

# **KB Financial Group Inc.**

Separate Interim Financial Statements

September 30, 2023 and 2022  
(Unaudited)

# KB Financial Group Inc.

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

(English Translation of a Report Originally Issued in Korean)

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

### **Reviewed Financial Statements**

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

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

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

### **Auditor's Responsibility**

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

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

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe the accompanying condensed separate interim financial statements are not prepared, in all material respects, in accordance with Korean IFRS 1034 *Interim Financial Reporting*.

## Other Matters

The separate interim statements of comprehensive income for the three-month and nine-month period ended September 30, 2022, changes in equity and cash flows for the nine-month period ended on September 30, 2022, presented herein for comparative purposes, were reviewed by another auditor who expressed their review conclusion that nothing has come to their attention that causes them to believe the condensed separate interim financial statements do not present fairly, in all material respects, in accordance with Korean IFRS No. 1034 *Interim Financial Reporting* on November 14, 2022.

The separate statement of financial position as of December 31, 2022, and the separate 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 separate statement of financial position as of December 31, 2022, presented herein for comparative purposes, is consistent, in all material respects, with the above audited statement of financial position as of December 31, 2022.

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 separate interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>
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**KB Financial Group Inc.**  
**Separate 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
<b>Assets</b>			
Cash and due from financial institutions	4,5,6,23	₩ 719,003	₩ 351,056
Financial assets at fair value through profit or loss	4,5,7	1,545,554	1,522,314
Loans measured at amortized cost	4,5,8	608,603	522,326
Investments in subsidiaries	9	26,717,817	26,741,438
Property and equipment		3,592	3,552
Intangible assets		16,029	16,752
Net defined benefit assets	13	3,052	4,288
Deferred income tax assets	10	12,544	19,904
Other assets	4,5	672,509	1,272,197
<b>Total assets</b>		<u>₩ 30,298,703</u>	<u>₩ 30,453,827</u>
<b>Liabilities</b>			
Borrowings	4,5,11	100,000	-
Debentures	4,5,12	4,050,636	4,956,949
Current income tax liabilities		271,970	926,573
Other liabilities	4,5	392,128	338,489
<b>Total liabilities</b>		<u>4,814,734</u>	<u>6,222,011</u>
<b>Equity</b>			
Share capital	14	2,090,558	2,090,558
Hybrid securities		5,032,518	4,433,981
Capital surplus		14,749,200	14,754,747
Accumulated other comprehensive loss		(5,885)	(5,847)
Retained earnings		4,585,365	3,794,565
Treasury shares		(967,787)	(836,188)
<b>Total equity</b>		<u>25,483,969</u>	<u>24,231,816</u>
<b>Total liabilities and equity</b>		<u>₩ 30,298,703</u>	<u>₩ 30,453,827</u>

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

# KB Financial Group Inc.

## Separate Interim Statements of Comprehensive Income

### Three-Month and Nine-Month Periods Ended September 30, 2023 and 2022

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

	Notes	2023		2022	
		(Unaudited)		(Unaudited)	
		Three months	Nine months	Three months	Nine months
Interest income		₩ 9,233	₩ 27,382	₩ 4,921	₩ 12,406
Interest income from financial instruments at amortized cost		8,537	24,888	4,249	10,414
Interest income from financial instruments at fair value through profit or loss		696	2,494	672	1,992
Interest expense		(24,458)	(76,041)	(29,359)	(83,951)
<b>Net interest expense</b>	16	<u>(15,225)</u>	<u>(48,659)</u>	<u>(24,438)</u>	<u>(71,545)</u>
Fee and commission income		407	1,188	417	1,576
Fee and commission expense		(2,546)	(7,663)	(1,380)	(6,674)
<b>Net fee and commission expense</b>	17	<u>(2,139)</u>	<u>(6,475)</u>	<u>(963)</u>	<u>(5,098)</u>
<b>Net gains (losses) on financial instruments at fair value through profit or loss</b>	18	<u>9,818</u>	<u>61,488</u>	<u>(230)</u>	<u>(17,090)</u>
<b>Net other operating income</b>	19	<u>-</u>	<u>2,192,380</u>	<u>200,000</u>	<u>1,871,224</u>
General and administrative expenses	20	<u>(23,055)</u>	<u>(68,936)</u>	<u>(21,428)</u>	<u>(63,074)</u>
<b>Operating income (loss) before provision for credit losses</b>		<u>(30,601)</u>	<u>2,129,798</u>	<u>152,941</u>	<u>1,714,417</u>
Provision for credit losses		<u>(223)</u>	<u>(230)</u>	<u>(209)</u>	<u>(211)</u>
<b>Net operating income (loss)</b>		<u>(30,824)</u>	<u>2,129,568</u>	<u>152,732</u>	<u>1,714,206</u>
Net non-operating income (expenses)		<u>42</u>	<u>4,448</u>	<u>988</u>	<u>553</u>
<b>Profit (loss) before income tax benefit</b>		<u>(30,782)</u>	<u>2,134,016</u>	<u>153,720</u>	<u>1,714,759</u>
Income tax benefit	21	<u>948</u>	<u>(7,373)</u>	<u>4,216</u>	<u>12,860</u>
<b>Profit (loss) for the period</b>		<u>(29,834)</u>	<u>2,126,643</u>	<u>157,936</u>	<u>1,727,619</u>
<b>Items that will not be reclassified to profit or loss:</b>					
Remeasurements of net defined benefit liabilities		<u>(63)</u>	<u>(38)</u>	<u>(74)</u>	<u>(355)</u>
<b>Other comprehensive loss for the period, net of tax</b>		<u>(63)</u>	<u>(38)</u>	<u>(74)</u>	<u>(355)</u>
<b>Total comprehensive income (loss) for the period</b>		<u>₩ (29,897)</u>	<u>₩ 2,126,605</u>	<u>₩ 157,862</u>	<u>₩ 1,727,264</u>
<b>Earnings (loss) per share</b>	22				
Basic earnings (loss) per share		₩ (203)	₩ 5,164	₩ 317	₩ 4,214
Diluted earnings (loss) per share		(197)	5,050	311	4,120

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

**KB Financial Group Inc.**  
**Separate Interim Statements of Changes in Equity**  
**Nine-Month Periods Ended September 30, 2023 and 2022**

(In millions of Korean won)

	Share capital	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Retained earnings	Treasury shares	Total equity
<b>Balance as of January 1, 2022</b>	₩ 2,090,558	₩ 2,837,981	₩ 14,754,747	₩ (8,330)	₩ 3,974,206	₩ (1,136,188)	₩ 22,512,974
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	-	1,727,619	-	1,727,619
Remeasurements of net defined benefit liabilities	-	-	-	(355)	-	-	(355)
<b>Total comprehensive income for the period</b>	-	-	-	(355)	1,727,619	-	1,727,264
<b>Transactions with shareholders</b>							
Annual dividends	-	-	-	-	(853,299)	-	(853,299)
Quarterly dividends	-	-	-	-	(389,634)	-	(389,634)
Retirement of treasury shares	-	-	-	-	(300,000)	300,000	-
Issuance of hybrid securities	-	1,596,000	-	-	-	-	1,596,000
Dividends on hybrid securities	-	-	-	-	(85,698)	-	(85,698)
<b>Total transactions with shareholders</b>	-	1,596,000	-	-	(1,628,631)	300,000	267,369
<b>Balance as of September 30, 2022 (Unaudited)</b>	₩ 2,090,558	₩ 4,433,981	₩ 14,754,747	₩ (8,685)	₩ 4,073,194	₩ (836,188)	₩ 24,507,607
<b>Balance as of January 1, 2023</b>	₩ 2,090,558	₩ 4,433,981	₩ 14,754,747	₩ (5,847)	₩ 3,794,565	₩ (836,188)	₩ 24,231,816
<b>Comprehensive income for the period</b>							
Profit for the period	-	-	-	-	2,126,643	-	2,126,643
Remeasurements of net defined benefit liabilities	-	-	-	(38)	-	-	(38)
<b>Total comprehensive income for the period</b>	-	-	-	(38)	2,126,643	-	2,126,605
<b>Transactions with shareholders</b>							
Annual dividends	-	-	-	-	(564,970)	-	(564,970)
Quarterly dividends	-	-	-	-	(391,933)	-	(391,933)
Acquisition of treasury shares	-	-	-	-	-	(373,695)	(373,695)
Retirement of treasury shares	-	-	-	-	(242,096)	242,096	-
Issuance of hybrid securities	-	598,537	-	-	-	-	598,537
Dividends on hybrid securities	-	-	-	-	(136,844)	-	(136,844)
Others	-	-	(5,547)	-	-	-	(5,547)
<b>Total transactions with shareholders</b>	-	598,537	(5,547)	-	(1,335,843)	(131,599)	(874,452)
<b>Balance as of September 30, 2023 (Unaudited)</b>	₩ 2,090,558	₩ 5,032,518	₩ 14,749,200	₩ (5,885)	₩ 4,585,365	₩ (967,787)	₩ 25,483,969

