension	Variables	Other	Compound	Long-term	General	Automobile	Overseas												
Reinsurance expense:																						
Reinsurance contracts not applying the premium allocation approach:																						
Expected recovery of incurred claims and expenses	₩	(709)	₩	(1,179)	₩	-	₩	-	₩	-	₩	(922)	₩	(85,755)	₩	-	₩	-	₩	-	₩	(88,565)
Changes in risk adjustment due to release of risk		(51)		(126)		-		-		-		(34)		(4,276)		-		-		-		(4,487)
Contractual service margin recognized in profit or loss for the services received		323		(262)		-		-		-		(743)		(4,935)		-		-		-		(5,617)
Experience adjustments on reinsurance premium related to current and past services		-		-		-		-		-		-		-		-		-		-		-
Other reinsurance expenses		435		6		-		-		-		85		-		-		-		-		526
		(2)		(1,561)		-		-		-		(1,614)		(94,966)		-		-		-		(98,143)
Reinsurance expenses for reinsurance contracts applying the premium allocation approach		-		-		-		-		-		-		(867)		(435,801)		(7,238)		(8,433)		(452,339)
Total reinsurance expense		(2)		(1,561)		-		-		-		(1,614)		(95,833)		(435,801)		(7,238)		(8,433)		(550,482)
Total insurance service result	₩	171,012	₩	11,308	₩	30,749	₩	35,910	₩	11,304	₩	312	₩	785,133	₩	50,697	₩	126,825	₩	(15,522)	₩	1,207,728

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30.3 Details of other insurance finance income and expenses for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023													
	Life insurance			Non-life insurance				Total						
	Retirement	Variables	Others	Long-term	General and Automobile	Overseas	Others							
Insurance finance income (expenses)														
Insurance finance income (expenses) recognized in profit or loss:														
Effect of changes in discount rates and financial assumptions	₩	-	₩	(55,981)	₩	47,228	₩	-	₩	-	₩	(8,753)		
Effect of exchange rate fluctuations		-		(38,788)		(11,064)		-		(20,359)		(70,211)		
Other insurance finance income (expenses)		-		-		(148)		(793)		141		(800)		
		-		(94,769)		36,164		(148)		141		(79,764)		
Insurance finance income (expenses) recognized in other comprehensive income		-		64,874		641,667		164,407		(3,382)		867,566		
Total insurance finance income (expenses)	₩	-	₩	(29,895)	₩	677,831	₩	164,259	₩	(24,534)	₩	141	₩	787,802
Reinsurance finance income (expenses)														
Reinsurance finance income (expenses) recognized in profit or loss:														
Effect of changes in discount rates and financial assumptions	₩	-	₩	-	₩	(14)	₩	-	₩	-	₩	-	₩	(14)
Effect of exchange rate fluctuations		-		-		(42)		-		17,647		-		17,605
Other reinsurance finance income (expenses)		-		-		-		1,078		1,349		(1)		2,426
		-		-		(56)		1,078		18,996		(1)		20,017
Reinsurance finance income (expenses) recognized in other comprehensive income		-		-		390		3,609		2,865		-		6,864
Total reinsurance finance income (expenses)		-		-		334		4,687		21,861		(1)		26,881
Total	₩	-	₩	(29,895)	₩	678,165	₩	168,946	₩	(2,673)	₩	140	₩	814,683

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30.3 Details of other insurance finance income and expenses for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022									
	Life insurance			Non-life insurance				Total		
	Retirement	Variables	Others	Long-term	General and Automobile	Overseas	Others			
Insurance finance income (expenses)										
Insurance finance income (expenses) recognized in profit or loss:										
Effect of changes in discount rates and financial assumptions	₩ -	₩ 1,046,631	₩ 31,287	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 1,077,918
Effect of exchange rate fluctuations	-	(132,893)	(22,896)	-	(87,259)	-	-	-	-	(243,048)
Other insurance finance income (expenses)	-	-	-	(8,188)	1,007	(2,351)	-	-	-	(9,532)
	-	913,738	8,391	(8,188)	(86,252)	(2,351)	-	-	-	825,338
Insurance finance income (expenses) recognized in other comprehensive income	-	351,396	4,388,264	4,514,298	6,240	-	-	-	-	9,260,198
Total insurance finance income (expenses)	₩ -	₩ 1,265,134	₩ 4,396,655	₩ 4,506,110	₩ (80,012)	₩ (2,351)	₩ -	₩ -	₩ -	₩ 10,085,536
Reinsurance finance income (expenses)										
Reinsurance finance income (expenses) recognized in profit or loss:										
Effect of changes in discount rates and financial assumptions	₩ -	₩ -	₩ (404)	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ (404)
Effect of exchange rate fluctuations	-	-	(77)	-	74,652	-	-	-	-	74,575
Other reinsurance finance income (expenses)	-	-	(11)	4,376	9,743	1,730	-	-	-	15,838
	-	-	(492)	4,376	84,395	1,730	-	-	-	90,009
Reinsurance finance income (expenses) recognized in other comprehensive income	-	-	4,535	(70,606)	(5,499)	-	-	-	-	(71,570)
Total reinsurance finance income (expenses)	-	-	4,043	(66,230)	78,896	1,730	-	-	-	18,439
Total	₩ -	₩ 1,265,134	₩ 4,400,698	₩ 4,439,880	₩ (1,116)	₩ (621)	₩ -	₩ -	₩ -	₩ 10,103,975

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31. Statements of Cash Flows

31.1 Details of cash and cash equivalents as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Cash	₩ 2,455,366	₩ 2,439,490
Checks issued by other banks	121,999	123,163
Due from the Bank of Korea	16,991,830	17,520,636
Due from other financial institutions	12,376,913	12,391,461
	<u>31,946,108</u>	<u>32,474,750</u>
Due from financial institutions measured at fair value through profit or loss	74,143	69,469
	<u>32,020,251</u>	<u>32,544,219</u>
Deduction:		
Restricted due from financial institutions	(3,197,477)	(4,893,839)
Due from financial institutions with original maturities over three months	(864,976)	(1,115,582)
	<u>(4,062,453)</u>	<u>(6,009,421)</u>
	<u>₩ 27,957,798</u>	<u>₩ 26,534,798</u>

31.2 Cash inflows and outflows from income tax, interest, and dividends for the nine-month periods ended September 30, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	Activities	2023	2022
Income tax paid	Operating	₩ 1,726,858	₩ 1,406,931
Interest received	Operating	20,781,541	13,232,604
Interest paid	Operating	8,360,728	3,613,839
Dividends received	Operating	245,435	257,682
Dividends paid	Financing	1,093,747	1,328,632

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32. Contingent Liabilities and Commitments

32.1 Details of acceptances and guarantees as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023	December 31, 2022
Confirmed acceptances and guarantees		
Confirmed acceptances and guarantees in Korean won:		
Acceptances and guarantees for KB purchasing loan	₩ 188,397	₩ 167,538
Others	964,858	918,670
	<u>1,153,255</u>	<u>1,086,208</u>
Confirmed acceptances and guarantees in foreign currencies:		
Acceptances of letter of credit	359,787	502,217
Letter of guarantees	64,623	78,414
Bid bond	23,589	19,998
Performance bond	1,158,564	976,008
Refund guarantees	3,593,074	1,705,796
Others	3,452,784	3,485,842
	<u>8,652,421</u>	<u>6,768,275</u>
Financial guarantee contracts:		
Acceptances and guarantees for issuance of debentures	5,040	5,040
Acceptances and guarantees for mortgage	92,206	94,861
Overseas debt guarantees	496,679	509,157
International financing guarantees in foreign currencies	653,887	181,241
	<u>1,247,812</u>	<u>790,299</u>
	<u>11,053,488</u>	<u>8,644,782</u>
Unconfirmed acceptances and guarantees		
Guarantees of letter of credit	2,875,223	3,042,911
Refund guarantees	1,528,774	1,528,359
Others	3,188	-
	<u>4,407,185</u>	<u>4,571,270</u>
	<u>₩ 15,460,673</u>	<u>₩ 13,216,052</u>

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32.2 Details of commitments as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30,		December 31,	
	2023		2022	
Commitments				
Corporate loan commitments	₩	52,693,638	₩	51,871,280
Retail loan commitments		55,450,606		51,241,471
Credit line of credit cards		82,387,589		77,825,953
Purchase of other securities		8,691,635		7,357,198
		<u>199,223,468</u>		<u>188,295,902</u>
Financial guarantee contracts				
Credit line		6,327,685		7,135,542
Purchase of securities		915,400		371,201
		<u>7,243,085</u>		<u>7,506,743</u>
	₩	<u>206,466,553</u>	₩	<u>195,802,645</u>

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32.3 Other Matters

a) The Group has 127 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,527,589 million, and 337 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans) with aggregate claims amount of ₩ 1,105,974 million, which arose in the normal course of the business, as of September 30, 2023. Details of major pending lawsuits in which the Group is a defendant are as follows:

(In number of cases, in millions of Korean won)

Company	Lawsuits	No. of cases	Amount	Description of the lawsuits	Status of the lawsuits
Kookmin Bank	Request for a return of redemption amount	1	₩ 56,495	Kookmin Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited(the Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff) and then redeemed them and returned them to the beneficiaries. Bernard L. Madoff Investment Securities LLC is in the liquidation process due to Ponzi scheme fraud-related losses. Bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against Kookmin Bank seeking to return the amount of redemptions received by Kookmin Bank through Fairfield Sentry Limited.	Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage]
	Expropriation of long-term leasehold rights	1	336,200	Kookmin Bank invested assets entrusted by OO Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by long-term leasehold rights of the building and land leasehold rights (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., the United States. The Plaintiff, who is the operator of the railway facility, filed this lawsuit against those concerned with the real estate in this case, including Kookmin Bank, to expropriate the real estate in this case and determine indemnity.	Kookmin Bank submitted the response letter and will proceed with the process in the future.

