

KB Financial Group Inc. and Subsidiaries

Consolidated Interim Financial Statements

March 31, 2023 and 2022

(Unaudited)

KB Financial Group Inc. and Subsidiaries

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Report on Review of Consolidated Interim Financial Statements

(English Translation of a Report Originally Issued in Korean)

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

Reviewed Financial Statements

We have reviewed the accompanying consolidated interim financial statements of KB Financial Group Inc. and its subsidiaries (collectively referred to as the “Group”). These financial statements consist of the consolidated interim statement of financial position of the Group as at March 31, 2023 and the related consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month period ended March 31, 2023, and a summary of material accounting policies and other explanatory notes, expressed in Korean Won.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated interim financial statements based on our review.

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

Conclusion

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

Other Matters

The consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month period ended on March 31, 2022 were reviewed by another auditor who expressed their review conclusion that nothing has come to their attention that causes them to believe the consolidated interim financial statements do not present fairly, in all material respects, in accordance with Korean IFRS No.1034 *Interim Financial Reporting*. These consolidated interim financial statements that another auditor had reviewed have not reflected the adjustments described in Note 2 of the accompanying consolidated interim financial statements. The accompanying comparative consolidated interim statements of comprehensive income, changes in equity, and cash flows for the three-month period ended March 31, 2022, reflected the adjustments.

The consolidated statement of financial position as of December 31, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, not presented herein, were audited by another auditor who expressed an unqualified opinion on those statements on March 7, 2023. The consolidated financial statements that another auditor expressed an unqualified opinion were prepared before the adjustments described in Note 2 of Korean IFRS No.1117 *Insurance Contract*. The consolidated statement of financial position as of December 31, 2022, presented herein for comparative purposes, has been restated to reflect the adjustments described in Note 2.

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

/s/ Samil PricewaterhouseCoopers
Seoul, Korea
May 15, 2023

<p>This report is effective as of May 15, 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 consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that there is a possibility that the above review report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.</p>

Consolidated Interim Financial Statements

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

(in millions of Korean won)

	Notes		March 31, 2023 (Unaudited)		December 31, 2022
Assets					
Cash and due from financial institutions	4,6,7,31	W	28,955,066	W	32,474,750
Financial assets at fair value through profit or loss	4,6,11		70,094,713		70,092,497
Derivative financial assets	4,6,8		8,588,694		9,446,580
Loans measured at amortized cost	4,6,9,10		432,189,440		433,038,931
Financial investments	4,6,11		115,454,094		115,452,659
Investments in associates and joint ventures	12		660,802		682,670
Insurance contract assets	30		152,547		83,304
Reinsurance contract assets	30		1,511,197		1,495,966
Property and equipment			4,956,299		4,991,467
Investment property			3,289,529		3,148,340
Intangible assets			1,984,608		1,858,470
Net defined benefit assets	19		474,033		478,934
Current income tax assets			219,172		204,690
Deferred income tax assets	13,26		200,714		188,372
Assets held for sale			236,818		211,758
Other assets	4,6		22,467,911		14,815,438
Total assets		W	691,435,637	W	688,664,826
Liabilities					
Financial liabilities at fair value through profit or loss	4,6,14	W	11,842,172	W	12,271,604
Derivative financial liabilities	4,6,8		8,516,367		9,509,769
Deposits	4,6,15		387,230,486		393,928,904
Borrowings	4,6,16		67,904,471		71,717,366
Debentures	4,6,17		68,546,555		68,698,203
Insurance contract liabilities	30		47,758,509		45,920,012
Reinsurance contract liabilities	30		34,209		31,728
Provisions	18		942,038		933,701
Net defined benefit liabilities	19		88,764		85,745
Current income tax liabilities			132,181		998,681
Deferred income tax liabilities	13,26		2,931,506		1,574,954
Other liabilities	4,6		39,268,223		28,849,911
Total liabilities			635,195,481		634,520,578

(Continued)

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Financial Position
March 31, 2023 and December 31, 2022 (cont'd)

(in millions of Korean won)

Equity			
Share capital		2,090,558	2,090,558
Hybrid securities		5,032,803	4,434,251
Capital surplus		16,940,689	16,940,731
Accumulated other comprehensive income	28	1,788,167	1,312,522
Retained earnings		29,813,672	28,922,272
Treasury shares		(1,107,933)	(836,188)
Equity attributable to shareholders of the Parent Company	20	<u>54,557,956</u>	<u>52,864,146</u>
Non-controlling interests		<u>1,682,200</u>	<u>1,280,102</u>
Total equity		<u>56,240,156</u>	<u>54,144,248</u>
Total liabilities and equity		<u>W 691,435,637</u>	<u>W 688,664,826</u>

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-Month Periods Ended March 31, 2023 and 2022