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

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

(In millions of Korean won)

	Notes	2023 (Unaudited)	2022 (Unaudited)
<b>Cash flows from operating activities</b>			
Profit for the period		₩ 2,126,643	₩ 1,727,619
Adjustment for non-cash items			
Depreciation and amortization expense		4,071	4,486
Reversal of provision for credit losses		230	211
Share-based payments		7,020	2,282
Net interest expense		2,765	2,477
Valuation losses (gains) on financial assets at fair value through profit or loss		(22,024)	41,846
Disposal gains of subsidiaries		(3,917)	-
Other expenses		1,251	1,633
		<u>(10,604)</u>	<u>52,935</u>
Changes in operating assets and liabilities			
Due from financial institutions		(20,000)	(30,000)
Deferred income tax assets		7,373	(12,860)
Other assets		(13,537)	385,648
Other liabilities		5,942	(578,875)
		<u>(20,222)</u>	<u>(236,087)</u>
<b>Net cash inflow from operating activities</b>		<u>2,095,817</u>	<u>1,544,467</u>
<b>Cash flows from investing activities</b>			
Acquisition of financial assets at fair value through profit or loss		(300,000)	(830,000)
Disposal of financial assets at fair value through profit of loss		300,000	-
Disposal of subsidiaries		27,539	-
Acquisition of loans measured at amortized cost		(86,500)	(60,000)
Acquisition of property and equipment		(184)	(1,425)
Acquisition of intangible assets		(2,621)	(965)
Disposal of intangible assets		1,234	20
Net decrease (increase) in guarantee deposits paid		(7,719)	(2,325)
Other investing activities		(395)	(824)
<b>Net cash inflow (outflow) from investing activities</b>		<u>(68,646)</u>	<u>(895,519)</u>
<b>Cash flows from financing activities</b>			
Decrease in borrowings		100,000	-
Increase in debentures		109	498,898
Decrease in debentures		(910,000)	(1,020,000)
Dividends paid to shareholders		(956,903)	(1,242,933)
Redemption of principal elements of lease payments		(428)	(396)
Acquisition of treasury shares		(373,695)	-
Issuance of hybrid securities		598,537	1,596,000
Dividends paid on hybrid securities		(136,844)	(85,698)
<b>Net cash inflow (outflow) from financing activities</b>		<u>(1,679,224)</u>	<u>(254,129)</u>
<b>Net increase in cash and cash equivalents</b>		347,947	394,819
<b>Cash and cash equivalents at the beginning of the period</b>	23	<u>231,053</u>	<u>518,073</u>
<b>Cash and cash equivalents at the end of the period</b>	23	<u>₩ 579,000</u>	<u>₩ 912,892</u>

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



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

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**1. The Company**

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

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

# **KB Financial Group Inc.**

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

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

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## **2. Basis of Preparation**

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

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

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

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

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

The Company's condensed separate 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 separate financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding change in financial position and financial performance of the Company since the end of the previous annual reporting period. These condensed separate 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 Company has applied the following new and amended standards for the first time for its annual reporting period commencing January 1, 2023.

#### *- Issuance of Korean IFRS No.1117 Insurance Contracts*

Korean IFRS No.1117 *Insurance Contracts* replaced Korean IFRS No.1104 *Insurance Contracts*. This standard requires an entity to estimate future cash flows of an insurance contract and measure insurance liabilities using discount rates applied with assumptions and risks at the measurement date and recognize insurance revenue on an accrual basis including services (insurance coverage) provided to the policyholder by each annual reporting period. In addition, investment components (refunds due to termination and maturity) repaid to a policyholder even if an insured event does not occur, are excluded from insurance revenue. These amendments do not have a significant impact on the financial statements.

#### *- 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 financial statements.

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

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

*- 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 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 financial statements.

*- Amendments to Korean IFRS No.1001 Presentation of Financial Statements - Disclosure of gains or losses on valuation of financial liabilities subject to 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 financial statements.

2.1.2 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*

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, 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. This amendment will be applied to the financial statements for the accounting year beginning on or after January 1, 2024. The Company expects that this amendment will not have a significant impact on the financial statements.

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

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**2.2 Measurement Basis**

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

**2.3 Functional and Presentation Currency**

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

**2.4 Critical Accounting Estimates**

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

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

Uncertainties in estimates and assumptions with significant risks used in the preparation of these condensed separate interim financial statements are the same as 2022 financial statements, except for the method of estimating income tax expense.

**3. Material Accounting Policies**

The material accounting policies and calculation methods applied in the preparation of these condensed separate interim financial statements are the same as those applied to the separate financial statements for the year ended December 31, 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 applicable on expected total annual income.

# **KB Financial Group Inc.**

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

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

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

##### 4.1 Summary

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

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

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

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

##### 4.1.2 Risk management organization

##### 4.1.2.1 Risk Management Committee

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

##### 4.1.2.2 Risk Management Council

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

##### 4.1.2.3 Risk Management Department

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

**KB Financial Group Inc.**  
**Notes to the Separate Interim Financial Statements**  
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4.2 Credit Risk

4.2.1 Overview of credit risk

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

4.2.2 Credit risk management

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

4.2.3 Maximum exposure to credit risk

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

*(In millions of Korean won)*

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Due from financial institutions	₩ 719,003	₩ 351,056
Loans measured at amortized cost *	608,603	522,326
Loans measured at fair value through profit or loss	45,526	343,525
Other financial assets *	67,252	44,841
	<u>₩ 1,440,384</u>	<u>₩ 1,261,748</u>

\* After netting of allowance

4.2.4 Credit risk of loans

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

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

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4.2.4 Credit risk of loans (cont'd)

Credit qualities of loans measured at amortized cost as of September 30, 2023 and December 31 2022, are classified as follows:

(In millions of Korean won)

		<b>September 30, 2023</b>				
		<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>	<b>Total</b>
			<b>Non-impaired</b>	<b>Impaired</b>		
<b>Loans measured at amortized cost *</b>						
<b>Corporate</b>						
Grade 1	₩	610,000	₩	-	₩	-
Grade 2		-		-	₩	-
Grade 3		-		-	₩	-
Grade 4		-		-	₩	-
Grade 5		-		-	₩	-
	₩	610,000	₩	-	₩	-
				₩	-	₩ 610,000

(In millions of Korean won)

		<b>December 31, 2022</b>				
		<b>12-month expected credit losses</b>	<b>Lifetime expected credit losses</b>		<b>Not applying expected credit losses</b>	<b>Total</b>
			<b>Non-impaired</b>	<b>Impaired</b>		
<b>Loans measured at amortized cost *</b>						
<b>Corporate</b>						
Grade 1	₩	523,500	₩	-	₩	-
Grade 2		-		-	₩	-
Grade 3		-		-	₩	-
Grade 4		-		-	₩	-
Grade 5		-		-	₩	-
	₩	523,500	₩	-	₩	-
				₩	-	₩ 523,500

\* Before netting of allowance

Credit qualities of loans graded according to the probability of default as September 30, 2023 and December 31 2022, are as follows:

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

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4.2.5 Credit risk of due from financial institutions

Credit qualities of due from financial institutions as of September 30, 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				
<b>Due from financial institutions measured at amortized cost</b>							
Grade 1	₩ 719,003	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 719,003
Grade 2	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-
	₩ 719,003	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 719,003

(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				
<b>Due from financial institutions measured at amortized cost</b>							
Grade 1	₩ 351,056	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 351,056
Grade 2	-	-	-	-	-	-	-
Grade 3	-	-	-	-	-	-	-
Grade 4	-	-	-	-	-	-	-
Grade 5	-	-	-	-	-	-	-
	₩ 351,056	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 351,056



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4.2.6 Credit risk concentration analysis

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

(In millions of Korean won)

	September 30, 2023			
	Corporate loans *	%	Allowances	Carrying amount
Financial institutions	₩ 655,526	100.00	₩ (1,397)	₩ 654,129

(In millions of Korean won)

	December 31, 2022			
	Corporate loans *	%	Allowances	Carrying amount
Financial institutions	₩ 867,025	100.00	₩ (1,174)	₩ 865,851

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

4.2.6.2 Classifications of due from financial institutions by industry as of September 30, 2023 and December 31 2022, are as follows:

(In millions of Korean won)

	September 30, 2023			
	Amount	%	Allowances	Carrying amount
<b>Due from financial institutions measured at amortized cost</b>				
Financial institutions	₩ 719,003	100.00	₩ -	₩ 719,003