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32.3 Other Matters (cont'd)

(In number of cases, in millions of Korean won)

Company	Lawsuits	No. of cases	Amount	Description of the lawsuits	Status of the lawsuits
Kookmin Bank	Claim for damages	1	₩ 94,259	PT Bank KB Bukopin Tbk requested an auction of TMJ's shares in order to collect the loan to TMJ (a distressed company); NKLI won the auction and then received a loan from the bank for the purpose of purchasing TMJ shares. NKLI's intention was to take control over TMJ and launch mining business; however, NKLI was unable to take control and launch the business due to legal disputes with the bankruptcy trustee of TMJ and court-appointed mine management company, and also lost a lawsuit against the mine management company. As a result, NKLI filed a legal suit to PT Bank KB Bukopin Tbk stating that the bank's recommendation to purchase TMJ's shares was inappropriate since the bank did not intentionally share the legal issues and associated risks thereof.	A legal representative has been appointed to handle the case, and the legal proceedings will proceed.
KB Securities Co., Ltd.	Request for a return of transaction amount (Australian fund)	1	34,944	The plaintiffs OOOO Securities and OOOO Life Insurance filed lawsuits, claiming that the KB Securities Co., Ltd. provided false information on major matters in the product description while selling JB Australia NDIS Private Fund No.1 (on April 25, 2019, plaintiffs invested ₩ 50 billion each) (a) (Primary claim) requesting KB Securities Co., Ltd. to return unjust enrichment of ₩ 100 billion for cancelation of sales contracts of beneficiary certificates due to an error or termination of the contract due to default, (b) (Secondary claim) requesting for compensation for damages in investments amounting to ₩ 100 billion due to violation of the investor protection obligation and fraudulent transactions of KB Securities Co., Ltd. and OOO Asset Management. The Plaintiff's complaint price was changed to ₩ 34.94 billion due to the Plaintiff's request to change the purpose and cause of the claim on April. 6, 2023.	First trial is in progress (the order to change the date for the pleading was made on September 14, 2023 and the 9th pleading is scheduled on November 15, 2023)

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32.3 Other Matters (cont'd)

b) On April 7, 2023, Kookmin Bank entered into a new share subscription agreement with STIC Eugene Star Holdings Inc. (hereinafter referred to as STIC"), under which STIC will acquire 31,900,000,000 shares at a price of IDR 3.19 trillion, of which Kookmin Bank's subsidiary, PT Bank KB Bukopin Tbk, will issue. As a result of the agreement, Kookmin Bank will hold a call option to purchase the shares held by the STIC, starting from 2 years and 6 months after the date of acquisition, for a period of 6 months. If Kookmin Bank does not exercise the call option during the designated period, STIC will have the right to sell the acquired shares back to the bank, also known as holding a put option right, within 1 year after the expiration of the call option period.

c) In June 2013, KB Kookmin Card Co., Ltd. had an accident in which cardholders' personal information was stolen (hereinafter referred to as "accident") due to illegal activities by employees of personal credit information company in charge of development of the system upgrading to prevent fraudulent use of credit card. As a result, KB Kookmin Card Co., Ltd. was notified by the Financial Services Commission of the suspension of some new business for 3 months as of February 16, 2014. In respect of the accident, the Group faces 1 legal claims filed as a defendant, with an aggregate claim amount of ₩ 51 million as of December 31, 2022.

d) As of September 30, 2023, KB KOLAO Leasing Co., Ltd. is selling LVMC Holdings (formerly Kolao Holdings) allied receivables that are overdue by three months or more to Lanexang Leasing Co., Ltd. in accordance with the agreement.

e) As of September 30, 2023, KB Capital Co., Ltd. and PT Sunindo Primasura are required to hold the shares of PT Sunindo Kookmin Best Finance for five years after May 18, 2020, when the purchase of shares was completed. If one party is going to sell all or part of the shares, provide them as collateral, trade or dispose of them, it should give the opportunity to exercise preemption to the other party by providing written proposal including transfer price, payment method, and others.

f) KB Securities Co., Ltd., as an investment broker, managed the sale of private equity funds and trusts amounting to ₩ 326,500 million, which lends to corporations (borrowers) that invest in apartment rental businesses for the disabled in Australia, to individuals and institutional investors. However, management of the fund has been suspended due to the breach of contract by local borrowers in Australia; therefore there is a possibility of losses of principal to these funds subscribers. In this regard, there are three lawsuits in which the KB Securities Co., Ltd., is a defendant as of September 30, 2023. One of the cases was ruled, ordering the payment of ₩ 29,800 million in principal and delayed interest on it. Another case was ruled in October, ordering the payment of ₩ 8,460 million in remaining principal and interest, along with delayed interest on ₩ 8,290 million principal. However, the judgment may be changed at the higher court. The other case is still in the first trial.

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32.3 Other Matters (cont'd)

g) In relation to Lime Asset Management, KB Securities Co., Ltd. has a PIS (Portfolio Index Swap) contract, as of September 30, 2023, associated with 'Lime Thetis Qualified Investor Private Investment Trust No.2' and 'Lime Pluto FI Qualified Investor Private Investment Trust No.D-1' whose redemption were suspended during the fourth quarter of 2019. The notional amount of the underlying assets of the PIS contract is ₩ 147,900 million. Meanwhile, the KB Securities Co., Ltd., sold ₩ 68,100 million of feeder funds of aforementioned redemption-suspended funds. On October 20, 2020, Lime Asset Management's license as a fund manager was revoked by the Financial Supervisory Service's sanctions review committee, and most of its redemption-suspended funds and normal funds have been transferred to Wellbridge Asset Management (the bridge management company) to continue to collect and distribute investments. It is difficult to predict whether and when the aforementioned redemption-suspended funds will be redeemed. In this regard, KB Securities Co., Ltd. faces four claims filed as a defendant as of September 30, 2023. The Group has accounted for the estimated loss due to the possibility of additional lawsuits in the future as a provision for litigations.

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33. Subsidiaries

33.1 Details of major consolidated subsidiaries as of September 30, 2023, are as follows:

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry	
KB Financial Group Inc.	Kookmin Bank	100.00	Korea	Sep. 30	Banking and foreign exchange transaction	
	KB Securities Co., Ltd.	100.00	Korea	Sep. 30	Financial investment	
	KB Insurance Co., Ltd.	100.00	Korea	Sep. 30	Non-life insurance	
	KB Kookmin Card Co., Ltd.	100.00	Korea	Sep. 30	Credit card and installment financing	
	KB Life Insurance Co., Ltd. ¹	100.00	Korea	Sep. 30	Life insurance	
	KB Asset Management Co., Ltd.	100.00	Korea	Sep. 30	Collective investment and advisory	
	KB Capital Co., Ltd.	100.00	Korea	Sep. 30	Financial Leasing	
	KB Real Estate Trust Co., Ltd.	100.00	Korea	Sep. 30	Real estate trust management	
	KB Savings Bank Co., Ltd.	100.00	Korea	Sep. 30	Savings banking	
	KB Investment Co., Ltd.	100.00	Korea	Sep. 30	Capital investment	
	KB Data System Co., Ltd.	100.00	Korea	Sep. 30	Software advisory, development, and supply	
	Kookmin Bank	KB PRASAC BANK PLC. ³	100.00	Cambodia	Sep. 30	Banking and foreign exchange transaction
		Kookmin Bank (China) Ltd.	100.00	China	Sep. 30	Banking and foreign exchange transaction
		KB Microfinance Myanmar Co., Ltd.	100.00	Myanmar	Sep. 30	Microfinance services
PT Bank Syariah Bukopin		92.78	Indonesia	Sep. 30	Banking	
PT Bukopin Finance		97.03	Indonesia	Sep. 30	Installment financing	
KB Bank Myanmar Co., Ltd.		100.00	Myanmar	Sep. 30	Banking and foreign exchange transaction	

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33.1 Details of major consolidated subsidiaries as of September 30, 2023, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry
Kookmin Bank , KB Kookmin Card Co., Ltd, KB Securities Co., Ltd., KB Insurance Co., Ltd., KB Capital Co., Ltd	PT Bank KB Bukopin, Tbk. ²	67.57 ²	Indonesia	Sep. 30	Banking and foreign exchange transaction
KB Securities Co., Ltd.	KBFG Securities America Inc.	100.00	United States	Sep. 30	Investment advisory and securities trading
	KB Securities Hong Kong Ltd.	100.00	China	Sep. 30	Investment advisory and securities trading
	KB Securities Vietnam Joint Stock Company	99.81	Vietnam	Sep. 30	Investment advisory and securities trading
	KB FINA Joint Stock Company	77.82	Vietnam	Sep. 30	Investment advisory and securities trading
	PT KB VALBURY SEKURITAS	65.00	Indonesia	Sep. 30	Investment advisory and securities trading
	PT.KB Valbury Capital Management	79.00	Indonesia	Sep. 30	Financial investment
KB Insurance Co., Ltd.	Leading Insurance Services, Inc.	100.00	United States	Sep. 30	Management service
	KBFG Insurance(China) Co., Ltd.	100.00	China	Sep. 30	Non-life insurance
	PT. KB Insurance Indonesia	70.00	Indonesia	Sep. 30	Non-life insurance
	KB Claims Survey & Adjusting	100.00	Korea	Sep. 30	Claim service
	KB Sonbo CNS	100.00	Korea	Sep. 30	Management service
	KB Golden Life Care Co., Ltd.	100.00	Korea	Sep. 30	Service
	KB Healthcare Co., Ltd.	100.00	Korea	Sep. 30	Information and communication
KB Life Insurance Co., Ltd.	KB Life Partners Co., Ltd.	100.00	Korea	Sep. 30	Insurance agent
KB Kookmin Card Co., Ltd.	KB Credit Information	100.00	Korea	Sep. 30	Collection of receivables or credit
	KB Daehan Specialized Bank Plc.	97.50	Cambodia	Sep. 30	Auto Installment finance
	PT. KB Finansia Multi Finance	80.00	Indonesia	Sep. 30	Auto Installment finance
	KB J Capital Co., Ltd.	50.99	Thailand	Sep. 30	Service
	i-Finance Leasing Plc.	100.00	Cambodia	Sep. 30	Leasing

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33.1 Details of major consolidated subsidiaries as of September 30, 2023, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry
KB Capital Co., Ltd.	PT Sunindo Kookmin Best Finance	85.00	Indonesia	Sep. 30	Auto Installment finance
KB Kookmin Card Co., Ltd. KB Capital Co., Ltd.	KB KOLAO Leasing Co., Ltd.	80.00	Laos	Sep. 30	Auto Installment finance
Kookmin Bank, KB Data System Co., Ltd.	PT KB Data Systems Indonesia	100.00	Indonesia	Sep. 30	Service
KB Asset Management Co., Ltd.	KBAM Shanghai Advisory Services Co., Ltd.	100.00	China	Sep. 30	General advisory
	KB Asset Management Singapore PTE. LTD.	100.00	Singapore	Sep. 30	Collective investment

¹ Prudential Life Insurance Company of Korea Ltd. has changed its name into KB Life Insurance Co., Ltd.