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

	Notes	2023 (Unaudited)	2022 (Unaudited)
Interest income		₩ 6,866,583	₩ 4,306,312
Interest income from financial instruments at fair value through other comprehensive income and amortized cost		6,527,556	4,112,607
Interest income from financial instruments at fair value through profit or loss		333,477	188,737
Insurance finance Interest income		5,550	4,968
Interest expense		(4,080,990)	(1,654,801)
Interest expense		(3,639,879)	(1,270,702)
Insurance finance Interest expense		(441,111)	(384,099)
Net interest income	5,21	<u>2,785,593</u>	<u>2,651,511</u>
Fee and commission income		1,334,702	1,334,929
Fee and commission expense		(420,696)	(377,673)
Net fee and commission income	5,22	<u>914,006</u>	<u>957,256</u>
Insurance income		2,662,112	2,347,579
Insurance income		2,497,526	2,281,647
Reinsurance income		164,586	65,932
Insurance expense		(2,281,465)	(1,951,703)
Insurance service expense		(2,083,964)	(1,789,772)
Reinsurance expense		(197,501)	(161,931)
Insurance service result	5,30	<u>380,647</u>	<u>395,876</u>
Net gains (losses) on financial instruments at fair value through profit or loss	5,23	<u>773,407</u>	<u>(325,529)</u>
Other insurance finance income (expenses)	30	<u>(234,030)</u>	<u>274,829</u>
Net other operating expenses	5,24	<u>(260,124)</u>	<u>(416,307)</u>
General and administrative expenses	5,19,25	<u>(1,566,286)</u>	<u>(1,481,378)</u>
Operating income before provision for credit losses	5	<u>2,793,213</u>	<u>2,056,258</u>
Provision for credit losses	5,7,9,10,18	<u>(668,188)</u>	<u>(145,849)</u>
Net operating income	5	<u>2,125,025</u>	<u>1,910,409</u>
Share of profit (loss) of associates and joint ventures	5	(2,496)	8,132
Net other non-operating income (expenses)	5	(93,665)	1,144
Net non-operating income (expenses)		<u>(96,161)</u>	<u>9,276</u>
Profit before income tax expense	5	2,028,864	1,919,685
Income tax expense	5,26	<u>(529,650)</u>	<u>(448,151)</u>
Profit for the period	5	<u>1,499,214</u>	<u>1,471,534</u>

(Continued)

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Comprehensive Income
Three-Month Periods Ended March 31, 2023 and 2022 (cont'd)

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

	Notes	2023 (Unaudited)	2022 (Unaudited)
Items that will not be reclassified to profit or loss:			
Remeasurements of net defined benefit liabilities		₩ 5,828	₩ (10,685)
Share of other comprehensive loss of associates and joint ventures		(2)	-
Losses on equity securities at fair value through other comprehensive income		(110)	(217,801)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk		<u>(49,975)</u>	<u>(814)</u>
		<u>(44,259)</u>	<u>(229,300)</u>
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		115,819	83,945
Gains (losses) on debt securities at fair value through other comprehensive income		1,525,457	(2,331,605)
Share of other comprehensive income (loss) of associates and joint ventures		(4,158)	77
Gains (losses) on cash flow hedging instruments	8	(35,465)	27,996
Losses on hedging instruments of a net investment in a foreign operation	8	(30,133)	(24,166)
Insurance finance income (expense)	30	<u>(1,041,053)</u>	<u>2,686,085</u>
		<u>530,467</u>	<u>442,332</u>
Other comprehensive income for the period, net of tax		<u>486,208</u>	<u>213,032</u>
Total comprehensive income for the period		<u>₩ 1,985,422</u>	<u>₩ 1,684,566</u>
Profit attributable to:			
Shareholders of the Parent Company	5	₩ 1,497,631	₩ 1,460,572
Non-controlling interests		1,583	10,962
		<u>₩ 1,499,214</u>	<u>₩ 1,471,534</u>
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company		₩ 1,972,718	₩ 1,665,256
Non-controlling interests		12,704	19,310
		<u>₩ 1,985,422</u>	<u>₩ 1,684,566</u>
Earnings per share			
Basic earnings per share	29	₩ 3,754	₩ 3,691
Diluted earnings per share		3,669	3,609

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Changes in Equity
Three-Month Periods Ended March 31, 2023 and 2022

(in millions of Korean won)