(In millions of Korean won)

	December 31, 2022			
	Amount	%	Allowances	Carrying amount
<b>Due from financial institutions measured at amortized cost</b>				
Financial institutions	₩ 351,056	100.00	₩ -	₩ 351,056

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4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

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

4.3.2. Liquidity risk management

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

4.3.3. Analysis of remaining contractual maturity of financial liabilities

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

Remaining contractual maturity of financial liabilities as of September 30, 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						
<b>Financial liabilities</b>														
Borrowings	₩	-	₩	-	₩	100,000	₩	-	₩	100,000				
Debentures		-	123,830	78,424	983,039	2,040,195	1,121,210	4,346,698						
Lease liabilities		-	53	93	271	267	-	684						
Other financial liabilities		-	14,001	17,197	-	-	-	31,198						
	₩	-	₩	137,884	₩	95,714	₩	1,083,310	₩	2,040,462	₩	1,121,210	₩	4,478,580

*(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						
<b>Financial liabilities</b>														
Debentures	₩	-	₩	275,723	₩	160,712	₩	756,380	₩	2,863,695	₩	1,330,748	₩	5,387,258
Lease liabilities		-	49	88	381	330	-	848						
Other financial liabilities		-	1,620	-	-	-	-	1,620						
	₩	-	₩	277,392	₩	160,800	₩	756,761	₩	2,864,025	₩	1,330,748	₩	5,389,726

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4.4 Market Risk

4.4.1 Concept

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

4.4.2 Trading position

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

4.4.3 Non-trading position

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

4.4.3.1 Definition of interest rate risk

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

4.4.3.2 Observation method and management indicator on interest rate risk

The main objective of interest rate risk management is to protect the value changes from interest rate fluctuations. In addition to the Interest Rate Risk in the Banking Book ("IRRBB") standard methodology required for disclosure, the Company applies the IRRBB methodology to measure and manage interest rate risk in a historical-simulation VaR method including interest rate volatility during the past financial crisis (FY2008-FY2009).

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**5. Financial Assets and Financial Liabilities**

5.1 Classification and Fair Value of Financial Instruments

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

(In millions of Korean won)

	<b>September 30, 2023</b>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Hybrid securities	₩ 984,597	₩ 984,597
Beneficiary certificates	515,431	515,431
Loans	45,526	45,526
<b>Financial assets at amortized cost</b>		
Due from financial institutions	719,003	719,003
Loans	608,603	608,603
Other financial assets	67,252	67,252
	<b>₩ 2,940,412</b>	<b>₩ 2,940,412</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Borrowings	₩ 100,000	₩ 100,000
Debentures	4,050,636	3,800,946
Other financial liabilities	40,138	40,138
	<b>₩ 4,190,774</b>	<b>₩ 3,941,084</b>

(In millions of Korean won)

	<b>December 31, 2022</b>	
	<b>Carrying amount</b>	<b>Fair value</b>
<b>Financial assets</b>		
<b>Financial assets at fair value through profit or loss</b>		
Hybrid securities	₩ 874,171	₩ 874,171
Beneficiary certificates	304,618	304,618
Loans	343,525	343,525
<b>Financial assets at amortized cost</b>		
Due from financial institutions	351,056	351,056
Loans	522,326	522,326
Other financial assets	44,841	44,841
	<b>₩ 2,440,537</b>	<b>₩ 2,440,537</b>
<b>Financial liabilities</b>		
<b>Financial liabilities at amortized cost</b>		
Debentures	₩ 4,956,949	₩ 4,576,973
Other financial liabilities	13,331	13,331
	<b>₩ 4,970,280</b>	<b>₩ 4,590,304</b>

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

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

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

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

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5.1.2 Fair value hierarchy

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

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

Level 1 : The fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 : The fair values are based on inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 : The fair values are based on unobservable inputs for the asset or liability.

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

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

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

(In millions of Korean won)

	<b>September 30, 2023</b>			
	<b>Fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities	₩ -	₩ -	₩ 984,597	₩ 984,597
Beneficiary certificates	-	515,431	-	515,431
Loans	-	45,526	-	45,526
	<u>₩ -</u>	<u>₩ 560,957</u>	<u>₩ 984,597</u>	<u>₩ 1,545,554</u>

(In millions of Korean won)

	<b>December 31, 2022</b>			
	<b>Fair value hierarchy</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities	₩ -	₩ -	₩ 874,171	₩ 874,171
Beneficiary certificates	-	304,618	-	304,618
Loans	-	343,525	-	343,525
	<u>₩ -</u>	<u>₩ 648,143</u>	<u>₩ 874,171</u>	<u>₩ 1,522,314</u>

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

Valuation techniques and inputs of financial assets and liabilities classified as Level 2 and measured at fair value in the statements of financial position as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023		
	Fair value	Valuation techniques	Inputs
<b>Financial assets</b>			
Financial assets at fair value through profit or loss:			
Beneficiary certificates	₩ 515,431	DCF model	Interest rate, Discount rate, etc.
Loans	45,526	DCF model	Interest rate, Discount rate, etc.
	<u>₩ 560,957</u>		

<i>(In millions of Korean won)</i>	December 31, 2022		
	Fair value	Valuation techniques	Inputs
<b>Financial assets</b>			
Financial assets at fair value through profit or loss:			
Beneficiary certificates	₩ 304,618	DCF model	Interest rate, Discount rate, etc.
Loans	343,525	DCF model	Interest rate, Discount rate, etc.
	<u>₩ 648,143</u>		

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

Fair value hierarchy of financial assets and liabilities whose fair value is disclosed as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	September 30, 2023			
	Fair value hierarchy			Total
	Level 1	Level 2	Level 3	
<b>Financial assets</b>				
Cash and due from financial institutions <sup>1</sup>	₩ -	₩ 719,003	₩ -	₩ 719,003
Loans measured at amortized cost <sup>2</sup>	-	-	608,603	608,603
Other financial assets <sup>3</sup>	-	-	67,252	67,252
	<u>₩ -</u>	<u>₩ 719,003</u>	<u>₩ 675,855</u>	<u>₩ 1,394,858</u>
<b>Financial liabilities</b>				
Borrowings <sup>4</sup>	₩ -	₩ 100,000	₩ -	₩ 100,000
Debentures	-	3,800,946	-	3,800,946
Other financial liabilities <sup>3</sup>	-	-	40,138	40,138
	<u>₩ -</u>	<u>₩ 3,900,946</u>	<u>₩ 40,138</u>	<u>₩ 3,941,084</u>

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

<i>(In millions of Korean won)</i>	<b>December 31, 2022</b>			
	<b>Fair value hierarchy</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
<b>Financial assets</b>				
Cash and due from financial institutions <sup>1</sup>	₩ -	₩ 351,056	₩ -	₩ 351,056
Loans measured at amortized cost <sup>2</sup>	-	-	522,326	522,326
Other financial assets <sup>3</sup>	-	-	44,841	44,841
	<u>₩ -</u>	<u>₩ 351,056</u>	<u>₩ 567,167</u>	<u>₩ 918,223</u>
<b>Financial liabilities</b>				
Debentures	₩ -	₩ 4,576,973	₩ -	₩ 4,576,973
Other financial liabilities <sup>3</sup>	-	-	13,331	13,331
	<u>₩ -</u>	<u>₩ 4,576,973</u>	<u>₩ 13,331</u>	<u>₩ 4,590,304</u>

<sup>1</sup> For cash and due from financial institutions classified as level 2, carrying amount is a reasonable approximation of fair value.