² Among the ownership in PT Bank KB Bukopin, Tbk., 0.05% (100,000,000 shares) is no-voting shares with no-dividends.

³ PRASAC Microfinance Institution PLC.(merging entity), a subsidiary of Kookmin Bank Co., Ltd., obtained the-final approval from the Ministry of Commence of Cambodia on August 4, 2023 and merged with Kookmin Bank Cambodia PLC.(merged entity), issuing 20,272,296 shares in exchange for the transfer consideration. The official name of PRASAC Microfinance Institution PLC.(merging entity) has changed to KB PRASAC BANK PLC.

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33.2 Details of consolidated structured entities as of September 30, 2023, are as follows:

	Consolidated structured entities	Reasons for consolidation
Trusts	Kookmin Bank (development trust) and 10 others	The Group controls the trust because it has power to determine management performance of the trust and is significantly exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.
Asset-backed securitization	Taejon Samho The First Co., Ltd. and 117 others	The Group controls these investees because it has power over relevant activities in the event of default, is significantly exposed to variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt and has ability to affect those returns through its power.
Investment funds and others	KB Global Platform Fund No.2 and 211 others	Funds are consolidated if the Group, as a collective investor or operating manager (member), etc., can manage fund assets on behalf of other investors, or dismiss the collective investor and operating manager, and is substantially exposed to significant variable returns or has such rights.

If the Group holds more than half of the ownership interests but does not have the power over relevant activities of structured entities in accordance with agreements with trust and other related parties, those structured entities are excluded from the consolidation.

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33.3 Condensed financial information of major subsidiaries as of September 30, 2023 and December 31, 2022 and for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			2023		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) attributable to shareholders of the Parent Company	Total comprehensive income (loss) attributable to shareholders of the Parent Company
Kookmin Bank ¹	₩ 537,096,518	₩ 501,139,605	₩ 35,956,913	₩ 34,621,072	₩ 2,855,372	₩ 3,219,223
KB Securities Co., Ltd. ^{1,2}	60,076,178	53,852,127	6,224,051	8,704,432	361,147	345,656
KB Insurance Co., Ltd. ^{1,2}	35,398,383	29,359,548	6,038,835	9,020,857	680,326	662,246
KB Kookmin Card Co., Ltd. ¹	29,737,753	24,946,516	4,791,237	3,094,296	272,405	276,334
KB Life Insurance Co., Ltd. ^{1,2,3,4}	29,635,663	25,269,226	4,366,437	2,107,257	131,410	286,229
KB Asset Management Co., Ltd. ¹	342,454	91,343	251,111	149,873	44,334	44,594
KB Capital Co., Ltd. ^{1,2}	16,367,797	14,125,897	2,241,900	1,675,669	158,933	156,006
KB Real Estate Trust Co., Ltd. ¹	741,973	322,185	419,788	108,067	49,249	49,252
KB Savings Bank Co., Ltd.	3,147,423	2,885,906	261,517	176,074	(22,633)	(22,689)
KB Investment Co., Ltd. ¹	1,546,267	1,246,999	299,268	138,327	28,975	28,981
KB Data System Co., Ltd. ¹	60,935	35,251	25,684	172,852	3,113	3,201

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33.3 Condensed financial information of major subsidiaries as of September 30, 2023 and December 31, 2022 and for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	December 30, 2022			2022		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) attributable to shareholders of the Parent Company	Total comprehensive income (loss) attributable to shareholders of the Parent Company
Kookmin Bank ¹	₩ 517,769,512	₩ 484,046,253	₩ 33,723,259	₩ 45,685,185	₩ 2,550,571	₩ 1,217,851
KB Securities Co., Ltd. ^{1,2}	53,824,246	47,946,933	5,877,313	13,942,284	303,737	428,904
KB Insurance Co., Ltd. ^{1,2}	34,743,259	29,017,684	5,725,576	8,784,924	699,914	1,113,625
KB Kookmin Card Co., Ltd. ¹	29,721,017	24,998,215	4,722,802	2,735,913	352,265	398,979
KB Life Insurance Co., Ltd. (former Prudential Life Insurance Company of Korea Ltd.) ^{1,2,3,4}	20,924,583	17,705,417	3,219,166	2,064,021	(15,773)	712,612
KB Life Insurance Co., Ltd.	9,065,100	8,430,665	634,435	903,878	(16,661)	(99,705)
KB Asset Management Co., Ltd. ¹	369,488	102,970	266,518	187,633	49,893	50,630
KB Capital Co., Ltd. ^{1,2}	16,053,026	13,946,800	2,106,226	1,420,559	201,997	191,811
KB Real Estate Trust Co., Ltd.	518,980	113,444	405,536	111,983	55,777	55,777
KB Savings Bank Co., Ltd.	3,138,543	2,854,549	283,994	140,027	21,478	21,430
KB Investment Co., Ltd. ¹	1,378,550	1,108,264	270,286	90,557	(797)	(801)
KB Data System Co., Ltd. ¹	63,645	40,570	23,075	158,221	849	1,063
KB Credit Information Co., Ltd. ⁵	42,219	24,923	17,296	26,838	(162)	(178)

¹ Financial information is based on its consolidated financial statements.

² Includes fair value adjustments arising from the acquisition.

³ Prudential Life Insurance Company of Korea Ltd. and KB Life Insurance Co., Ltd, which were subsidiary companies, have merged in January 2023.

⁴ Prudential Life Insurance Company of Korea Ltd. changed the name to KB Life Insurance Co., Ltd.

⁵ The Parent Company sold 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. on June 30, 2023.

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33.4 The Characteristics of Risks Associated with Consolidated Structured Entities

The terms of contractual arrangements to provide financial support to consolidated structured entities are as follows:

33.4.1 The Group has provided payment guarantees of ₩ 4,719,120 million to K plus 1st LLC and other consolidated structured entities.

33.4.2 The Group has provided capital commitment to 56 consolidated structured entities including KB Sinansan Line Private Special Asset Fund (SOC). The unexecuted amount of the capital commitment is ₩ 1,885,259 million. Based on the capital commitment, the Group is subject to increase its investment upon the request of the asset management company or the additional agreement among investors.

33.4.3 The Group has provided the guarantees of payment of principal, or principal and fixed rate of return in case the operating results of the trusts are less than the guaranteed principal, or principal and fixed rate of return.

33.5 Changes in Subsidiaries

33.5.1 Subsidiaries newly included in consolidation for the nine-month period ended September 30, 2023, are as follows:

Company	Reasons of obtaining control
Star road Alpha PFL General Asset Management Real Estate Investment Trust No.11 and 8 other	Holds more than half of the ownership interests
New star Copper 2nd Co., Ltd. and 24 others	Holds the power in the event of default and is exposed to significant variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt
KB Global Private Real Estate Debt Fund 29 and 15 others	Holds the power to determine the operation of the funds and is exposed to variable returns by holding significant amount of ownership interests
KB Global Platform Fund No.2 and 2 other	Holds the power as a general partner and is exposed to variable returns by holding significant amount of ownership interests

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33.5.2 Subsidiaries excluded from consolidation for the nine-month period ended September 30, 2023, are as follows:

Company	Reasons of losing control
KB Cheongra Hill Co., Ltd. and 25 others	Termination of the commitments
KB Life Insurance Co., Ltd. and 8 others	Liquidation
KB KBSTAR Treasury Futures 3 Year ETF Trust (Bond-Derivative) and 4 others	Disposal
KB Global Dynamic Securities Master Investment Trust (Equity-Indirect Type) and 5 others	Decrease in ownership interests to less than majority

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34. Related Party Transactions

According to Korean IFRS No.1024, the Group includes investments in associates, key management personnel (including family members), and post-employment benefit plans of the Group and its related party companies in the scope of related parties. The Group discloses balances (receivables and payables) and other amounts arising from transactions with related parties in the notes to the consolidated financial statements. Refer to Note 12 for details of investments in associates and joint ventures.