	Equity attributable to shareholders of the Parent Company									
	Share capital	Hybrid securities	Capital surplus	Accumulated other comprehensive income	Accumulated other comprehensive income relating to assets of a disposal group held for sale	Retained earnings	Treasury shares	Non-controlling interests	Total equity	
Balance as of January 1, 2022	₩ 2,090,558	₩ 2,838,221	₩ 16,940,231	₩ 1,047,274	₩ 7,671	₩ 25,672,815	₩ (1,136,188)	₩ 833,338	₩	₩ 48,293,920
Changes in accounting policies	-	-	-	367,477	-	748,903	-	-	-	1,116,380
Balance as of January 1, 2022 (After the restatement)	2,090,558	2,838,221	16,940,231	1,414,751	7,671	26,421,718	(1,136,188)	833,338		49,410,300
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	1,460,572	-	10,962		1,471,534
Remeasurements of net defined benefit liabilities	-	-	-	(10,984)	-	-	-	299		(10,685)
Currency translation differences	-	-	-	82,551	(7,671)	-	-	9,065		83,945
Losses on financial instruments at fair value through other comprehensive income and transfer to retained earnings	-	-	-	(2,548,135)	-	(255)	-	(1,016)		(2,549,406)
Share of other comprehensive income of associates and joint ventures	-	-	-	77	-	-	-	-		77
Gains on cash flow hedging instruments	-	-	-	27,996	-	-	-	-		27,996
Losses on hedging instruments of net investments in foreign operations	-	-	-	(24,166)	-	-	-	-		(24,166)
Insurance finance income	-	-	-	2,686,085	-	-	-	-		2,686,085
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	-	-	-	(814)	-	-	-	-		(814)
Total comprehensive income for the period	-	-	-	212,610	(7,671)	1,460,317	-	19,310		1,684,566
Transactions with shareholders										
Annual dividends paid to shareholders of the Parent Company	-	-	-	-	-	(853,299)	-	-		(853,299)
Issuance of hybrid securities	-	598,596	-	-	-	-	-	14,996		613,592
Dividends on hybrid securities	-	-	-	-	-	(22,533)	-	(12,950)		(35,483)
Retirement of treasury shares	-	-	-	-	-	(150,000)	150,000	-		-
Others	-	-	-	-	-	-	-	25,928		25,928
Total transactions with shareholders	-	598,596	-	-	-	(1,025,832)	150,000	27,974		(249,282)
Balance as of March 31, 2022 (Unaudited)	₩ 2,090,558	₩ 3,436,817	₩ 16,940,231	₩ 1,627,361	₩ -	₩ 26,856,203	₩ (986,188)	₩ 880,622	₩	₩ 50,845,604
Balance as of January 1, 2023	₩ 2,090,558	₩ 4,434,251	₩ 16,940,731	₩ 1,312,521	₩ -	₩ 28,922,273	₩ (836,188)	₩ 1,280,102	₩	₩ 54,144,248
Comprehensive income for the period										
Profit for the period	-	-	-	-	-	1,497,631	-	1,583		1,499,214
Remeasurements of net defined benefit liabilities	-	-	-	5,032	-	-	-	796		5,828
Currency translation differences	-	-	-	105,479	-	-	-	10,340		115,819
Gains (losses) on financial instruments at fair value through other comprehensive income and transfer to retained earnings	-	-	-	1,525,921	-	(559)	-	(15)		1,525,347
Share of other comprehensive loss of associates and joint ventures	-	-	-	(4,160)	-	-	-	-		(4,160)
Losses on cash flow hedging instruments	-	-	-	(35,465)	-	-	-	-		(35,465)
Losses on hedging instruments of net investments in foreign operations	-	-	-	(30,133)	-	-	-	-		(30,133)
Insurance finance income	-	-	-	(1,041,053)	-	-	-	-		(1,041,053)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	-	-	-	(49,975)	-	-	-	-		(49,975)
Total comprehensive income for the period	-	-	-	475,646	-	1,497,072	-	12,704		1,985,422
Transactions with shareholders										
Annual dividends paid to shareholders of the Parent Company	-	-	-	-	-	(564,970)	-	-		(564,970)
Issuance of hybrid securities	-	598,552	-	-	-	-	-	409,085		1,007,637
Dividends on hybrid securities	-	-	-	-	-	(40,703)	-	(17,467)		(58,170)
Acquisition of treasury shares	-	-	-	-	-	-	(271,745)	-		(271,745)
Others	-	-	(42)	-	-	-	-	(2,224)		(2,266)
Total transactions with shareholders	-	598,552	(42)	-	-	(605,673)	(271,745)	389,394		110,486
Balance as of March 31, 2023 (Unaudited)	₩ 2,090,558	₩ 5,032,803	₩ 16,940,689	₩ 1,788,167	₩ -	₩ 29,813,672	₩ (1,107,933)	₩ 1,682,200	₩	₩ 56,240,156

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

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Cash Flows
Three-Month Periods Ended March 31, 2023 and 2022

(in millions of Korean won)

	Notes	2023 (Unaudited)	2022 (Unaudited)	
Cash flows from operating activities				
Profit for the period	₩	1,499,214	₩	1,471,534
Adjustment for non-cash items				
Net losses (gains) on financial assets at fair value through profit or loss		(615,765)		331,666
Net losses (gains) on derivative financial instruments for hedging purposes		18,329		(14,314)
Provision for credit losses		668,188		145,849
Net losses (gains) on financial investments		(18,464)		19,448
Share of loss (profit) of associates and joint ventures		2,496		(8,132)
Depreciation and amortization expense		205,533		189,749
Other net losses (gains) on property and equipment/intangible assets		63,603		(31,739)
Share-based payments		11,361		40,698
Provision for policy reserves		382		(298)
Post-employment benefits		36,787		53,826
Net interest expense (income)		(59,428)		56,603
Losses (gains) on foreign currency translation		(26,314)		197,595
Insurance finance income		(2,569,728)		(2,575,244)
Reinsurance finance expense		270,218		52,139
Other expenses		194,570		212,639
		<u>(1,818,232)</u>		<u>(1,329,515)</u>
Changes in operating assets and liabilities				
Financial assets at fair value through profit or loss		(834,106)		(1,471,661)
Derivative financial instruments		(23,761)		263,718
Loans measured at fair value through other comprehensive income		(116,388)		80,881
Loans measured at amortized cost		652,151		(7,797,760)
Current income tax assets		(14,482)		(84,481)
Deferred income tax assets		(11,503)		(136,800)
Other assets		(6,854,888)		(5,844,835)
Financial liabilities at fair value through profit or loss		(1,062,396)		1,557,947
Deposits		(6,775,211)		2,122,393
Current income tax liabilities		(866,500)		351,424
Deferred income tax liabilities		1,431,552		(46,107)
Other liabilities		10,039,550		5,229,937
Insurance contract assets		(69,242)		(15,763)
Reinsurance contract assets		(283,615)		(55,547)
Insurance contract liabilities		2,946,955		2,671,578
Reinsurance contract liabilities		20,595		(28,514)
		<u>(1,821,289)</u>		<u>(3,203,590)</u>
Net cash outflow from operating activities		<u>(2,140,307)</u>		<u>(3,061,571)</u>