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

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

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

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

Valuation techniques and inputs of financial assets and liabilities classified as Level 2, and whose fair value is disclosed as of September 30, 2023 and December 31, 2022, are as follows:

<i>(In millions of Korean won)</i>	<b>Fair value</b>		<b>Valuation techniques</b>	<b>Inputs</b>
	<b>September 30, 2023</b>	<b>December 31, 2022</b>		
<b>Financial liabilities</b>				
Debentures	₩ 3,800,946	₩ 4,576,973	DCF model	Discount rate

5.2 Disclosure of Fair Value Hierarchy Level 3

5.2.1 Valuation policy and process of Level 3 fair value

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



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

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

(In millions of Korean won)

	<b>2023</b>		<b>2022</b>	
	<b>Financial assets at fair value through profit or loss</b>		<b>Financial assets at fair value through profit or loss</b>	
Beginning	₩	874,171	₩	389,606
Total gains or losses:				
- Profit or loss		10,426		(35,037)
- Other comprehensive income		-		-
Purchases		100,000		530,000
Sales		-		-
Issues		-		-
Settlements		-		-
Transfers into Level 3		-		-
Transfers out of Level 3		-		-
Ending	₩	984,597	₩	884,569

5.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	<b>2023</b>			<b>2022</b>		
	<b>Gains on financial instruments at fair value through profit or loss</b>	<b>Other operating income</b>	<b>Net interest income</b>	<b>Losses on financial instruments at fair value through profit or loss</b>	<b>Other operating income</b>	<b>Net interest income</b>
Total gains (losses) included in profit or loss for the period	₩ 10,426	₩ -	₩ -	₩ (35,037)	₩ -	₩ -
Total gains (losses) for the period included in profit or loss for financial instruments held at the end of the reporting period	10,426	-	-	(35,037)	-	-

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5.2.3 Sensitivity analysis of changes in unobservable inputs

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

(In millions of Korean won)

		<b>September 30, 2023</b>				
	<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs (%)</b>	<b>Relationship of unobservable inputs to fair value</b>
<b>Financial assets</b>						
Financial assets at fair value through profit or loss:						
Hybrid securities	₩ 984,597	Hull and White Model, MonteCarlo Simulation	Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate	Discount rate  Volatility of interest rate	5.07 ~ 7.16  0.67	The lower the discount rate, the higher the fair value  The higher the volatility, the higher the fair value fluctuation

(In millions of Korean won)

		<b>December 31, 2022</b>				
	<b>Fair value</b>	<b>Valuation techniques</b>	<b>Inputs</b>	<b>Unobservable inputs</b>	<b>Range of unobservable inputs (%)</b>	<b>Relationship of unobservable inputs to fair value</b>
<b>Financial assets</b>						
Financial assets at fair value through profit or loss:						
Hybrid securities	₩ 874,171	Hull and White Model, MonteCarlo Simulation	Matrix YTM, Additional spread by grade, Risk spread of company, Valid credit rating, Disclosed information of securities, Estimated volatility of Interest rate	Discount rate  Volatility of interest rate	5.54 ~ 7.05  0.64	The lower the discount rate, the higher the fair value  The higher the volatility, the higher the fair value fluctuation

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5.2.3.2 Sensitivity analysis of changes in unobservable inputs

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

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

(In millions of Korean won)	<b>September 30, 2023</b>			
	<b>Profit or loss</b>		<b>Other comprehensive income or loss</b>	
	<b>Favorable changes</b>	<b>Unfavorable changes</b>	<b>Favorable changes</b>	<b>Unfavorable changes</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities *	₩ 7,863	₩ (7,677)	₩ -	₩ -

\* The changes in fair value are calculated by increasing or decreasing discount rates (5.07% ~ 7.16%) by 1%p, which are principal unobservable input parameters.

(In millions of Korean won)	<b>December 31, 2022</b>			
	<b>Profit or loss</b>		<b>Other comprehensive income or loss</b>	
	<b>Favorable changes</b>	<b>Unfavorable changes</b>	<b>Favorable changes</b>	<b>Unfavorable changes</b>
<b>Financial assets</b>				
Financial assets at fair value through profit or loss:				
Hybrid securities *	₩ 10,460	₩ (10,199)	₩ -	₩ -

\* The changes in fair value are calculated by increasing or decreasing discount rates (5.54% ~ 7.05%) by 1%p, which are principal unobservable input parameters.

**6. Due from Financial Institutions**

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

(In millions of Korean won)		Financial Institution	Interest rate (%)		
			as of September 30, 2023	September 30, 2023	December 31, 2022
Due from financial institutions in Korean won	Due from banks	Kookmin Bank	0.00 ~ 1.20	₩ 379,697	₩ 231,056
		KB Savings Bank Co., Ltd.	2.50 ~ 2.90	140,000	120,000
		Standard Chartered Bank	3.15	199,306	-
				₩ 719,003	₩ 351,056

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

*(In millions of Korean won)*

	<b>Financial Institution</b>	<b>September 30, 2023</b>		<b>December 31, 2022</b>		<b>Reasons of restriction</b>
Due from financial institutions in Korean won	Kookmin Bank	₩	3	₩	3	Pledged as collateral for the overdraft account

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

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

*(In millions of Korean won)*

	<b>September 30, 2023</b>		<b>December 31, 2022</b>	
Financial assets at fair value through profit or loss:				
Hybrid securities	₩	984,597	₩	874,171
Beneficiary certificates		515,431		304,618
Loans		45,526		343,525
	₩	1,545,554	₩	1,522,314

**8. Loans Measured at Amortized Cost**

Details of loans measured at amortized cost as of September 30, 2023 and December 31, 2022, are as follows:

*(In millions of Korean won)*

	<b>September 30, 2023</b>		<b>December 31, 2022</b>	
Loans measured at amortized cost	₩	610,000	₩	523,500
Less: Allowances for loan losses		(1,397)		(1,174)
	₩	608,603	₩	522,326

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**9. Investments in Subsidiaries**

9.1 Details of subsidiaries as of September 30, 2023, are as follows:

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

9.2 Details of investments in subsidiaries as of September 30, 2023 and December 31, 2022, are as follows:

*(In millions of Korean won, except for shares)*

<b>Name of subsidiaries</b>	<b>As of September 30, 2023</b>		<b>Carrying amount</b>	
	<b>Number of issued shares</b>	<b>Ownership (%)</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Kookmin Bank	404,379,116	100.00	₩ 14,821,721	₩ 14,821,721
KB Securities Co., Ltd.	298,620,424	100.00	3,342,391	3,342,391
KB Insurance Co., Ltd.	66,500,000	100.00	2,375,430	2,375,430
KB Kookmin Card Co., Ltd.	92,000,000	100.00	1,953,175	1,953,175
KB Life Insurance Co., Ltd. (former Prudential Life Insurance Company of Korea Ltd.)*	16,201,518	100.00	2,795,367	2,310,054
KB Asset Management Co., Ltd.	7,667,550	100.00	96,312	96,312
KB Capital Co., Ltd.	32,175,147	100.00	873,811	873,811
KB Life Insurance Co., Ltd. <sup>1</sup>	-	-	-	485,314
KB Real Estate Trust Co., Ltd.	16,000,000	100.00	121,553	121,553
KB Savings Bank Co., Ltd.	8,001,912	100.00	176,813	176,813
KB Investment Co., Ltd.	22,525,328	100.00	154,910	154,910
KB Data System Co., Ltd.	800,000	100.00	6,334	6,334
KB Credit Information Co., Ltd. <sup>2</sup>	-	-	-	23,620
			<u>₩ 26,717,817</u>	<u>₩ 26,741,438</u>

<sup>1</sup> KB Life Insurance Co., Ltd. (former Prudential Life Insurance Company of Korea Ltd.) merged with another existing KB Life Insurance Co., Ltd. on January 2, 2023, and issued 1,201,518 shares as the consideration.

<sup>2</sup> On June 30, 2023, the Company sold its 100% shares of KB Credit Information Co., Ltd. to KB Kookmin Card Co., Ltd. As of the date of disposal, the carrying amount of investments in KB Credit Information Co., Ltd. recorded by the Company was ₩ 23,620 million. The difference between the carrying amount and the consideration transferred (amounted ₩ 27,635 million), excluding disposal related costs, was recognized as gains on the disposal of investments in subsidiaries (amounted ₩ 3,917 million)

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**10. 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)*

	<b>September 30, 2023</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net amount</b>
Share-based payments	₩ 4,847	₩ -	₩ 4,847
Membership rights	227	-	227
Defined benefit obligation	1,956	-	1,956
Plan assets	-	(2,265)	(2,265)
Short-term employee benefits	960	-	960
Losses on valuation of financial assets at fair value through profit or loss	7,913	-	7,913
Others	2,870	(3,964)	(1,094)
	<u>18,773</u>	<u>(6,229)</u>	<u>12,544</u>
Offsetting of deferred tax assets and liabilities	(6,229)	6,229	-
	<u>₩ 12,544</u>	<u>₩ -</u>	<u>₩ 12,544</u>

*(In millions of Korean won)*

	<b>December 31, 2022</b>		
	<b>Assets</b>	<b>Liabilities</b>	<b>Net amount</b>
Share-based payments	₩ 4,502	₩ -	₩ 4,502
Membership rights	210	-	210
Defined benefit obligation	3,226	-	3,226
Plan assets	-	(3,393)	(3,393)
Short-term employee benefits	650	-	650
Losses on valuation of financial assets at fair value through profit or loss	14,795	-	14,795
Others	3,233	(3,319)	(86)
	<u>26,616</u>	<u>(6,712)</u>	<u>19,904</u>
Offsetting of deferred tax assets and liabilities	(6,712)	6,712	-
	<u>₩ 19,904</u>	<u>₩ -</u>	<u>₩ 19,904</u>