34.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

		<u>2023</u>	<u>2022</u>
Associates and joint ventures			
Balhae Infrastructure Company	Fee and commission income	₩ 3,797	₩ 3,888
Korea Credit Bureau Co., Ltd.	Interest expense	-	1
	Fee and commission income	586	630
	Fee and commission expense	5,990	3,066
	Insurance income	3	3
	Reversal of credit losses	1	-
	Other operating expenses	12	12
Incheon Bridge Co., Ltd.	Interest income	8,120	6,113
	Interest expense	723	350
	Fee and commission income	20	17
	Fee and commission expense	5	4
	Insurance income	164	156
	Gains on financial instruments at fair value through profit or loss	74	-
	Losses on financial instruments at fair value through profit or loss	74	2,928
	Provision of credit losses	57	9
Kendai Co.,Ltd.	Other non-operating expenses	-	6
Aju Good Technology Venture Fund	Interest expense	110	62
KB Star Office Private Real Estate Master Fund No.1*	Interest expense	-	2
	Fee and commission income	-	276
Star-Lord General Investors Private Real Estate Investment Company No.10	Insurance income	103	61
	Interest income	4,441	1,619
	Interest expense	432	252
	Fee and commission income	20	-
	Provision of credit losses	1	1
	General and administrative expenses	7,285	3,198
KG Capital Co., Ltd. *	Interest income	293	666
	Fee and commission income	18	36
	Fee and commission expense	1	8
	Insurance income	13	33
	Other operating income	-	392
	Other operating expenses	11	20
	Reversal of credit losses	55	-
	Provision for credit losses	-	4

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34.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
Food Factory Co., Ltd.	Interest income	₩ 54	₩ 60
	Interest expense	-	6
	Insurance income	8	7
	Fee and commission income	-	1
	Profit or loss-fair value measurement of financial instrument revenue	25	20
	Reversal of credit losses	2	-
KB Pre IPO Secondary Venture Fund No.1 *	Fee and commission income	-	8
Acts Co., Ltd.	Insurance income	-	2
DongJo Co., Ltd.	Interest income	10	-
POSCO-KB Shipbuilding Fund	Fee and commission income	(18)	137
Paycoms Co., Ltd. *	Interest income	154	7
	Profit or loss-fair value measurement of financial instrument revenue	-	67
Big Dipper Co., Ltd.	Interest expense	-	1
	Fee and commission expense	244	393
KB-KDBC Pre-IPO New Technology Business Investment Fund	Interest expense	-	1
	Fee and commission income	-	92
KB-TS Technology Venture Private Equity Fund	Fee and commission income	271	185
KB-SJ Tourism Venture Fund	Fee and commission income	257	209
Banksalad Co., Ltd.	Fee and commission income	27	27
	Fee and commission expense	9	15
	Insurance income	1	1
Iwon Alloy Co., Ltd.	Insurance income	1	1
RMGP Bio-Pharma Investment Fund, L.P.	Fee and commission income	35	48
KB-MDI Centauri Fund LP	Fee and commission income	367	358
Hibiscus Fund LP	Fee and commission income	799	391
RMG-KB BioAccess Fund L.P.	Fee and commission income	247	245
S&E Bio Co., Ltd.	Interest expense	31	1
Contents First Inc.	Interest income	220	70
	Interest expense	60	(4)
	Fee and commission income	1	-
	Provision for credit losses	5	2
	Insurance income	141	136
December & Company Inc.	Insurance income	141	136
GENINUS Inc. *	Interest expense	-	12
Pin Therapeutics Inc.	Interest expense	101	110
Wyatt Co., Ltd.	Insurance income	73	106
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	Interest expense	4	3
	Fee and commission income	193	-
Spark Biopharma Inc.	Interest expense	364	149
Skydigital Inc.	Fee and commission income	2	2

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34.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
Ilkwang Electronic Materials Co., Ltd.	Other non-operating expenses	₩ -	₩ 1
SO-MYUNG RECYCLING Co., Ltd.	Other non-operating expenses	-	2
KB No.17 Special Purpose Acquisition Company *	Interest expense	-	1
KB No.18 Special Purpose Acquisition Company *	Interest expense	-	5
KB No.19 Special Purpose Acquisition Company *	Interest expense	-	5
KB No.20 Special Purpose Acquisition Company *	Gains on financial instruments at fair value through profit or loss	-	10
	Interest expense	-	18
KB No.21 Special Purpose Acquisition Company	Fee and commission income	-	263
	Gains on financial instruments at fair value through profit or loss	82	1,617
	Interest expense	49	15
KB No.22 Special Purpose Acquisition Company	Fee and commission income	-	175
	Gains on financial instruments at fair value through profit or loss	351	1,089
	Interest expense	1	1
KB No.23 Special Purpose Acquisition Company	Gains on financial instruments at fair value through profit or loss	213	-
	Interest expense	45	5
KB No.24 Special Purpose Acquisition Company	Interest expense	7	-
KB No.25 Special Purpose Acquisition Company	Interest expense	26	-
	Gains on financial instruments at fair value through profit or loss	1,095	-
KB No.26 Special Purpose Acquisition Company	Interest expense	22	-
	Gains on financial instruments at fair value through profit or loss	1,191	-
KB No.27 Special Purpose Acquisition Company	Interest expense	23	-
KB SPROTT Renewable Private Equity Fund No.1	Fee and commission income	244	259
KB-Stonebridge Secondary Private Equity Fund	Fee and commission income	479	512
COSES GT Co., Ltd.	Losses on financial instruments at fair value through profit or loss	4,910	-
	Interest income	30	15
	Interest expense	-	1
	Provision for credit losses	-	3
	Reversal of credit losses	5	-
SuperNGine Co., Ltd.	Interest income	15	-
	Provision for credit losses	6	-

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34.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
Desilo Inc.	Interest income	₩ 9	₩ 6
	Provision for credit losses	3	-
Turing Co., Ltd.	Interest expense	1	1
	Interest income	5	-
	Provision for credit losses	10	-
IGGYMOB Co., Ltd.	Interest expense	-	1
Kukka Co., Ltd.	Interest expense	-	2
ZIPDOC Inc.	Interest expense	-	1
	Reversal of credit losses	-	2
Grinergy Co., Ltd.	Provision for credit losses	1	-
	Interest expense	1	-
TeamSparta Inc.	Interest expense	178	8
	Fee and commission income	4	-
Chabot Mobility Co., Ltd.	Interest expense	-	1
	Fee and commission expense	1,563	409
Wemade Connect Co., Ltd.	Insurance income	1	2
	Interest expense	238	19
	Reversal of credit losses	-	2
	Provision for credit losses	11	-
TMAP Mobility Co., Ltd.	Interest expense	409	-
	Fee and commission income	1	-
	Fee and commission expense	809	-
	Reversal of credit losses	9	-
	Insurance income	83	-
Nextrade Co., Ltd.	Interest expense	2,177	-
WJ Private Equity Fund No.1	Fee and commission income	5	5
UPRISE, Inc.	Interest expense	-	3
Channel Corporation	Interest expense	48	16
CWhy Inc.	Insurance income	2	2
KB Social Impact Investment Fund	Fee and commission income	192	222
KB-UTC Inno-Tech Venture Fund	Fee and commission income	336	345
KBSP Private Equity Fund No.4	Fee and commission income	-	211
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Fee and commission income	878	561
2020 KB Fintech Renaissance Fund	Fee and commission income	110	110
KB Material and Parts No.1 PEF	Fee and commission income	616	264
FineKB Private Equity Fund No.1	Fee and commission income	365	480
	Gains on financial instruments at fair value through profit or loss	16	-
Paramark KB Fund No.1	Fee and commission income	97	318
KB-Badgers Future Mobility ESG Fund No.1	Fee and commission income	972	577
KB Bio Private Equity No.3 Ltd. *	Fee and commission income	-	4,085
KB-KTB Technology Venture Fund	Fee and commission income	550	462
THE CHAEUL FUND NO.1	Fee and commission income	-	48

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34.1 Details of significant profit or loss arising from transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
KB-Solidus Global Healthcare Fund	Fee and commission income	₩ 221	₩ 269
	Gains on financial instruments at fair value through profit or loss	8,400	-
SwatchOn Inc. *	Fee and commission income	-	5
	Interest expense	-	5
Gomi corporation Inc.	Interest income	61	42
	Interest expense	-	2
	Fee and commission income	1	1
	Insurance income	1	-
KB Cape No.1 Private Equity Fund	Provision for credit losses	63	3
	Fee and commission income	144	72
	Losses on financial instruments at fair value through profit or loss	89	-
KB-GeneN Medical Venture Fund No.1	Fee and commission income	66	54
KB-BridgePole Venture Investment Fund	Fee and commission income	101	84
KB-Kyobo New Mobility Power Fund	Fee and commission income	59	49
KB Co-Investment Private Equity Fund No.1	Fee and commission income	652	294
KB-NP Green ESG New Technology Venture Capital Fund	Fee and commission income	877	142
KB-FT 1st Green Growth Investment Fund	Fee and commission income	101	-
	Interest expense	8	-
KB-SUSUNG 1st Investment Fund	Fee and commission income	80	-
Youngwon Corporation	Insurance income	1	-
3D Interactive Co., Ltd.	Fee and commission income	6	-
	Interest expense	7	-
	Provision for credit losses	3	-
Bigwave Robotics Crop.	Interest income	(1)	-
	Interest expense	1	-
Others			
Retirement pension	Fee and commission income	₩ 1,165	₩ 1,015
	Interest expense	19	24

* Excluded from the Group's related party as of September 30, 2023.

Meanwhile, the Group purchased installment financial assets, etc. from KG Capital Co., Ltd. amounting to ₩ 373,044 million and ₩ 380,500 million for the nine-month periods ended September 30, 2023 and 2022, respectively.

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

		September 30, 2023	December 31, 2022
Associates and joint ventures			
Balhae Infrastructure Company	Other assets	₩ 1,271	₩ 1,306
Korea Credit Bureau Co., Ltd.	Loans measured at amortized cost (gross amount)	34	38
	Deposits	2,316	27,889
	Provisions	1	2
	Insurance contract liabilities	2	1
Incheon Bridge Co., Ltd.	Financial assets at fair value through profit or loss	32,874	32,948
	Loans measured at amortized cost (gross amount)	84,195	95,211
	Allowances for credit losses	44	12
	Other assets	578	615
	Deposits	48,156	48,639
	Provisions	44	18
	Insurance contract liabilities	142	89
	Other liabilities	430	446
Jungdo Co., Ltd.	Deposits	4	4
DongJo Co., Ltd.	Insurance contract liabilities	1	-
Dae-A Leisure Co., Ltd.	Deposits	149	154
Aju Good Technology Venture Fund	Deposits	674	7,222
	Other liabilities	-	73
Star-Lord General Investors Private Real Estate Investment Company No.10	Loans measured at amortized cost (gross amount)	149,636	149,294
	Allowances for credit losses	2	1
	Property and equipment	6,824	9,915
	Other assets	8,742	8,591
	Insurance contract liabilities	78	46
	Other liabilities	9,904	14,227
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	Deposits	906	1,526
	Other liabilities	-	1
WJ Private Equity Fund No.1	Other assets	2	2
	Deposits	264	221
KB Cape No.1 Private Equity Fund	Financial assets at fair value through profit or loss	1,861	2,017
RAND Bio Science Co., Ltd.	Deposits	6	3
	Loans measured at amortized cost (gross amount)	1	-
KG Capital Co., Ltd. *	Loans measured at amortized cost (gross amount)	-	40,040
	Allowances for credit losses	-	55
	Other assets	-	63
	Deposits	-	10
	Insurance contract liabilities	-	14
	Other liabilities	-	5