(Continued)

KB Financial Group Inc. and Subsidiaries
Consolidated Interim Statements of Cash Flows
Three-Month Periods Ended March 31, 2023 and 2022 (cont'd)

(in millions of Korean won)

	Notes	2023 (Unaudited)	2022 (Unaudited)
Cash flows from investing activities			
Net cash flows from derivative financial instruments for hedging purposes		(2,269)	(18,183)
Disposal of financial asset at fair value through profit or loss		3,614,766	1,964,255
Acquisition of financial asset at fair value through profit or loss		(1,869,263)	(3,049,140)
Disposal of financial investments		12,655,798	4,492,192
Acquisition of financial investments		(9,658,046)	(8,291,557)
Disposal of investments in associates and joint ventures		28,692	40,975
Acquisition of investments in associates and joint ventures		(10,961)	(59,043)
Disposal of property and equipment		1,199	618
Acquisition of property and equipment		(34,071)	(47,241)
Acquisition of investment property		(123,549)	(400)
Disposal of intangible assets		185	3,578
Acquisition of intangible assets		(178,208)	(34,977)
Net cash flows from changes in ownership of subsidiaries		(287,482)	289,452
Others		58,805	215,564
Net cash inflow (outflow) from investing activities		<u>4,195,596</u>	<u>(4,493,907)</u>
Cash flows from financing activities			
Net cash flows from derivative financial instruments for hedging purposes		18,952	27,803
Net increase (decrease) in borrowings		(4,072,109)	3,431,227
Increase in debentures		13,466,265	13,373,036
Decrease in debentures		(13,977,682)	(12,045,769)
Decrease in other payables to trust accounts		(103,073)	(218,147)
Issuance of hybrid securities		598,552	598,596
Dividends paid on hybrid securities		(40,703)	(22,533)
Acquisition of treasury shares		(271,745)	-
Redemption of principal elements of lease payments		(224,646)	(66,957)
Increase in non-controlling interests		391,618	2,046
Others		(299,133)	253,137
Net cash inflow (outflow) from financing activities		<u>(4,513,704)</u>	<u>5,332,439</u>
Effect of exchange rate changes on cash and cash equivalents		<u>22,044</u>	<u>51,264</u>
Net decrease in cash and cash equivalents		<u>(2,436,371)</u>	<u>(2,171,775)</u>
Cash and cash equivalents at the beginning of the period	31	<u>26,534,798</u>	<u>26,033,162</u>
Cash and cash equivalents at the end of the period	31	<u>W 24,098,427</u>	<u>W 23,861,387</u>

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

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

March 31, 2023 and 2022 (Unaudited), and December 31, 2022

1. The Parent Company

KB Financial Group Inc. (the “Parent Company”) was incorporated on September 29, 2008, under the Financial Holding Companies Act of Korea. KB Financial Group Inc. and its subsidiaries (the “Group”) derive substantially all of their revenue and income from providing a broad range of banking and related financial services to consumers and corporations. The Parent Company’s main business purpose is to control subsidiaries that engage in the financial business or subsidiaries closely related to the financial business through the stock ownership. The Parent Company’s headquarter is located at 26, Gukjegeumyung-ro 8-gil, Yeongdeungpo-gu, Seoul. In 2011, Kookmin Bank spun off its credit card business segment and established a new separate credit card company, KB Kookmin Card Co., Ltd. and KB Investment & Securities Co., Ltd. merged with KB Futures Co., Ltd. The Group established KB Savings Bank Co., Ltd. in January 2012, acquired Yehansoul Savings Bank Co., Ltd. in September 2013, and KB Savings Bank Co., Ltd. merged with Yehansoul Savings Bank Co., Ltd. in January 2014. In March 2014, the Group acquired Woori Financial Co., Ltd. and changed the name to KB Capital Co., Ltd. Meanwhile, the Group included LIG Insurance Co., Ltd. as an associate and changed the name to KB Insurance Co., Ltd. in June 2015, and KB Insurance Co., Ltd. became one of the subsidiaries through a tender offer in May 2017. Also, the Group included Hyundai Securities Co., Ltd. as an associate in June 2016 and included as a subsidiary in October 2016 by comprehensive exchange of shares. Hyundai Securities Co., Ltd. merged with KB Investment & Securities Co., Ltd. in December 2016 and changed its name to KB Securities Co., Ltd. in January 2017. In August 2020, the Group acquired Prudential Life Insurance Company of Korea Ltd. which was classified as a subsidiary and the name was changed to KB Life Insurance Co., Ltd. in December 2022. Then in January 2023, it merged with another existing KB Life Insurance Co., Ltd.