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**11. Borrowings**

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

*(In millions of Korean won)*

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Borrowings	₩ 100,000	₩ -

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

*(In millions of Korean won)*

		<b>Lenders</b>	<b>Borrowing date</b>	<b>Maturity date</b>	<b>Interest rate (%) as of Septemb er 30, 2023</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Borrowings in Korean won	Other borrowings	HI INVESTMENT & SECURITIES co., Ltd.	Jul. 21, 2023	Jul. 19, 2024	4.15	₩ 100,000	₩ -

11.3 Maturities of borrowings as of September 30, 2023 and December 31 2022, are as follows:

*(In millions of Korean won)*

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

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**12. Debentures**

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

	Issuance date	Maturity date	Interest rate (%) as of		
			September 30, 2023	September 30, 2023	December 31, 2022
(In millions of Korean won)					
Unguaranteed debentures No.15-3	May 12, 2016	May 12, 2026	2.01	₩ 200,000	₩ 200,000
Unguaranteed debentures No.16-3	May 27, 2016	May 27, 2023	-	-	150,000
Unguaranteed debentures No.18-3	Jul. 25, 2016	Jul. 25, 2026	1.69	80,000	80,000
Unguaranteed debentures No.19-3	Aug. 25, 2016	Aug. 25, 2026	1.69	120,000	120,000
Unguaranteed debentures No.25-4	May 24, 2017	May 24, 2027	2.62	80,000	80,000
Unguaranteed debentures No.26-2	Jun. 27, 2017	Jun. 27, 2024	2.34	200,000	200,000
Unguaranteed debentures No.27	Jul. 19, 2017	Jul. 19, 2024	2.41	100,000	100,000
Unguaranteed debentures No.28-2	Aug. 30, 2017	Aug. 30, 2024	2.43	30,000	30,000
Unguaranteed debentures No.28-3	Aug. 30, 2017	Aug. 30, 2027	2.60	60,000	60,000
Unguaranteed debentures No.29-2	Sep. 19, 2017	Sep. 19, 2024	2.44	110,000	110,000
Unguaranteed debentures No.31-2	Feb. 28, 2018	Feb. 28, 2023	-	-	50,000
Unguaranteed debentures No.31-3	Feb. 28, 2018	Feb. 28, 2028	3.02	60,000	60,000
Unguaranteed debentures No.32-2	Apr. 6, 2018	Apr. 6, 2023	-	-	80,000
Unguaranteed debentures No.32-3	Apr. 6, 2018	Apr. 6, 2028	2.86	20,000	20,000
Unguaranteed debentures No.33-1	Jun. 12, 2018	Jun. 12, 2023	-	-	100,000
Unguaranteed debentures No.33-2	Jun. 12, 2018	Jun. 12, 2028	2.92	30,000	30,000
Unguaranteed debentures No.34-2	Jul. 25, 2018	Jul. 25, 2023	-	-	70,000
Unguaranteed debentures No.34-3	Jul. 25, 2018	Jul. 25, 2025	2.71	20,000	20,000
Unguaranteed debentures No.34-4	Jul. 25, 2018	Jul. 25, 2028	2.76	20,000	20,000
Unguaranteed debentures No.35	Oct. 5, 2018	Oct. 5, 2023	2.52	120,000	120,000
Unguaranteed debentures No.36-2	Feb. 22, 2019	Feb. 22, 2024	2.11	230,000	230,000
Unguaranteed debentures No.36-3	Feb. 22, 2019	Feb. 22, 2029	2.22	60,000	60,000
Unguaranteed debentures No.37-1	Mar. 15, 2019	Mar. 15, 2024	2.06	140,000	140,000
Unguaranteed debentures No.37-2	Mar. 15, 2019	Mar. 15, 2029	2.16	70,000	70,000
Unguaranteed debentures No.38-1	Jun. 19, 2019	Jun. 19, 2026	1.73	80,000	80,000
Unguaranteed debentures No.38-2	Jun. 19, 2019	Jun. 19, 2029	1.77	120,000	120,000
Unguaranteed debentures No.39-1	Oct. 15, 2019	Oct. 15, 2024	1.60	80,000	80,000
Unguaranteed debentures No.39-2	Oct. 15, 2019	Oct. 15, 2029	1.67	40,000	40,000
Unguaranteed debentures No.40-1	Dec. 4, 2019	Dec. 4, 2024	1.76	70,000	70,000
Unguaranteed debentures No.40-2	Dec. 4, 2019	Dec. 4, 2029	1.87	30,000	30,000
Unguaranteed debentures No.41-1	Jan. 16, 2020	Jan. 16, 2023	-	-	110,000
Unguaranteed debentures No.41-2	Jan. 16, 2020	Jan. 16, 2025	1.74	100,000	100,000
Unguaranteed debentures No.41-3	Jan. 16, 2020	Jan. 16, 2030	1.88	40,000	40,000
Subordinated debentures No.1-1	Feb. 18, 2020	Feb. 18, 2030	2.21	370,000	370,000
Subordinated debentures No.1-2	Feb. 18, 2020	Feb. 18, 2035	2.26	30,000	30,000
Unguaranteed debentures No.42-1	May 13, 2020	May 13, 2025	1.59	130,000	130,000
Unguaranteed debentures No.42-2	May 13, 2020	May 13, 2030	1.78	70,000	70,000
Unguaranteed debentures No.43-1	Jun. 16, 2020	Jun. 16, 2023	-	-	50,000
Unguaranteed debentures No.43-2	Jun. 16, 2020	Jun. 16, 2025	1.44	110,000	110,000
Unguaranteed debentures No.43-3	Jun. 16, 2020	Jun. 16, 2030	1.63	50,000	50,000
Exchangeable bonds No.1 *	Jun. 30, 2020	Jun. 30, 2025	-	240,000	240,000



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12.1 Details of debentures as of September 30, 2023 and December 31, 2022, are as follows: (cont'd)

(In millions of Korean won)	Issuance date	Maturity date	Interest rate (%) as of		
			September 30, 2023	September 30, 2023	December 31, 2022
Unguaranteed debentures No.44-2	Aug. 11, 2020	Aug. 11, 2023	-	₩ -	₩ 50,000
Unguaranteed debentures No.44-3	Aug. 11, 2020	Aug. 9, 2024	1.18	30,000	30,000
Unguaranteed debentures No.44-4	Aug. 11, 2020	Aug. 11, 2027	1.39	20,000	20,000
Unguaranteed debentures No.45	Nov. 23, 2020	Nov. 23, 2023	1.19	60,000	60,000
Unguaranteed debentures No.46-1	Jan. 14, 2021	Jan. 13, 2023	-	-	160,000
Unguaranteed debentures No.46-2	Jan. 14, 2021	Jan. 14, 2026	1.43	30,000	30,000
Unguaranteed debentures No.46-3	Jan. 14, 2021	Jan. 14, 2028	1.62	10,000	10,000
Unguaranteed debentures No.46-4	Jan. 14, 2021	Jan. 14, 2031	1.84	100,000	100,000
Unguaranteed debentures No.47	Feb. 24, 2021	Feb. 24, 2023	-	-	90,000
Unguaranteed debentures No.48-1	Jun. 16, 2022	Jun. 16, 2024	4.15	85,000	85,000
Unguaranteed debentures No.48-2	Jun. 16, 2022	Jun. 16, 2025	4.27	240,000	240,000
Unguaranteed debentures No.48-3	Jun. 16, 2022	Jun. 16, 2027	4.34	80,000	80,000
Unguaranteed debentures No.48-4	Jun. 16, 2022	Jun. 16, 2032	4.40	95,000	95,000
				4,060,000	4,970,000
			Less: Bond Discounts	(3,420)	(4,616)
			Less: adjustment on exchange right	(5,944)	(8,435)
				₩ 4,050,636	₩ 4,956,949

\* Fair value of the liability component of exchangeable bonds is calculated by using market interest rate of bonds under the same conditions without the exchange right. The residual amount, after deducting liability component from the issuance amount, represents the value of exchange right and is recorded in equity. Shares to be exchanged are 5 million treasury shares of KB Financial Group Inc. with the exchange price of ₩ 48,000. Exercise period for exchange right is from the 60th day of the issuance date to 10 business days before the maturity date.