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
Food Factory Co., Ltd.	Financial assets at fair value through profit or loss	₩ 721	₩ 696
	Loans measured at amortized cost (gross amount)	2,209	3,345
	Allowances for credit losses	2	4
	Other assets	17	4
	Deposits	579	664
	Insurance contract liabilities	1	8
	Other liabilities	7	1
POSCO-KB Shipbuilding Fund	Other assets	760	177
Paycoms Co., Ltd. *	Financial assets at fair value through profit or loss	-	1,172
	Deposits	-	1
Big Dipper Co., Ltd.	Loans measured at amortized cost (gross amount)	17	18
	Deposits	155	19
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	56	317
Iwon Alloy Co., Ltd.	Deposits	1	1
	Insurance contract liabilities	-	1
Computerlife Co., Ltd.	Deposits	-	3
RMGP Bio-Pharma Investment Fund, L.P.	Financial assets at fair value through profit or loss	6,572	6,384
	Other liabilities	68	36
RMGP Bio-Pharma Investment, L.P.	Financial assets at fair value through profit or loss	20	17
	Deposits	-	-
Wyatt Corp.	Financial assets at fair value through profit or loss	6,000	6,000
	Deposits	1	1
	Insurance contract liabilities	102	75
Skydigital Inc.	Deposits	4	10
Banksalad Co., Ltd.	Financial assets at fair value through profit or loss	9,414	10,470
	Deposits	-	-
Spark Biopharma Inc.	Financial assets at fair value through profit or loss	7,450	7,450
	Loans measured at amortized cost (gross amount)	16	17
	Deposits	13,491	17,534
	Other liabilities	78	91
UPRISE, Inc.	Financial assets at fair value through profit or loss	5,676	5,248
	Deposits	-	27
Stratio, Inc.	Financial assets at fair value through profit or loss	1,000	1,000
	Deposits	-	-
Honest Fund, Inc.	Financial assets at fair value through profit or loss	3,999	3,999
	Deposits	-	-

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
CellinCells Co., Ltd.	Financial assets at fair value through profit or loss	₩ 2,000	₩ 2,000
	Loans measured at amortized cost (gross amount)	4	7
	Deposits	40	37
Channel Corporation	Financial assets at fair value through profit or loss	16,093	18,099
	Deposits	2,036	3,000
	Other liabilities	11	21
KB No.21 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	3,041	2,959
	Deposits	2,280	2,263
	Other liabilities	19	29
KB No.22 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	2,323	1,972
	Deposits	1,865	1,948
	Other liabilities	1	-
KB No.23 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	2,708	2,971
	Deposits	2,062	2,205
	Other liabilities	-	22
KB No.24 Special Purpose Acquisition Company *	Financial assets at fair value through profit or loss	-	6,975
	Deposits	-	9,983
	Other liabilities	-	1
KB No.25 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	1,990	-
	Deposits	1,595	-
	Other liabilities	26	-
KB No.26 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	2,186	-
	Deposits	1,771	-
	Other liabilities	22	-
KB No.27 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	2,995	-
	Deposits	4,979	-
	Other liabilities	23	-
COSES GT Co., Ltd.	Financial assets at fair value through profit or loss	-	4,930
	Loans measured at amortized cost (gross amount)	2	506
	Allowances for credit losses	-	4
	Other assets	-	2
	Deposits	11	1,213
	Insurance contract liabilities	1	-
CWhy Inc.	Deposits	-	1
Bomapp Inc. *	Deposits	-	1

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
MitolImmune Therapeutics	Financial assets at fair value through profit or loss	₩ 7,000	₩ 7,000
KB-Solidus Global Healthcare Fund	Other assets	221	350
Bioprotect Ltd.	Financial assets at fair value through profit or loss	4,555	3,802
Gomi corporation Inc.	Financial assets at fair value through profit or loss	4,000	4,000
	Loans measured at amortized cost (gross amount)	2,204	2,234
	Allowances for credit losses	77	17
	Other assets	7	5
	Deposits	137	915
	Other liabilities	1	1
	Provisions	3	-
	Insurance contract liabilities	2	-
SO-MYUNG RECYCLING Co., Ltd.	Insurance contract liabilities	1	-
Go2joy Co., Ltd.	Financial assets at fair value through profit or loss	1,200	1,200
ClavisTherapeutics, Inc.	Financial assets at fair value through profit or loss	2,000	2,000
S&E Bio Co., Ltd.	Financial assets at fair value through profit or loss	4,000	4,000
	Loans measured at amortized cost (gross amount)	9	10
	Deposits	2,575	6,419
	Other liabilities	20	-
Bluepointpartners Inc.	Financial assets at fair value through profit or loss	2,203	2,133
4N Inc.	Financial assets at fair value through profit or loss	200	200
	Deposits	32	5
Xenohelix Co., Ltd	Financial assets at fair value through profit or loss	3,100	2,100
Contents First Inc.	Financial assets at fair value through profit or loss	7,277	7,277
	Loans measured at amortized cost (gross amount)	10,102	10,017
	Allowances for credit losses	6	1
	Other assets	45	2
	Deposits	419	5,010
	Provisions	1	-
	Other liabilities	5	21
KB-MDI Centauri Fund LP	Financial assets at fair value through profit or loss	16,724	17,471
	Other assets	97	470
2020 KB Fintech Renaissance Fund	Other assets	37	37
OKXE Inc.	Financial assets at fair value through profit or loss	800	800

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
Mantisco Co., Ltd.	Loans measured at amortized cost (gross amount)	₩ 8	₩ 15
	Financial assets at fair value through profit or loss	3,000	3,000
	Deposits	-	623
Pin Therapeutics Inc.	Loans measured at amortized cost (gross amount)	22	13
	Financial assets at fair value through profit or loss	5,000	5,000
	Deposits	2,365	6,033
IMBiologics Corp.	Other liabilities	-	18
	Loans measured at amortized cost (gross amount)	2	4
	Financial assets at fair value through profit or loss	7,000	5,000
SuperNGine Co., Ltd.	Loans measured at amortized cost (gross amount)	606	6
	Deposits	118	17
	Allowances for credit losses	6	-
	Other assets	1	-
	Financial assets at fair value through profit or loss	1,996	1,996
Desilo Inc.	Financial assets at fair value through profit or loss	3,168	3,168
	Loans measured at amortized cost (gross amount)	300	300
	Allowances for credit losses	5	2
	Deposits	6	1
Turing Co., Ltd.	Financial assets at fair value through profit or loss	3,000	3,000
	Loans measured at amortized cost (gross amount)	1,130	-
	Allowances for credit losses	8	-
	Other assets	5	-
	Deposits	1,417	2,788
	Provisions	2	-
IGGYMOB Co., Ltd.	Financial assets at fair value through profit or loss	5,000	5,000
	Loans measured at amortized cost (gross amount)	47	15
	Deposits	1	254
Kukka Co., Ltd.	Financial assets at fair value through profit or loss	2,490	2,490
	Deposits	6	-
ZIPDOC Inc.	Financial assets at fair value through profit or loss	2,000	2,000
	Deposits	232	915

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
TeamSparta Inc.	Loans measured at amortized cost (gross amount)	₩ 16	₩ -
	Financial assets at fair value through profit or loss	4,001	4,001
	Deposits	11,042	12,502
	Other liabilities	65	6
Chabot Mobility Co., Ltd.	Financial assets at fair value through profit or loss	2,000	2,000
	Deposits	47	86
Wemade Connect Co., Ltd.	Financial assets at fair value through profit or loss	12,261	12,000
	Loans measured at amortized cost (gross amount)	32	52
	Allowances for credit losses	6	-
	Provisions	10	2
	Deposits	8,194	10,370
	Insurance contract liabilities	-	2
	Other liabilities	48	28
Nextrade Co., Ltd.	Deposits	56,202	56,202
	Other liabilities	2,441	263
TMAP Mobility Co., Ltd.	Loans measured at amortized cost (gross amount)	78	-
	Allowances for credit losses	1	-
	Deposits	80,000	30,000
	Other liabilities	33	76
	Provisions	2	-
Taeyoungjungkong Co.,Ltd.	Loans measured at amortized cost (gross amount)	48	-
FutureConnect Co., Ltd.	Financial assets at fair value through profit or loss	1,499	1,499
Gushcloud Talent Agency	Financial assets at fair value through profit or loss	4,314	4,165
Grinergy	Financial assets at fair value through profit or loss	6,678	2,500
	Provisions	1	-
	Other liabilities	1	-
NexThera Co., Ltd.	Financial assets at fair value through profit or loss	2,000	2,000
FineKB Private Equity Fund No.1	Other assets	125	160
Paramark KB Fund No.1	Other liabilities	2	34
KB-Badgers Future Mobility ESG Fund No.1	Other liabilities	328	-
December & Company Inc.	Deposits	1	1
	Insurance contract liabilities	57	9
KB Social Impact Investment Fund	Other assets	192	436
Checkmate Therapeutics Inc.	Financial assets at fair value through profit or loss	3,200	3,200
	Insurance contract liabilities	-	3

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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		September 30,	December 31,
		2023	2022
G1 Playground Co., Ltd.	Financial assets at fair value through profit or loss	₩ 1,000	₩ 1,000
Hibiscus Fund LP	Financial assets at fair value through profit or loss	8,506	10,221
	Other assets	129	-
	Other liabilities	-	257
RMG-KB BioAccess Fund L.P.	Financial assets at fair value through profit or loss	3,620	2,753
	Other assets	82	-
RMG-KB BP Management Ltd.	Financial assets at fair value through profit or loss	125	77
KB Co-Investment Private Equity Fund No.1	Other assets	252	191
Spoon Radio Inc.	Financial assets at fair value through profit or loss	20,413	-
Neuroptika Inc.	Financial assets at fair value through profit or loss	5,879	-
Bitgoeul Cheomdan Green 1st Co., Ltd.	Deposits	868	-
KB-FT 1st Green Growth Investment Fund	Deposits	700	-
	Other liabilities	8	-
Bigwave Robotics Crop.	Loans measured at amortized cost (gross amount)	26	-
	Financial assets at fair value through profit or loss	2,750	-
	Deposits	489	-
Blinkers Inc.	Financial assets at fair value through profit or loss	999	-
3D Interactive Co., Ltd.	Loans measured at amortized cost (gross amount)	32	-
	Allowances for credit losses	2	-
	Financial assets at fair value through profit or loss	2,300	-
	Deposits	2,140	-
	Other liabilities	20	-
XL8 INC.	Financial assets at fair value through profit or loss	5,241	-
Elev8-Capital Fund I	Financial assets at fair value through profit or loss	2,374	-
Youngwon Corporation	Loans measured at amortized cost (gross amount)	1,988	-

KB Financial Group Inc. and Subsidiaries
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(In millions of Korean won)

		September 30,	December 31,
		2023	2022
Key management personnel			
Key management personnel	Loans measured at amortized cost (gross amount)	₩ 5,741	₩ 6,299
	Allowances for credit losses	3	3
	Other assets	10	7
	Deposits	17,919	17,618
	Provisions	3	1
	Insurance contract liabilities	3,035	2,374
	Other liabilities	535	387
Others			
Retirement pension	Other assets	1,087	778
	Other liabilities	21	10,141

* Excluded from the Group's related party as of September 30, 2023, therefore, the remaining outstanding balances with those entities are not disclosed.