The Parent Company’s share capital as of March 31, 2023, is ₩ 2,090,558 million. The Parent Company has been listed on the Korea Exchange (“KRX”) since October 10, 2008, and on the New York Stock Exchange (“NYSE”) for its American Depositary Shares (“ADS”) since September 29, 2008. Number of shares authorized in its Articles of Incorporation is 1,000 million.

KB Financial Group Inc. and Subsidiaries

Notes to the Consolidated Interim Financial Statements

March 31, 2023 and 2022 (Unaudited), and December 31, 2022

2. Basis of Preparation

2.1 Application of Korean IFRS

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

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

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

The Group's consolidated interim financial statements for the three-month period ended March 31, 2023, have been prepared in accordance with Korean IFRS No.1034 *Interim Financial Reporting* and contain less information than is required in annual consolidated financial statements. Selected explanatory notes include descriptions of transactions or events that are significant in understanding change in financial position and financial performance of the Group since the end of the previous annual reporting period. These consolidated interim financial statements have been prepared in accordance with Korean IFRS which is effective or early adopted as of March 31, 2023.

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

- Amendments to Korean IFRS No.1117 Insurance Contract

(Major Accounting Policy Changes)

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

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

(Measurement of Insurance liabilities, etc.)

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

In details, the Group identifies a portfolio of insurance contracts that comprises contracts exposed to similar risks and managed together, then separates the contracts with similar profitability within the portfolio as groups of insurance contracts. The groups of insurance contracts are measured as the sum of the estimate of future cash flows (including cash flows related to policy loans and reflecting time value of money, etc.), risk adjustment, and the contractual service margin. With the adoption of Korean IFRS No.1117, account of the contractual service margin will be introduced, which means unearned profit that would be recognized by providing insurance service in the future.

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

(Recognition and measurement of financial performance)

Under Korean IFRS No.1117, the Group recognizes insurance revenue on an accrual basis for services (insurance coverage) provided to the policyholder by each annual reporting period, excluding investment component (refunds due to termination and maturity) to be paid to the policyholder regardless of the insured event. In addition, net insurance income and net investment income are presented separately to enable users of the information to understand the sources of net income.

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

(Accounting policy for transition of insurance contracts)

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

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

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

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

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

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

	Korean IFRS No.1104	Korean IFRS No.1117
Insurance liability measurement	Measured at cost using past information	Measured at current value using information at the time of reporting Necessary to select a conversion method that adjusts the past group of insurance contracts to the current value at the date of conversion. (Complete/modified retrospective method or fair value method applied)
Recognition of insurance revenue	Application of the cash basis in which premiums received are recognized as insurance revenue Investment-type items such as cancellation and maturity refunds are also included in insurance income.	Recognition of revenue by reflecting services provided to contractors by the Group for each fiscal year (accrual basis) Investment elements (cancellation, maturity refund) are excluded from insurance income, and insurance income and expense and investment gains and losses (financial gains and losses, etc.) are separately presented.

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

	Korean IFRS No.1104	Korean IFRS No.1117
Insurance contract loan	Recognized as a separate asset	Recognition as included in insurance liabilities
Unamortized new contract costs	Unamortized new contract costs are recorded as a separate asset	Unamortized new contract costs are not separately recognized.
	Insurance liabilities are evaluated based on net insurance premiums (excluding business expenses)	Insurance liabilities are evaluated based on operating insurance premiums (including business expenses)

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

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

When applying Korean IFRS No.1117, the Group's assets, liabilities and equity as of December 31, 2022 are ₩ 688,664,826 million, ₩ 634,520,578 million, and ₩ 54,144,248 million, respectively, and profit and total comprehensive income for the three-month period ended March 31, 2022 are ₩ 1,471,534 million and ₩ 1,684,566 million, respectively.

Compared to Korean IFRS No.1104, the Group's assets and liabilities as of December 31, 2022 decreased by ₩ 12,506,022 million and ₩ 17,007,356 million, respectively, and its equity increased by ₩ 4,501,334 million. Both profit and profit attributable to shareholders of the Parent Company increased by ₩ 7,432 million, and total comprehensive income increased by ₩ 1,589,907 million for the three-month period ended March 31, 2022.

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

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

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)	
Assets		Assets			
Cash and due from financial institutions	₩ 32,063,421	Cash and due from financial institutions	₩ 32,474,750	₩	411,329
Financial assets at fair value through profit or loss	64,935,344	Financial assets at fair value through profit or loss	70,092,497		5,157,153
Derivative financial assets	9,446,134	Derivative financial assets	9,446,580		446
Loans measured at amortized cost	436,530,502	Loans measured at amortized cost	433,038,931		(3,491,571)
Financial investments	116,588,575	Financial investments	115,452,659		(1,135,916)
Investments in associates and joint ventures	682,670	Investments in associates and joint ventures	682,670		-
		Insurance contract assets	83,304		83,304
		Reinsurance contract asset	1,495,966		1,495,966
Property and equipment	4,991,467	Property and equipment	4,991,467		-
Investment properties	3,148,340	Investment properties	3,148,340		-
Intangible assets	3,200,399	Intangible assets	1,858,470		(1,341,929)
Net defined benefit assets	478,934	Net defined benefit assets	478,934		-
Current income tax assets	204,690	Current income tax assets	204,690		-
Deferred income tax assets	251,085	Deferred income tax assets	188,372		(62,713)
Assets held for sale	211,758	Assets held for sale	211,758		-
Other assets	28,437,529	Other assets	14,815,438		(13,622,091)
Total assets	₩ 701,170,848	Total assets	₩ 688,664,826	₩	(12,506,022)
Liabilities		Liabilities			
Financial liabilities at fair value through profit or loss	₩ 12,271,604	Financial liabilities at fair value through profit or loss	₩ 12,271,604	₩	-
Derivative financial liabilities	9,506,709	Derivative financial liabilities	9,509,769		3,060
Deposits	388,888,452	Deposits	393,928,904		5,040,452
Borrowings	71,717,366	Borrowings	71,717,366		-
Debentures	68,698,203	Debentures	68,698,203		-