12.2 Maturities of debentures as of September 30, 2023 and December 31 2022, are as follows:

(In millions of Korean won)

	September 30, 2023					
	Up to 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Debentures in Korean won	₩ 180,000	₩ 370,000	₩ 555,000	₩ 1,500,000	₩ 1,455,000	₩ 4,060,000

(In millions of Korean won)

	December 31, 2022					
	Up to 3 months	3~6 months	6~12 months	1~3 years	Over 3 years	Total
Debentures in Korean won	₩ 410,000	₩ 380,000	₩ 300,000	₩ 1,915,000	₩ 1,965,000	₩ 4,970,000

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12.3 Changes in debentures based on par value for the nine-month periods ended September 30, 2023 and 2022, are as follows:

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

  

<i>(In millions of Korean won)</i>	<b>2022</b>			
	<b>Beginning</b>	<b>Issue</b>	<b>Repayment</b>	<b>Ending</b>
Debentures in Korean won	₩ 5,570,000	₩ 500,000	₩ (1,020,000)	₩ 5,050,000

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

13.1 Defined Benefit Plan

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

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

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

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Present value of defined benefit obligation	₩ 18,307	₩ 17,973
Fair value of plan assets	(21,359)	(22,261)
Net defined benefit liabilities (assets)	₩ (3,052)	₩ (4,288)

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

<i>(In millions of Korean won)</i>	<b>2023</b>	<b>2022</b>
Current service cost	₩ 1,359	₩ 1,688
Net interest expense(income) on net defined benefit liabilities	(167)	(4)
Post-employment benefits	₩ 1,192	₩ 1,684

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

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**14. Equity**

14.1 Share Capital

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Type of share	Ordinary share	Ordinary share
Number of authorized shares	1,000,000,000	1,000,000,000
Par value per share <i>(In Korean won)</i>	₩ 5,000	₩ 5,000
Number of issued shares	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.

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

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

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14.2 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 <sup>st</sup>	May 2, 2019	Perpetual bond	3.23	₩ 349,204	₩ 349,204
The 1-2 <sup>nd</sup>	May 2, 2019	Perpetual bond	3.44	49,881	49,881
The 2-1 <sup>st</sup>	May 8, 2020	Perpetual bond	3.30	324,099	324,099
The 2-2 <sup>nd</sup>	May 8, 2020	Perpetual bond	3.43	74,812	74,812
The 3-1 <sup>st</sup>	Jul. 14, 2020	Perpetual bond	3.17	369,099	369,099
The 3-2 <sup>nd</sup>	Jul. 14, 2020	Perpetual bond	3.38	29,922	29,922
The 4-1 <sup>st</sup>	Oct. 20, 2020	Perpetual bond	3.00	433,918	433,918
The 4-2 <sup>nd</sup>	Oct. 20, 2020	Perpetual bond	3.28	64,843	64,843
The 5-1 <sup>st</sup>	Feb. 19, 2021	Perpetual bond	2.67	419,056	419,056
The 5-2 <sup>nd</sup>	Feb. 19, 2021	Perpetual bond	2.87	59,862	59,862
The 5-3 <sup>rd</sup>	Feb. 19, 2021	Perpetual bond	3.28	119,727	119,727
The 6-1 <sup>st</sup>	May 28, 2021	Perpetual bond	3.20	165,563	165,563
The 6-2 <sup>nd</sup>	May 28, 2021	Perpetual bond	3.60	109,708	109,708
The 7-1 <sup>st</sup>	Oct. 8, 2021	Perpetual bond	3.57	208,453	208,453
The 7-2 <sup>nd</sup>	Oct. 8, 2021	Perpetual bond	3.80	59,834	59,834
The 8-1 <sup>st</sup>	Feb. 16, 2022	Perpetual bond	4.00	442,955	442,955
The 8-2 <sup>nd</sup>	Feb. 16, 2022	Perpetual bond	4.30	155,626	155,626
The 9-1 <sup>st</sup>	May 12, 2022	Perpetual bond	4.68	478,814	478,814
The 9-2 <sup>nd</sup>	May 12, 2022	Perpetual bond	4.97	19,906	19,906
The 10-1 <sup>st</sup>	Aug. 26, 2022	Perpetual bond	4.90	407,936	407,936
The 10-2 <sup>nd</sup>	Aug. 26, 2022	Perpetual bond	5.15	70,819	70,819
The 10-3 <sup>rd</sup>	Aug. 26, 2022	Perpetual bond	5.30	19,944	19,944
The 11-1 <sup>st</sup>	Feb 3, 2023	Perpetual bond	4.90	548,666	-
The 11-2 <sup>nd</sup>	Feb 3, 2023	Perpetual bond	5.03	49,871	-
				₩ 5,032,518	₩ 4,433,981

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

14.3 Capital Surplus

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

(In millions of Korean won)

	September 30, 2023	December 31, 2022
Paid-in capital in excess of par value	₩ 13,190,275	₩ 13,190,275
Other capital surplus	1,460,346	1,465,893
Gains on sales of treasury shares	86,646	86,646
Consideration for exchange right of exchangeable bonds	11,933	11,933
	₩ 14,749,200	₩ 14,754,747

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14.4 Accumulated Other Comprehensive Income (Loss)

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Remeasurements of net defined benefit liabilities	₩ (5,885)	₩ (5,847)

14.5 Retained Earnings

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Legal reserves	₩ 1,007,685	₩ 839,235
Voluntary reserves	982,000	982,000
Regulatory reserve for credit losses	9,340	4,490
Unappropriated retained earnings	2,586,340	1,968,840
	<b>₩ 4,585,365</b>	<b>₩ 3,794,565</b>

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

14.5.2 Regulatory reserve for credit losses

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

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

<i>(In millions of Korean won)</i>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Amounts before appropriation	₩ 9,340	₩ 4,490
Amounts estimated to be appropriated (reversed)	(4,337)	4,850
	<b>₩ 5,003</b>	<b>₩ 9,340</b>

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

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

	2023		2022	
	Three months	Nine months	Three months	Nine months
Regulatory reserve for credit losses estimated to be appropriated (reversed)	₩ 177	₩ (4,337)	₩ 1,260	₩ 2,458
Adjusted profit (loss) after provision (reversal) of regulatory reserve for credit losses <sup>1,2</sup>	(78,083)	1,994,135	122,162	1,639,463
Adjusted basic earnings (loss) per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup>	(204)	5,176	314	4,208
Adjusted diluted earnings (loss) per share after provision (reversal) of regulatory reserve for credit losses <sup>1</sup>	(197)	5,061	308	4,114

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

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

14.6 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 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 (July 25, 2023); as such, the final number of treasury stocks to be retired may change according to stock price.

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**15. Dividends**

The annual dividends to the shareholders of the 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 the resolution of the Board of Directors on July 25, 2023, the quarterly dividend per share of ₩ 510 (total dividend: ₩ 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.

**16. Net Interest Expense**

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

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Interest income</b>				
Due from financial institutions	₩ 4,255	₩ 13,937	₩ 2,319	₩ 5,479
Loans measured at amortized cost	4,139	10,529	672	1,992
Loans measured at fair value through profit or loss	696	2,494	1,828	4,637
Others	143	422	102	298
	<u>9,233</u>	<u>27,382</u>	<u>4,921</u>	<u>12,406</u>
<b>Interest expense</b>				
Borrowings	807	807	-	-
Debentures	23,645	75,215	29,354	83,938
Others	6	19	5	13
	<u>24,458</u>	<u>76,041</u>	<u>29,359</u>	<u>83,951</u>
<b>Net interest expense</b>	<u>₩ (15,225)</u>	<u>₩ (48,659)</u>	<u>₩ (24,438)</u>	<u>₩ (71,545)</u>

**17. Net Fee and Commission Expense**

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

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Fee and commission income</b>				
Fees earned in Korean won	₩ 407	₩ 1,188	₩ 417	₩ 1,576
<b>Fee and commission expense</b>				
Fees paid in Korean won	2,419	7,376	1,172	6,326
Fees paid in foreign currency	127	287	208	348
	<u>2,546</u>	<u>7,663</u>	<u>1,380</u>	<u>6,674</u>
<b>Net fee and commission expense</b>	<u>₩ (2,139)</u>	<u>₩ (6,475)</u>	<u>₩ (963)</u>	<u>₩ (5,098)</u>

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

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial assets at fair value through profit or loss for the three-month and nine-month periods ended September, 30, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Gains on financial instruments at fair value through profit or loss</b>				
Dividend income from financial assets at fair value through profit or loss	₩ 13,608	₩ 38,786	₩ 9,108	₩ 24,002
Gains on valuation of financial assets at fair value through profit or loss	858	27,952	2,221	4,587
Gains on disposal of financial assets at fair value through profit or loss	-	678	754	754
	<u>14,466</u>	<u>67,416</u>	<u>12,083</u>	<u>29,343</u>
<b>Losses on financial instruments at fair value through profit or loss</b>				
Losses on valuation of financial assets at fair value through profit or loss	4,648	5,928	12,313	46,433
	<u>4,648</u>	<u>5,928</u>	<u>12,313</u>	<u>46,433</u>
<b>Net gains (losses) on financial instruments at fair value through profit or loss</b>	₩ 9,818	₩ 61,488	₩ (230)	₩ (17,090)