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34.3 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			
	Beginning	Loan	Collection	Ending
Associates and joint ventures				
Korea Credit Bureau Co., Ltd.	₩ 38	₩ 34	₩ (38)	₩ 34
Incheon Bridge Co., Ltd.	128,159	20	(11,110)	117,069
Star-Lord General Investors Private Real Estate Investment Company No.10	149,294	342	-	149,636
KB Cape No.1 Private Equity Fund	2,017	-	(156)	1,861
RAND Bio Science Co., Ltd.	-	1	-	1
KG Capital Co., Ltd. *	40,040	-	(40,040)	-
Food Factory Co., Ltd.	4,041	431	(1,542)	2,930
Paycoms Co., Ltd. *	1,172	-	(1,172)	-
Big Dipper Co., Ltd.	18	17	(18)	17
RMGP Bio-Pharma Investment Fund, L.P.	6,384	188	-	6,572
RMGP Bio-Pharma Investment, L.P.	17	3	-	20
Wyatt Corp.	6,000	-	-	6,000
Banksalad Co., Ltd.	10,470	-	(1,056)	9,414
UPRISE, Inc.	5,248	428	-	5,676
Stratio, Inc.	1,000	-	-	1,000
Honest Fund, Inc.	3,999	-	-	3,999
CellinCells Co., Ltd.	2,007	4	(7)	2,004
KB No.21 Special Purpose Acquisition Company	2,959	82	-	3,041
KB No.22 Special Purpose Acquisition Company	1,972	351	-	2,323
KB No.23 Special Purpose Acquisition Company	2,971	-	(263)	2,708
KB No.24 Special Purpose Acquisition Company *	6,975	-	(6,975)	-
KB No.25 Special Purpose Acquisition Company	-	1,990	-	1,990
KB No.26 Special Purpose Acquisition Company	-	2,186	-	2,186
KB No.27 Special Purpose Acquisition Company	-	2,995	-	2,995
COSES GT Co., Ltd.	5,436	2	(5,436)	2
Channel Corporation	18,099	-	(2,006)	16,093
MitolImmune Therapeutics	7,000	-	-	7,000
Bioprotect Ltd.	3,802	753	-	4,555
Gomi corporation Inc.	6,234	4	(34)	6,204
Go2joy Co., Ltd.	1,200	-	-	1,200
ClavisTherapeutics, Inc.	2,000	-	-	2,000
S&E Bio Co., Ltd.	4,010	9	(10)	4,009
Bluepointpartners Inc.	2,133	70	-	2,203
4N Inc.	200	-	-	200
Xenohelix Co., Ltd.	2,100	1,000	-	3,100

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34.3 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023			
	Beginning	Loan	Collection	Ending
Contents First Inc.	₩ 17,294	₩ 102	₩ (17)	₩ 17,379
KB-MDI Centauri Fund LP	17,471	-	(747)	16,724
OKXE Inc.	800	-	-	800
Checkmate Therapeutics Inc.	3,200	-	-	3,200
Mantisco Co., Ltd.	3,015	8	(15)	3,008
IMBiologics Corp.	5,004	2,002	(4)	7,002
Spark Biopharma Inc.	7,467	16	(17)	7,466
G1 Playground Co., Ltd.	1,000	-	-	1,000
Pin Therapeutics Inc.	5,013	22	(13)	5,022
Hibiscus Fund LP	10,221	-	(1,715)	8,506
SuperNGine Co., Ltd.	2,002	606	(6)	2,602
Desilo Inc.	3,468	-	-	3,468
RMG-KB BioAccess Fund L.P.	2,753	867	-	3,620
RMG-KB BP Management Ltd.	77	48	-	125
IGGYMOB Co., Ltd.	5,015	47	(15)	5,047
Turing Co., Ltd.	3,000	1,130	-	4,130
Kukka Co., Ltd.	2,490	-	-	2,490
ZIPDOC Inc.	2,000	-	-	2,000
Gushcloud Talent Agency	4,165	149	-	4,314
Grinergy	2,500	4,178	-	6,678
NexThera Co., Ltd.	2,000	-	-	2,000
Chabot Mobility Co., Ltd.	2,000	-	-	2,000
TeamSparta Inc.	4,001	16	-	4,017
FutureConnect Co., Ltd.	1,499	-	-	1,499
Wemade Connect Co., Ltd.	12,052	293	(52)	12,293
TMAP Mobility Co., Ltd	-	78	-	78
Taeyoungjungkong Co., Ltd.	-	55	(7)	48
Spoon Radio Co., Ltd	-	20,413	-	20,413
Neuroptika Inc.	-	5,879	-	5,879
Youngwon Corporation	-	4,794	(2,806)	1,988
Bigwave Robotics Crop.	-	2,776	-	2,776
Blinkers Inc.	-	999	-	999
3D Interactive Co., Ltd.	-	2,332	-	2,332
XL8 INC.	-	5,241	-	5,241
Elev8-Capital Fund I	-	2,374	-	2,374
Key management personnel	6,299	2,923	(3,481)	5,741

KB Financial Group Inc. and Subsidiaries
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34.3 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022			
	Beginning	Loan	Collection	Ending
Associates and joint ventures				
Korea Credit Bureau Co., Ltd.	₩ 36	₩ 35	₩ (36)	₩ 35
Incheon Bridge Co., Ltd.	151,489	15	(17,111)	134,393
Star-Lord General Investors Private Real Estate Investment Company No.10	-	150,000	(779)	149,221
KB Star Office Private Real Estate Master Fund No.1 *	10,000	-	(10,000)	-
KB Cape No.1 Private Equity Fund	1,591	314	-	1,905
RAND Bio Science Co., Ltd.	1	1	(1)	1
KG Capital Co., Ltd. *	40,074	38	(74)	40,038
Food Factory Co., Ltd.	4,216	1,528	(1,574)	4,170
Paycoms Co., Ltd. *	1,269	-	(70)	1,199
Big Dipper Co., Ltd.	17	3	(17)	3
RMGP Bio-Pharma Investment Fund, L.P.	5,423	1,070	-	6,493
RMGP Bio-Pharma Investment, L.P.	14	4	-	18
Wyatt Corp.	6,000	-	-	6,000
Banksalad Co., Ltd.	9,090	845	-	9,935
UPRISE, Inc.	1,250	3,998	-	5,248
Stratio, Inc.	1,000	-	-	1,000
Honest Fund, Inc.	3,999	-	-	3,999
CellinCells Co., Ltd.	2,006	3	(6)	2,003
KB No.17 Special Purpose Acquisition Company *	1,301	-	(1,301)	-
KB No.18 Special Purpose Acquisition Company *	3,881	-	(3,881)	-
KB No.19 Special Purpose Acquisition Company *	2,091	-	(2,091)	-
KB No.20 Special Purpose Acquisition Company *	3,135	-	(10)	3,125
KB No.21 Special Purpose Acquisition Company	-	3,107	-	3,107
KB No.22 Special Purpose Acquisition Company	-	2,079	-	2,079
KB No.23 Special Purpose Acquisition Company	-	1,495	-	1,495
COSES GT Co., Ltd.	5,445	5	(15)	5,435
Bomapp Inc. *	19	-	(19)	-
Channel Corporation	14,551	-	-	14,551
MitoImmune Therapeutics	7,000	-	-	7,000
Bioprotect Ltd.	3,557	322	-	3,879
Gomi corporation Inc.	4,733	1,537	(33)	6,237
Copin Communications, Inc. *	4,801	-	(4,801)	-

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34.3 Details of significant lending transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022			
	Beginning	Loan	Collection	Ending
Go2joy Co., Ltd.	₩ 1,200	₩ -	₩ -	₩ 1,200
ClavisTherapeutics, Inc.	2,000	-	-	2,000
S&E Bio Co., Ltd.	2,000	5	-	2,005
Bluepointpartners Inc.	2,278	-	(118)	2,160
4N Inc.	200	-	-	200
Xenohelix Co., Ltd.	2,100	-	-	2,100
Contents First Inc.	7,277	10,025	-	17,302
KB-MDI Centauri Fund LP	9,633	7,796	-	17,429
SwatchOn Inc. *	3,418	-	(3,418)	-
OKXE Inc.	800	-	-	800
GENINUS Inc.	5,872	-	(5,872)	-
Checkmate Therapeutics Inc.	2,200	-	-	2,200
Mantisco Co., Ltd.	3,001	16	(1)	3,016
IMBiologics Corp.	5,004	3	(4)	5,003
Spark Biopharma Inc.	4,967	2,525	(17)	7,475
G1 Playground Co., Ltd.	1,000	-	-	1,000
Pin Therapeutics Inc.	3,000	2,025	-	5,025
Hibiscus Fund LP	4,731	5,806	-	10,537
SuperNGine Co., Ltd.	1,998	11	(2)	2,007
Desilo Inc.	3,469	-	(1)	3,468
RMG-KB BioAccess Fund L.P.	353	2,559	-	2,912
RMG-KB BP Management Ltd.	7	67	-	74
IGGYMOB Co., Ltd	5,006	2	(6)	5,002
Turing Co., Ltd.	3,000	-	-	3,000
Kukka Co., Ltd.	-	2,490	-	2,490
ZIPDOC Inc.	-	2,000	-	2,000
Gushcloud Talent Agency	-	4,249	-	4,249
Grinergy	-	2,501	-	2,501
NexThera Co., Ltd.	-	2,000	-	2,000
Chabot Mobility Co., Ltd.	-	2,000	-	2,000
TeamSparta Inc.	-	4,001	-	4,001
FutureConnect Co., Ltd.	-	1,499	-	1,499
Wemade Connect Co., Ltd.	-	12,022	-	12,022
Key management personnel	4,591	4,134	(2,263)	6,462

* Excluded from the Group's related party as of September 30, 2023.