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

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

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Liabilities		Liabilities		
		Reinsurance		
		contract liabilities	31,728	31,728
Provisions	968,819	Provisions	933,701	(35,118)
Net defined benefit		Net defined benefit		
liabilities	85,745	liabilities	85,745	-
Current income tax		Current income tax		
liabilities	997,675	liabilities	998,681	1,006
Deferred Income tax		Deferred Income tax		
liabilities	22,693	liabilities	1,574,954	1,552,261
Other liabilities	40,140,365	Other liabilities	28,849,911	(11,290,454)
Total liabilities	₩ 651,527,934	Total liabilities	₩ 634,520,578	₩ (17,007,356)
Equity		Equity		
Share capital	₩ 2,090,558	Share capital	₩ 2,090,558	₩ -
Hybrid securities	4,434,251	Hybrid securities	4,434,251	-
Capital surplus	16,940,731	Capital surplus	16,940,731	-
Accumulated other		Accumulated other		
comprehensive		comprehensive		
income	(2,713,053)	income	1,312,522	4,025,575
Retained earnings	28,446,513	Retained earnings	28,922,272	475,759
Treasury stock	(836,188)	Treasury stock	(836,188)	-
Non-controlling		Non-controlling		
interests	1,280,102	interests	1,280,102	-
Total equity	₩ 49,642,914	Total equity	₩ 54,144,248	₩ 4,501,334

2) Consolidated statement of comprehensive income for the three-month period ended March 31, 2022

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Net interest income	₩ 3,061,090	Net interest income	₩ 2,651,511	₩ (409,579)
Interest income	4,309,711	Interest income	4,306,312	(3,399)
Interest income on		Interest income on		
financial instruments		financial instruments		
measured at fair value		measured at fair value		
through other		through other		
comprehensive		comprehensive		
income and amortized		income and amortized		
cost	4,132,824	cost	4,112,607	(20,217)
Interest income on		Interest income on		
financial instruments		financial instruments		
measured at fair value		measured at fair value		
through profit or loss	176,887	through profit or loss	188,737	11,850
Insurance finance		Insurance finance		
interest income		interest income	4,968	4,968

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

2) Consolidated statement of comprehensive income for the three-month period ended March 31, 2022

(cont'd)

(In millions of Korean won)

Korean IFRS No.1104		Korean IFRS No.1117		Net increase (decrease)
Interest expenses	(1,248,621)	Interest expenses	(1,654,801)	(406,180)
Interest expenses	(1,248,621)	Interest expenses	(1,270,702)	(22,081)
		Insurance finance interest expense	(384,099)	(384,099)
Net fee and commission income	914,997	Net fee and commission income	957,256	42,259
Fee and commission income	1,337,135	Fee and commission income	1,334,929	(2,206)
Fee and commission expense	(422,138)	Fee and commission expense	(377,673)	44,465
Net insurance income	126,098	Insurance service result	395,876	269,778
Insurance income	4,199,946	Insurance income	2,347,579	(1,852,367)
Insurance income	4,199,946	Insurance income	2,281,647	(1,918,299)
		Reinsurance income	65,932	65,932
Insurance expense	(4,073,848)	Insurance expense	(1,951,703)	2,122,145
Insurance expense	(4,073,848)	Insurance service expense	(1,789,772)	2,284,076
		Reinsurance expense	(161,931)	(161,931)
Net gains (losses) on financial instruments at fair value through profit or loss	86,286	Net gains (losses) on financial instruments at fair value through profit or loss	(325,529)	(411,815)
		Other insurance finance income	274,829	274,829
Net other operating expenses	(464,758)	Net other operating expenses	(416,307)	48,451
General and administrative expenses	(1,691,786)	General and administrative expenses	(1,481,378)	210,408
Operating profit before credit loss allowance	2,031,927	Operating profit before credit loss allowance	2,056,258	24,331
Provision for credit losses	(130,105)	Provision for credit losses	(145,849)	(15,744)
Operating income	1,901,822	Operating income	1,910,409	8,587
Net non-operating income	7,565	Net non-operating income	9,276	1,711
Share of profit of associates and joint ventures	8,350	Share of profit of associates and joint ventures	8,132	(218)
Net other non-operating income (expenses)	(785)	Net other non-operating income (expenses)	1,144	1,929
Profit before income tax expense	1,909,387	Profit before income tax expense	1,919,685	10,298
Income tax expense	(445,285)	Income tax expense	(448,151)	(2,866)
Profit for the period	1,464,102	Profit for the period	1,471,534	7,432