### 19. Net Other Operating Income and Expenses

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

(In millions of Korean won)

	2023		2022	
	Three months	Nine months	Three months	Nine months
<b>Other operating income</b>				
Dividend income from subsidiaries	₩ -	₩ 2,192,380	₩ 200,000	₩ 1,871,223
Others	-	-	-	1
	<u>-</u>	<u>2,192,380</u>	<u>200,000</u>	<u>1,871,224</u>
<b>Net other operating income</b>	₩ -	₩ 2,192,380	₩ 200,000	₩ 1,871,224



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**20. General and Administrative Expenses**

20.1 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
<b>Expenses related to employee</b>				
Employee benefits – salaries	₩ 9,721	₩ 29,194	₩ 10,056	₩ 29,897
Employee benefits – others	1,109	3,368	1,225	3,379
Post-employment benefits – defined benefit plans	395	1,192	535	1,684
Post-employment benefits – defined contribution plans	-	1	-	(2)
Share-based payments	4,134	7,020	593	2,282
	<u>15,359</u>	<u>40,775</u>	<u>12,409</u>	<u>37,240</u>
<b>Depreciation and amortization</b>	<u>1,354</u>	<u>4,071</u>	<u>1,648</u>	<u>4,486</u>
<b>Other general and administrative expenses</b>				
Travel	198	947	316	512
Communications	228	799	218	772
Tax and dues	70	407	49	363
Publication	76	262	70	245
Rental expense	543	1,598	473	1,336
Vehicle	43	111	54	120
Service fees	2,469	11,492	3,362	10,433
Advertising	112	627	154	607
Training	276	1,000	368	701
Others	2,327	6,847	2,307	6,259
	<u>6,342</u>	<u>24,090</u>	<u>7,371</u>	<u>21,348</u>
	<u>₩ 23,055</u>	<u>₩ 68,936</u>	<u>₩ 21,428</u>	<u>₩ 63,074</u>

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20.2 Share-based Payments

Share-based payments plan for executives and employees of the Company and its subsidiaries as of September 30, 2023, are as follows:

20.2.1 Stock grants linked to long-term performance

(In number of shares)

<i>(In number of shares)</i>	<b>Grant date</b>	<b>Number of granted shares <sup>1</sup></b>	<b>Vesting conditions <sup>2</sup></b>
<b>KB Financial Group Inc.</b>			
Series 28	Nov. 21, 2020	68,135	Services fulfillment, market performance <sup>3</sup> 35%, and non-market performance <sup>5</sup> 65%
Series 30	Apr. 1, 2021	3,070	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 33	Jan. 1, 2022	57,464	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 34	Feb. 1, 2022	654	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 35	May 27, 2022	6,364	Services fulfillment, market performance <sup>3</sup> 30%, and non-market performance <sup>4</sup> 70%
Series 36	Jan 1, 2023	83,561	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 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	
<b>Kookmin Bank</b>			
Series 83	Apr. 1, 2021	14,972	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 85	Jan. 1, 2022	259,724	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
			Services fulfillment, market performance <sup>3</sup> 30%, and EPS & Asset Quality <sup>6</sup> 70%
Series 86	Feb. 1, 2022	1,525	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 88	Mar. 14, 2022	5,884	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 90	Jul. 18, 2022	4,131	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 91	Aug. 24, 2022	7,277	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 92	Jan. 1, 2023	216,811	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
Series 93	Apr. 1, 2023	13,422	Services fulfillment, market performance <sup>3</sup> 0~30%, and non-market performance <sup>4</sup> 70~100%
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
		746,620	

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

(In number of shares)

	Grant date	Number of granted shares <sup>1</sup>	Vesting conditions <sup>2</sup>
<b>Other subsidiaries</b>			
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 <sup>3</sup> 0~50%, and non-market performance <sup>4</sup> 50~100%
Stock granted in 2018		19,861	
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>	

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

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

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

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

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

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

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

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20.2.2 Stock grants linked to short-term performance

<i>(In number of shares)</i>	<b>Estimated number of vested shares *</b>	<b>Vesting conditions</b>
<b>KB Financial Group Inc.</b>		
Stock granted in 2015	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
<b>Kookmin Bank</b>		
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
<b>Other subsidiaries</b>		
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.

Share-based payments arrangement for subsidiaries was transferred to the Company in 2010, and the related compensation cost paid to the executives and employees of subsidiaries is reimbursed by subsidiaries. The accrued expenses for share-based payments as of September 30, 2023 and December 31, 2022, are ₩ 192,524 million and ₩ 186,908 million, respectively, and the receivables to be reimbursed by subsidiaries for the compensation costs as of September 30, 2023 and December 31, 2022, are ₩ 174,163 million and ₩ 169,918 million, respectively. And compensation costs from share-based payments amounting to ₩ 7,020 million and ₩ 2,282 million were recognized for the nine-month periods ended September 30, 2023 and 2022, respectively.

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

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

*(In millions of Korean won)*

	<b>2023</b>	<b>2022</b>
<b>Income tax payable</b>	₩ -	₩ -
<b>Changes in deferred tax assets and liabilities</b>	(7,360)	12,994
Origination and reversal of temporary differences	(7,360)	12,994
<b>Income tax recognized directly in equity</b>	(13)	(134)
Remeasurements of net defined benefit liabilities	(13)	(134)
<b>Income tax benefit (expense)</b>	<u>₩ (7,373)</u>	<u>₩ 12,860</u>

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**22. Earnings per Share**

22.1 Basic Earnings per Share

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

22.1.1 Weighted average number of ordinary shares outstanding

<i>(In number of shares)</i>	<b>2023</b>		<b>2022</b>	
	<b>Three months</b>	<b>Nine months</b>	<b>Three months</b>	<b>Nine months</b>
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	<u>383,565,730</u>	<u>385,292,960</u>	<u>389,634,335</u>	<u>389,634,335</u>

\* Treasury stock retired during the nine-month periods ended September 30, 2023 and 2022 were deducted from April 3, 2023 and February 14, 2022, respectively.

22.1.2 Basic earnings per share

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

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

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

	<b>2022</b>	
	<b>Three months</b>	<b>Nine months</b>
Profit (loss) for the period	₩ 157,936,518,702	₩ 1,727,619,367,508
Deduction: Dividends on hybrid securities	(34,514,700,000)	(85,698,100,000)
Profit (loss) attributable to the ordinary equity holders (A)	<u>123,421,818,702</u>	<u>1,641,921,267,508</u>
Weighted average number of ordinary shares outstanding (B)	389,634,335	389,634,335
Basic earnings (loss) per share (A/B)	₩ 317	₩ 4,214

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22.2 Diluted Earnings per Share

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

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

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

22.2.1 Adjusted profit for diluted earnings per share

*(In Korean won)*

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

*(In Korean won)*

	<b>2022</b>	
	<b>Three months</b>	<b>Nine months</b>
Profit (loss) attributable to the ordinary equity holders *	₩ 123,421,818,702	₩ 1,641,921,267,508
Adjustment:		
Interest expense on exchangeable bonds	600,130,825	1,780,822,991
Adjusted profit (loss) for diluted earnings (loss) per share	<u>₩ 124,021,949,527</u>	<u>₩ 1,643,702,090,499</u>

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

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

<i>(In number of shares)</i>	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 (loss) per share	392,370,179	394,357,225	398,642,539	398,962,560

22.2.3 Diluted earnings per share

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

<i>(In Korean won and in number of shares)</i>	2022	
	Three months	Nine months
Adjusted profit (loss) for diluted earnings (loss) per share	₩ 124,021,949,527	₩ 1,643,702,090,499
Adjusted weighted average number of ordinary shares outstanding for diluted earnings (loss) per share	398,642,539	398,962,560
Diluted earnings (loss) per share	₩ 311	₩ 4,120



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**23. Statement of Cash Flows**

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

*(In millions of Korean won)*

	<b>September 30,</b>		<b>December 31,</b>	
	<b>2023</b>		<b>2022</b>	
Due from financial institutions	₩	719,003	₩	351,056
Deduction:				
Restricted due from financial institutions		(3)		(3)
Due from financial institutions with original maturities over three months		(140,000)		(120,000)
		<u>(140,003)</u>		<u>(120,003)</u>
	₩	<u>579,000</u>	₩	<u>231,053</u>

23.2 Significant non-cash transactions for the nine-month periods ended September 30, 2023 and 2022, are as follows:

*(In millions of Korean won)*

	<b>2023</b>		<b>2022</b>	
Changes in receivables and payables from consolidated tax return	₩	425,576	₩	310,329
Changes in receivables and payables related to stock grants		4,245		(35,163)
Changes in receivables related to quarterly dividends of subsidiaries		-		200,000

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

*(In millions of Korean won)*

	<b>Activity</b>	<b>2023</b>		<b>2022</b>	
Income tax paid	Operating	₩	4,310	₩	2,285
Interest received	Operating		20,985		9,591
Interest paid	Operating		78,379		81,014
Dividends received	Operating		2,227,367		1,694,465
Dividends paid	Financing		1,093,748		1,328,631

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**24. Contingent Liabilities and Commitments**

24.1 Commitments made with financial institutions as of September 30, 2023 and December 31, 2022, are as follows:

*(In millions of Korean won)*

		<b>September 30, 2023</b>		<b>December 31, 2022</b>	
		<b>Amount of</b>	<b>Amount</b>	<b>Amount of</b>	<b>Amount</b>
		<b>commitments</b>	<b>borrowed</b>	<b>commitments</b>	<b>borrowed</b>
General loan	Hana Bank	₩ 200,000	₩ -	₩ 200,000	₩ -
General loan	Shinhan Bank	200,000	-	-	-
General loan	NongHyup Bank	300,000	-	-	-

24.2 Other Matters (including litigation)

The Company has 1 pending lawsuit as a defendant with aggregate claims amount of ₩ 0.1 million, which arose in the normal course of the management activities, as of September 30, 2023.