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34.4 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023				
	Beginning	Borrowing	Repayment	Others ¹	Ending
Associates and joint ventures					
Korea Credit Bureau Co., Ltd.	₩ 27,889	₩ -	₩ -	₩ (25,573)	₩ 2,316
Incheon Bridge Co., Ltd.	48,639	67,100	(62,400)	(5,183)	48,156
Jungdo Co., Ltd.	4	-	-	-	4
Dae-A Leisure Co., Ltd.	154	-	-	(5)	149
Iwon Alloy Co., Ltd.	1	-	-	-	1
Computerlife Co., Ltd.	3	-	-	(3)	-
Skydigital Inc.	10	-	-	(6)	4
Aju Good Technology Venture Fund	7,222	1,323	(7,900)	29	674
KB-KDBC Pre-IPO New Technology Business Investment Fund	317	-	-	(261)	56
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	1,526	-	-	(620)	906
WJ Private Equity Fund No.1	221	-	-	43	264
KG Capital Co., Ltd. ²	10	-	-	(10)	-
KB No.21 Special Purpose Acquisition Company	2,263	2,050	(2,000)	(33)	2,280
KB No.22 Special Purpose Acquisition Company	1,948	-	-	(83)	1,865
KB No.23 Special Purpose Acquisition Company	2,205	2,089	(4,223)	1,991	2,062
KB No.24 Special Purpose Acquisition Company ²	9,983	-	-	(9,983)	-
KB No.25 Special Purpose Acquisition Company	-	1,500	-	95	1,595
KB No.26 Special Purpose Acquisition Company	-	1,670	-	101	1,771
KB No.27 Special Purpose Acquisition Company	-	4,390	-	589	4,979
RAND Bio Science Co., Ltd.	3	-	-	3	6
Food Factory Co., Ltd.	664	-	-	(85)	579
Paycoms Co., Ltd. ²	1	-	-	(1)	-
Big Dipper Co., Ltd.	19	-	-	136	155
Wyatt Corp.	1	-	-	-	1
UPRISE, Inc.	27	-	-	(27)	-
CellinCells Co., Ltd.	37	-	-	3	40

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34.4 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023				
	Beginning	Borrowing	Repayment	Others ¹	Ending
COSES GT Co., Ltd.	₩ 1,213	₩ -	₩ -	₩ (1,202)	₩ 11
Gomi corporation Inc.	915	-	-	(778)	137
S&E Bio Co., Ltd.	6,419	2,500	(1,000)	(5,344)	2,575
4N Inc.	5	-	-	27	32
Contents First Inc.	5,010	5,000	(9,000)	(591)	419
December & Company Inc.	1	-	-	-	1
Mantisco Co., Ltd.	623	-	-	(623)	-
Pin Therapeutics Inc.	6,033	7,217	(12,017)	1,132	2,365
Spark Biopharma Inc.	17,534	20,195	(22,187)	(2,051)	13,491
SuperNGine Co., Ltd.	17	-	-	101	118
Desilo Inc.	1	1	-	4	6
Turing Co., Ltd.	2,788	-	-	(1,371)	1,417
IGGYMOB Co., Ltd.	254	-	-	(253)	1
TMAP Mobility Co., Ltd.	30,000	90,000	(90,000)	50,000	80,000
Nextrade Co., Ltd.	56,202	-	-	-	56,202
Kukka Co., Ltd.	-	-	-	6	6
ZIPDOC Inc.	915	-	-	(683)	232
TeamSparta Inc.	12,502	5,000	(6,000)	(460)	11,042
Chabot Mobility Co., Ltd.	86	-	-	(39)	47
Wemade Connect Co., Ltd.	10,370	22,500	(22,717)	(1,959)	8,194
Channel Corporation	3,000	5,000	(6,000)	36	2,036
Bitgoeul Cheomdan Green 1st Co., Ltd.	-	-	-	868	868
KB-FT 1st Green Growth Investment Fund	-	700	-	-	700
Bigwave Robotics Crop.	-	-	-	489	489
3D Interactive Co., Ltd.	-	2,000	-	140	2,140
Key management personnel	17,619	15,025	(14,072)	(653)	17,919

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34.4 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022				
	Beginning	Borrowing	Repayment	Others ¹	Ending
Associates and joint ventures					
Korea Credit Bureau Co., Ltd.	₩ 10,200	₩ -	₩ -	₩ (7,083)	₩ 3,117
Incheon Bridge Co., Ltd.	35,487	28,000	(15,000)	(2,413)	46,074
Jungdo Co., Ltd.	4	-	-	-	4
Dae-A Leisure Co., Ltd.	17	-	-	65	82
Computerlife Co., Ltd.	-	-	-	2	2
Skydigital Inc.	85	-	-	(51)	34
Jo Yang Industrial Co., Ltd.	1	-	-	-	1
Aju Good Technology Venture Fund	6,286	6,077	(3,840)	(1,877)	6,646
KB-KDBC Pre-IPO New Technology Business Investment Fund	904	-	-	(403)	501
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	1,524	-	-	(1,169)	355
WJ Private Equity Fund No.1	260	-	-	(60)	200
KB Star Office Private Real Estate Master Fund No.1 ²	2,578	-	(2,578)	-	-
KG Capital Co., Ltd. ²	17	-	-	(11)	6
KB No.17 Special Purpose Acquisition Company ²	1,687	-	(1,546)	(141)	-
KB No.18 Special Purpose Acquisition Company ²	2,077	-	(2,016)	(61)	-
KB No.19 Special Purpose Acquisition Company ²	1,013	-	(1,000)	(13)	-
KB No.20 Special Purpose Acquisition Company ²	1,681	-	-	(19)	1,662
KB No.21 Special Purpose Acquisition Company	-	2,000	-	277	2,277
KB No.22 Special Purpose Acquisition Company	-	-	-	1,970	1,970
KB No.23 Special Purpose Acquisition Company	-	2,133	-	334	2,467
RAND Bio Science Co., Ltd.	443	-	-	(439)	4
Food Factory Co., Ltd.	839	511	(507)	(17)	826
Acts Co., Ltd.	154	-	-	(154)	-
Paycoms Co., Ltd. ²	1	-	-	-	1
Big Dipper Co., Ltd.	-	300	(200)	49	149
Wyatt Corp.	1	-	-	-	1

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34.4 Details of significant borrowing transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022				
	Beginning	Borrowing	Repayment	Others ¹	Ending
UPRISE, Inc.	₩ 4,001	₩ -	₩ -	₩ (979)	₩ 3,022
CellinCells Co., Ltd.	38	-	-	(13)	25
COSES GT Co., Ltd.	1,939	-	-	(230)	1,709
SwatchOn Inc. ²	686	-	-	(686)	-
Gomi corporation Inc.	3,188	-	-	(2,464)	724
S&E Bio Co., Ltd.	263	50	-	(157)	156
KB Pre IPO Secondary Venture Fund No.1 ²	103	-	-	(103)	-
4N Inc.	39	-	-	(36)	3
Contents First Inc.	12,650	-	(10,000)	4,167	6,817
December & Company Inc.	1	-	-	-	1
GENINUS Inc. ²	34,415	-	-	(34,415)	-
Mantisco Co., Ltd.	386	-	-	889	1,275
Pin Therapeutics Inc.	-	15,000	(6,000)	378	9,378
Spark Biopharma Inc.	6,015	30,463	(15,510)	(1,881)	19,087
G1 Playground Co., Ltd.	354	-	-	(329)	25
SuperNGine Co., Ltd.	944	-	-	(739)	205
Desilo Inc.	168	-	-	(163)	5
Turing Co., Ltd.	1,054	-	-	304	1,358
IGGYMOB Co., Ltd.	2,938	-	-	(2,217)	721
Kukka Co., Ltd.	-	-	-	7	7
ZIPDOC Inc.	-	-	-	1,551	1,551
TeamSparta Inc.	-	-	-	12,688	12,688
Chabot Mobility Co., Ltd.	-	-	-	69	69
Wemade Connect Co.,Ltd.	-	3,294	-	3,847	7,141
Wise Asset Management Co., Ltd.	-	6	-	-	6
Channel Corporation	-	3,000	-	-	3,000
Key management personnel	16,996	15,272	(12,004)	(1,621)	18,643

¹ Transactions between related parties, such as settlements arising from operating activities and deposits, are expressed in net amount.

² Excluded from the Group's related party as of September 30, 2023.