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

2) Consolidated statement of comprehensive income for the three-month period ended March 31, 2022

(cont'd)

(In millions of Korean won)

Korean IFRS No.1104	Korean IFRS No.1117	Net increase (decrease)	
Other comprehensive income for the period, net of tax	(1,369,443)	213,032	1,582,475
Comprehensive income that will not be reclassified to profit or loss	(229,146)	(229,300)	(154)
Comprehensive income that may be reclassified subsequently to profit or loss	(1,140,297)	442,332	1,582,629
Total comprehensive income for the period	94,659	1,684,566	1,589,907
Profit attributable to:			
Shareholders of the Parent Company	1,453,140	1,460,572	7,432
Non-controlling interests	10,962	10,962	-
Total comprehensive income for the period attributable to:			
Shareholders of the Parent Company	75,349	1,665,256	1,589,907
Non-controlling interests	19,310	19,310	-

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

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

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

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

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

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

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

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

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

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2.1.2 Restatement of cash flow statement for the three-month period ended March 31, 2022

The Group had classified due from financial institutions with restriction to use, such as reserve requirement deposits, as due from financial institutions measured at amortized cost rather than cash and cash equivalents until September 30, 2022; however, following the IFRS Interpretations Committee's decision that cash and cash equivalents include restricted demand deposits, some classified due from financial institutions with restriction to use, such as reserve requirement deposits, from October 1, 2022, the Group has retrospectively classified these accounts as cash and cash equivalents. The comparative consolidated financial statements have been restated to reflect the changes made to retrospective application.

The effects on the consolidated statements of cash flows for the three-month period ended March 31, 2022, are as follows:

(In millions of Korean won)

	<u>2022</u>
Increase in changes in other assets	₩ (1,936,114)
Increase in effect of exchange rate changes on cash and cash equivalents in foreign currency	22,108
Increase in beginning balance of cash and cash equivalents	16,164,814
Increase in ending balance of cash and cash equivalents	14,250,808

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

- Amendment of K-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 Group expects that this amendment will not have a significant impact on the consolidated financial statements.

2.2 Measurement Basis

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

2.3 Functional and Presentation Currency

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

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2.4 Critical Accounting Estimates

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

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

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

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3. Material Accounting Policies

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

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

4. Financial Risk Management

4.1 Summary

4.1.1 Overview of financial risk management policy

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

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

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

4.1.2 Risk management organization

4.1.2.1 Risk Management Committee

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

4.1.2.2 Risk Management Council

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

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4.1.2.3 Risk Management Department

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

4.2 Credit Risk

4.2.1 Overview of credit risk

Credit risk is the risk of loss from the portfolio of assets held due to the counterparty's default, breach of contract, and deterioration of credit quality. For risk management purposes, the Group manages all factors of credit risk exposure, such as default risk of individual borrowers, country risk, and risk of specific sectors in an integrated way.

4.2.2 Credit risk management

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

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

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

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

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

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

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4.2.3 Maximum exposure to credit risk

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Financial assets		
Due from financial institutions measured at amortized cost *	₩ 26,379,619	₩ 29,912,097
Financial assets at fair value through profit or loss:		
Due from financial institutions measured at fair value through profit or loss	123,992	69,469
Securities measured at fair value through profit or loss	65,198,357	65,899,397
Loans measured at fair value through profit or loss	543,412	493,562
Financial instruments indexed to the price of gold	96,496	90,006
Derivatives	8,588,694	9,446,580
Loans measured at amortized cost *	432,189,440	433,038,931
Financial investments:		
Securities measured at fair value through other comprehensive income	75,782,600	76,648,353
Securities measured at amortized cost *	36,553,447	35,919,241
Loans measured at fair value through other comprehensive income	665,601	549,272
Other financial assets *	18,259,592	10,718,383
	<u>664,381,250</u>	<u>662,785,291</u>
Off-balance sheet items		
Acceptances and guarantees contracts	13,346,803	12,559,514
Financial guarantee contracts	9,008,532	8,376,728
Commitments	196,001,887	188,168,340
	<u>218,357,222</u>	<u>209,104,582</u>
	<u>₩ 882,738,472</u>	<u>₩ 871,889,873</u>

* After netting of allowance

4.2.4 Credit risk of loans

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

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

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4.2.4.1 Credit risk exposure

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

(In millions of Korean won)