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**25. Related Party Transactions**

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

25.1 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)*

Subsidiaries	Profit or loss	2023	2022
Kookmin Bank	Interest income	₩ 10,770	₩ 4,062
	Fee and commission income	978	1,061
	Net other operating income <sup>1</sup>	1,346,582	1,031,167
	General and administrative expenses	8,698	8,312
KB Securities Co., Ltd.	Interest expense	-	15
	Fee and commission income	66	166
	Net losses on financial assets at fair value through profit or loss	19,765	(14,920)
	Net other operating income <sup>1</sup>	100,000	400,000
KB Insurance Co., Ltd.	General and administrative expenses	243	307
	Fee and commission income	111	229
	General and administrative expenses	1,217	1,307
KB Kookmin Card Co., Ltd.	Net other operating income <sup>1</sup>	349,990	-
	Fee and commission income	26	53
	Net other operating income <sup>1</sup>	200,008	250,056
KB Life Insurance Co., Ltd.	General and administrative expenses	293	15
	Net non-operating income <sup>2</sup>	3,921	4
	Fee and commission income	36	40
	Net other operating income <sup>1</sup>	100,000	100,000
KB Asset Management Co., Ltd.	General and administrative expenses	761	454
	Net other operating income <sup>1</sup>	60,000	40,000
KB Capital Co., Ltd	Interest income	3,592	-
	Fee and commission income	13	22
	Net gains on financial assets at fair value through profit or loss	29,446	3,885
	Provision for credit losses	10	-
KB Life Insurance Co., Ltd.	Fee and commission income	-	32
	General and administrative expenses	-	203
KB Real Estate Trust. Co., Ltd.	Interest income	398	-
	Net other operating income <sup>1</sup>	35,000	40,000
	Provision for credit losses	60	-

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

(In millions of Korean won)

<b>Subsidiaries</b>	<b>Profit or loss</b>	<b>2023</b>		<b>2022</b>	
KB Savings Bank Co., Ltd.	Interest income	₩	3,420	₩	2,777
	Fee and commission income		1		2
	Net gains (losses) on financial assets at fair value through profit or loss		786		(8,941)
KB Investment Co., Ltd.	Interest income		6,295		4,637
	Net other operating income <sup>1</sup>		-		10,000
	Provision (reversal) for credit losses		176		211
KB Data Systems Co., Ltd.	General and administrative expenses		2,176		1,910
	Net other operating income <sup>1</sup>		600		-
<b>Other related parties</b>		<b>2023</b>		<b>2022</b>	
KB Credit Information Co., Ltd. <sup>3</sup>	Interest income	₩	227	₩	-
	Net other operating income <sup>1</sup>		200		-
	Reversal for credit losses		16		-

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

<sup>2</sup> Includes ₩ 3,917 million of gains on disposal of investments in KB Credit Information Co., Ltd.

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

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

(In millions of Korean won)

<b>Subsidiaries</b>	<b>Assets or liabilities</b>	<b>September 30, 2023</b>		<b>December 31, 2022</b>	
Kookmin Bank	Cash and due from financial institutions	₩	379,697	₩	231,056
	Other assets		354,116		828,505
	Other liabilities		7,030		97
	Property and equipment		1,447		357
KB Securities Co., Ltd.	Financial assets at fair value through profit or loss		503,509		401,732
	Other assets		135,858		66,162
	Other liabilities		319		116,503
KB Insurance Co., Ltd.	Other assets		18,786		111,433
	Other liabilities		21,236		47
KB Kookmin Card Co., Ltd.	Other assets		66,720		88,968
	Other liabilities		1,148		755
KB Life Insurance Co., Ltd.	Other assets		8,855		70,534
	Other liabilities		128,149		67
KB Asset Management Co., Ltd.	Other assets		13,868		21,033

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

(In millions of Korean won)

<b>Subsidiaries</b>	<b>Assets or liabilities</b>	<b>September 30, 2023</b>	<b>December 31, 2022</b>
KB Capital Co., Ltd.	Financial assets at fair value through profit or loss	₩ 481,088	₩ 472,439
	Loans measured at amortized cost (gross amount)	200,000	200,000
	Allowances for credit losses	239	234
	Other assets	35,483	52,941
	Other liabilities	-	4,655
KB Life Insurance Co., Ltd.	Other assets	-	9,188
	Other liabilities	-	-
KB Real Estate Trust Co., Ltd.	Loans measured at amortized cost (gross amount)	50,000	-
	Allowances for credit losses	60	-
	Other assets	13,900	8,860
	Other liabilities	-	-
KB Savings Bank Co., Ltd.	Cash and due from financial institutions	140,000	120,000
	Financial assets at fair value through profit or loss	45,525	43,524
	Other assets	4,811	7,280
	Other liabilities	1,343	67
KB Investment Co., Ltd.	Loans measured at amortized cost (gross amount)	360,000	310,000
	Allowances for credit losses	1,099	924
	Other assets	10,846	5,943
	Other liabilities	-	-
KB Data Systems Co., Ltd.	Intangible assets	331	1,716
	Other assets	2,418	3,456
	Other liabilities	222	208
<b>Other related parties</b>	<b>Assets or liabilities</b>	<b>2023</b>	<b>2022</b>
KB Credit Information Co., Ltd. *	Loans measured at amortized cost (gross amount)	₩ -	₩ 13,500
	Allowances for credit losses	-	16
	Other assets	913	1,054
	Other liabilities	61	61

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

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25.3 Right-of-use assets and lease liabilities with related parties as of September 30, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

			<b>September 30, 2023</b>	<b>December 31, 2022</b>
Subsidiary	Kookmin Bank	Right-of-use assets	₩ 1,447	₩ 357

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

(In millions of Korean won)

			<b>September 30, 2023</b>	<b>December 31, 2022</b>
Subsidiary	KB Kookmin Card Co., Ltd.	Unused lines of credit for credit card	₩ 2,145	₩ 2,245

25.5 Share transactions with related parties for the nine-month periods ended September 30, 2023 and 2022, are as follows:

(In millions of Korean won)

			<b>2023</b>	<b>2022</b>
Subsidiary	KB Capital Co., Ltd.	Acquisition of hybrid securities	₩ -	₩ 100,000
	KB Securities Co., Ltd.	Acquisition of hybrid securities	100,000	430,000
Other related party	KB Credit Information Co., Ltd.	Disposal of shares	23,620	-

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

(In millions of Korean won)

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

(In millions of Korean won)

			<b>2022</b>			
			<b>Beginning</b>	<b>Loan</b>	<b>Collection</b>	<b>Ending</b>
Subsidiary	KB Investment Co., Ltd.		₩ 250,000	₩ 60,000	₩ -	₩ 310,000
	KB Savings Bank Co., Ltd. <sup>1</sup>		70,000	-	-	70,000

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

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

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

*(In millions of Korean won)*

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

*(In millions of Korean won)*

	<b>2022</b>			
	<b>Short-term employee benefits</b>	<b>Post- employment benefits</b>	<b>Share-based payments</b>	<b>Total</b>
Registered directors (executive)	₩ 875	₩ 24	₩ 261	₩ 1,160
Registered directors (non-executive)	479	-	-	479
Non-registered directors	5,263	106	2,021	7,390
	<u>₩ 6,617</u>	<u>₩ 130</u>	<u>₩ 2,282</u>	<u>₩ 9,029</u>

**26. 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 Company's financial statements as of September 30, 2023, do not reflect this dividends payable.