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34.5 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

	2023		2022	
	Equity investment and others	Withdrawal and others	Equity investment and others	Withdrawal and others
(In millions of Korean won)				
Balhae Infrastructure Company	₩ -	₩ 5,820	₩ -	₩ 21,177
KoFC POSCO Hanwha KB Shared Growth Private Equity Fund No.2 *	-	-	-	5
KB Pre IPO Secondary Venture Fund No.1 *	-	-	-	2,625
KB-KDBC Pre-IPO New Technology Business Investment Fund	-	-	-	1,400
KB-SJ Tourism Venture Fund	-	-	-	400
Korea Credit Bureau Co., Ltd.	-	90	-	-
KB-UTC Inno-Tech Venture Fund	-	2,250	-	-
KB-Solidus Global Healthcare Fund	6,700	9,740	-	19,630
KB-Stonebridge Secondary Private Equity Fund	-	7,191	4,369	3,356
KB Star Office Private Real Estate Master Fund No.1 *	-	-	-	42,118
KB SPROTT Renewable Private Equity Fund No.1	-	476	12,247	-
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	1,800	2,572	1,320	3,628
KB Bio Private Equity No.3 Ltd. *	-	-	-	10,000
Project Vanilla Co., Ltd.*	-	-	-	180
KB-TS Technology Venture Private Equity Fund	-	672	-	2,968
KB Brain KOSDAQ Scaleup New Technology Business Investment Fund	-	7,600	-	2,800
Aju Good Technology Venture Fund	-	10,300	-	4,400
498/7 Owners LLC *	-	-	-	166,851
KB-KTB Technology Venture Fund	5,600	-	5,600	-
KB-SOLIDUS Healthcare Investment Fund	4,961	-	13,500	-
Paramark KB Fund No.1	2,862	-	12,270	-
FineKB Private Equity Fund No.1	-	2,125	7,500	3,100
KB-GeneN Medical Venture Fund No.1	-	-	2,000	-
KB-BridgePole Venture Investment Fund	-	-	850	-
KB-Kyobo New Mobility Power Fund	-	-	3,000	-
DA-Friend New Technology Investment Fund No.2	-	-	988	-
Cornerstone Pentastone Fund No.4	-	-	818	-
SKS-VLP New Technology Investment Fund No.2	-	1,156	1,156	-
JS Private Equity Fund No.3	-	-	1,700	-
Mirae Asset Mobility Investment Fund No.1	-	-	2,000	-
KB-FT 1st Green Growth Investment Fund 1	-	-	2,000	-
THE CHAEUL FUND NO.1	-	-	1,000	-
Star-Lord General Investors Private Real Estate Investment Company No.10	-	-	46,700	10
KB Co-Investment Private Equity Fund No.1	2,208	-	7,268	-
Glenwood Credit Private Equity Fund No.2	-	-	42,000	-

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34.5 Details of significant investment and withdrawal transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows: (cont'd)

	2023		2022	
	Equity investment and others	Withdrawal and others	Equity investment and others	Withdrawal and others
(In millions of Korean won)				
Apollo REIT PropCo LLC *	-	-	19,968	19,968
TMAP Mobility Co., Ltd.	-	-	200,000	-
POSITIVE Sobujang Venture Fund No.1	-	-	2,000	-
History 2022 Fintech Fund	-	-	2,000	-
PEBBLES-MW M.C.E New Technology Investment Fund 1 st	-	329	2,000	-
KB-NP Green ESG New Technology Venture Capital Fund	4,350	-	5,000	-
KB-Badgers Future Mobility ESG Fund No.1	5,540	-	-	-
Lakewood-AVES Fund No.1	2,000	-	-	-
MW-Pyco NewWave New Technology Investment Fund 4th	2,000	-	-	-
KB No.24 Special Purpose Acquisition Company *	25	25	-	-
KB No.25 Special Purpose Acquisition Company	5	-	-	-
KB No.26 Special Purpose Acquisition Company	5	-	-	-
Bitgoeul Cheomdan Green 1st Co., Ltd.	190	-	-	-
KB-SUSUNG 1st Inverstment Fund	2,000	-	-	-
Friend 55 New Technology Business Investment Fund	1,200	-	-	-
Hahn & Company No. 4-3 Private Equity Fund	8,188	-	-	-
KB No.27 Special Purpose Acquisition Company	5	-	-	-
DSIP-Pharos Bioenergy Fund	4,000	-	-	-
Shinhan-Eco Venture Fund 2nd	500	-	-	-
Leading H2O Fund 1	1,500	-	-	-
2023 JB Newhech No.2 Fund	1,800	-	-	-

* Excluded from the Group's related party as of September 30, 2023.

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34.6 Unused commitments provided to related parties as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won or in a US Dollar or Malaysian ringgit or in Indonesian rupiah)</i>		September 30,	December 31,
		2023	2022
Associates and joint ventures			
Balhae Infrastructure Company	Purchase of securities	₩ 6,154	₩ 6,154
Korea Credit Bureau Co., Ltd.	Unused lines of credit for credit card	566	562
Incheon Bridge Co., Ltd	Loan commitments in Korean won	20,000	20,000
	Unused lines of credit for credit card	80	89
TeamSparta Inc.	Loan commitments in Korean won	1,000	-
	Unused lines of credit for credit card	224	-
Turing Co., Ltd.	Loan commitments in Korean won	370	-
3D Interactive Co., Ltd.	Other commitments in foreign currency	2,071	-
	Unused lines of credit for credit card	18	-
KG Capital Co., Ltd.*	Unused lines of credit for credit card	-	110
Food Factory Co., Ltd.	Unused lines of credit for credit card	53	52
KB No.23 Special Purpose Acquisition Company	Unused lines of credit for credit card	12	12
CellinCells Co., Ltd.	Unused lines of credit for credit card	20	17
RAND Bio Science Co., Ltd.	Unused lines of credit for credit card	24	25
Big Dipper Co., Ltd.	Unused lines of credit for credit card	28	27
Gomi corporation Inc.	Unused lines of credit for credit card	28	16
COSES GT Co., Ltd.	Unused lines of credit for credit card	46	24
Spark Biopharma Inc.	Unused lines of credit for credit card	34	33
Mantisco Co., Ltd.	Unused lines of credit for credit card	-	15
IMBiologics Corp.	Unused lines of credit for credit card	20	18
SuperNGine Co., Ltd.	Unused lines of credit for credit card	34	14
IGGYMOB Co., Ltd.	Unused lines of credit for credit card	3	35
Pin Therapeutics Inc.	Unused lines of credit for credit card	28	37
Grinergy	Unused lines of credit for credit card	10	10
S&E Bio Co., Ltd.	Unused lines of credit for credit card	41	40
Wemade Connect Co., Ltd.	Unused lines of credit for credit card	168	148
TMAP Mobility Co., Ltd.	Unused lines of credit for credit card	738	-
Contents First Inc.	Unused lines of credit for credit card	398	-
4N Inc.	Unused lines of credit for credit card	22	-
Bigwave Robotics Crop.	Unused lines of credit for credit card	74	-
KB-TS Technology Venture Private Equity Fund	Purchase of securities	110	110
KB SPROTT Renewable Private Equity Fund No.1	Purchase of securities	-	5,140
KB-Stonebridge Secondary Private Equity Fund	Purchase of securities	864	864
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase of securities	13,488	15,288
All Together Korea Fund No.2	Purchase of securities	990,000	990,000
KB-KTB Technology Venture Fund	Purchase of securities	5,600	11,200
KB-SOLIDUS Healthcare Investment Fund	Purchase of securities	65,239	70,200
KB Co-Investment Private Equity Fund No.1	Purchase of securities	13,524	15,732

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34.6 Unused commitments provided to related parties as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won or in a US Dollar or Malaysian ringgit or in Indonesian rupiah)</i>		September 30, 2023	December 31, 2022
KB-Badgers Future Mobility ESG Fund No.1	Purchase of securities	₩ 37,323	₩ 42,863
KB-NP Green ESG New Technology Venture Capital Fund	Purchase of securities	36,300	40,650
FineKB Private Equity Fund No.1	Purchase of securities	9,125	9,125
KB-Solidus Global Healthcare Fund	Purchase of securities	2,120	2,120
	Commitments on loss absorption priority	4,500	4,500
Paramark KB Fund No.1	Purchase of securities	14,524	17,832
Smart Korea KB Future9-Sejong Venture Fund	Purchase of securities	2,000	-
Hahn & Company No. 4-3 Private Equity Fund	Purchase of securities	59,268	-
Shinhan-Eco Venture Fund 2nd	Purchase of securities	2,000	-
RMGP Bio-Pharma Investment Fund, L.P.	Purchase of securities	USD 3,868,166	USD 4,094,487
RMGP Bio-Pharma Investment, L.P.	Purchase of securities	USD 10,424	USD 10,731
KB-MDI Centauri Fund LP	Purchase of securities	USD 1,447,518	USD 1,744,518
Hibiscus Fund LP	Purchase of securities	MYR 16,666,667	MYR 16,666,667
RMG-KB BP Management Ltd.	Purchase of securities	USD 670,246	USD 699,733
RMG-KB BioAccess Fund L.P.	Purchase of securities	USD 26,085,514	USD 27,428,899
Elev8-Capital Fund I	Purchase of securities	IDR 2,731,170,200	-
Key management personnel	Loan commitments in Korean won	2,960	2,354

* Excluded from the Group's related party as of September 30, 2023.

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34.7 Details of compensation to key management personnel for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	₩ 5,864	₩ 730	₩ 6,878	₩ 13,472
Registered directors (non-executive)	790	-	-	790
Non-registered directors	13,628	520	12,469	26,617
	₩ 20,282	₩ 1,250	₩ 19,347	₩ 40,879

(In millions of Korean won)

	2022			
	Short-term employee benefits	Post-employment benefits	Share-based payments	Total
Registered directors (executive)	₩ 5,647	₩ 650	₩ 3,254	₩ 9,551
Registered directors (non-executive)	794	-	-	794
Non-registered directors	12,229	401	6,957	19,587
	₩ 18,670	₩ 1,051	₩ 10,211	₩ 29,932

34.8 Details of collateral provided by related parties as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

Key management personnel	Assets held as collateral	September 30, 2023	December 31, 2022
		Time deposits and others	₩ 876
	Real estate	6,326	7,483

As of September 30, 2023, Incheon Bridge Co., Ltd. a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Group and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Group and 2 other institutions. Also, it provides certificate of credit guarantee amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Group and 5 other institutions.

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35. Events after the reporting period

According to the resolution of the Board of Directors on October 24, 2023, the quarterly dividends per share of ₩ 510 (total dividends: ₩ 194,998 million) with dividend record date of September 30, 2023 were paid on November 8, 2023. The Group's consolidated financial statements as of September 30, 2023, do not reflect this dividends payable.