	March 31, 2023				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Loans measured at amortized cost *					
Corporate					
Grade 1	₩ 138,550,558	₩ 5,430,665	₩ 3,085	₩ -	₩ 143,984,308
Grade 2	65,540,494	8,389,894	76,948	-	74,007,336
Grade 3	4,239,855	3,070,785	11,552	-	7,322,192
Grade 4	569,150	952,406	28,025	-	1,549,581
Grade 5	28,224	459,399	2,261,695	-	2,749,318
	208,928,281	18,303,149	2,381,305	-	229,612,735
Retail					
Grade 1	160,964,035	4,166,101	7,569	-	165,137,705
Grade 2	8,029,749	3,658,250	33,230	-	11,721,229
Grade 3	4,543,783	1,460,773	22,986	-	6,027,542
Grade 4	233,834	326,366	33,754	-	593,954
Grade 5	35,310	826,839	984,596	-	1,846,745
	173,806,711	10,438,329	1,082,135	-	185,327,175
Credit card					
Grade 1	11,611,063	423,288	-	-	12,034,351
Grade 2	4,638,675	1,027,499	-	-	5,666,174
Grade 3	1,258,141	1,782,598	-	-	3,040,739
Grade 4	6,139	291,745	-	-	297,884
Grade 5	2,884	182,406	692,259	-	877,549
	17,516,902	3,707,536	692,259	-	21,916,697
	400,251,894	32,449,014	4,155,699	-	436,856,607
Loans measured at fair value through other comprehensive income					
Corporate					
Grade1	603,979	-	-	-	603,979
Grade2	61,622	-	-	-	61,622
Grade3	-	-	-	-	-
Grade4	-	-	-	-	-
Grade5	-	-	-	-	-
	665,601	-	-	-	665,601
	665,601	-	-	-	665,601
	₩ 400,917,495	₩ 32,449,014	₩ 4,155,699	₩ -	₩ 437,522,208

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4.2.4.1 Credit risk exposure (cont'd)

(In millions of Korean won)

	December 31, 2022				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Loans measured at amortized cost *					
Corporate					
Grade 1	₩ 134,819,382	₩ 5,877,660	₩ 3,372	₩ -	₩ 140,700,414
Grade 2	65,653,118	8,585,346	4,480	-	74,242,944
Grade 3	4,054,714	3,221,267	14,694	-	7,290,675
Grade 4	570,671	922,748	34,298	-	1,527,717
Grade 5	11,909	419,058	1,959,706	-	2,390,673
	<u>205,109,794</u>	<u>19,026,079</u>	<u>2,016,550</u>	<u>-</u>	<u>226,152,423</u>
Retail					
Grade 1	164,125,295	4,240,281	11,287	-	168,376,863
Grade 2	8,100,613	3,846,756	32,878	-	11,980,247
Grade 3	4,320,640	1,477,297	25,600	-	5,823,537
Grade 4	306,655	315,357	32,330	-	654,342
Grade 5	26,013	742,720	834,178	-	1,602,911
	<u>176,879,216</u>	<u>10,622,411</u>	<u>936,273</u>	<u>-</u>	<u>188,437,900</u>
Credit card					
Grade 1	11,547,014	1,316,136	-	-	12,863,150
Grade 2	4,390,211	1,214,946	-	-	5,605,157
Grade 3	1,142,362	1,925,145	-	-	3,067,507
Grade 4	2,227	302,736	-	-	304,963
Grade 5	666	173,049	595,101	-	768,816
	<u>17,082,480</u>	<u>4,932,012</u>	<u>595,101</u>	<u>-</u>	<u>22,609,593</u>
	<u>399,071,490</u>	<u>34,580,502</u>	<u>3,547,924</u>	<u>-</u>	<u>437,199,915</u>
Loans measured at fair value through other comprehensive income					
Corporate					
Grade1	489,445	-	-	-	489,445
Grade2	59,827	-	-	-	59,827
Grade3	-	-	-	-	-
Grade4	-	-	-	-	-
Grade5	-	-	-	-	-
	<u>549,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,272</u>
	<u>549,272</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,272</u>
	<u>₩ 399,620,762</u>	<u>₩ 34,580,502</u>	<u>₩ 3,547,924</u>	<u>₩ -</u>	<u>₩ 437,749,187</u>

* Before netting of allowance

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4.2.4.1 Credit risk exposure (cont'd)

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

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

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

(In millions of Korean won)

	March 31, 2023			
	12-month expected credit losses	Lifetime expected credit losses		Total
		Non-impaired	Impaired	
Guarantees	₩ 102,245,087	₩ 6,989,711	₩ 337,537	₩ 109,572,335
Deposits and savings	1,742,588	117,236	48,825	1,908,649
Property and equipment	15,484,526	954,929	191,546	16,631,001
Real estate	191,088,193	16,049,468	1,863,609	209,001,270
	₩ 310,560,394	₩ 24,111,344	₩ 2,441,517	₩ 337,113,255

(In millions of Korean won)

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

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4.2.5 Credit risk of securities

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

(In millions of Korean won)

	March 31, 2023				
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total
		Non-impaired	Impaired		
Securities measured at amortized cost *					
Grade 1	₩ 33,872,768	₩ -	₩ -	₩ -	₩ 33,872,768
Grade 2	2,664,383	-	-	-	2,664,383
Grade 3	22,470	-	-	-	22,470
Grade 4	-	-	-	-	-
Grade 5	-	-	-	-	-
	<u>36,559,621</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,559,621</u>
Securities measured at fair value through other comprehensive income					
Grade 1	69,120,419	-	-	-	69,120,419
Grade 2	6,570,134	-	-	-	6,570,134
Grade 3	73,311	8,980	-	-	82,291
Grade 4	9,756	-	-	-	9,756
Grade 5	-	-	-	-	-
	<u>75,773,620</u>	<u>8,980</u>	<u>-</u>	<u>-</u>	<u>75,782,600</u>
	<u>₩ 112,333,241</u>	<u>₩ 8,980</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 112,342,221</u>

(In millions of Korean won)

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

* Before netting of allowance

4.2.5 Credit risk of securities (cont'd)

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

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

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

4.2.6 Credit risk of due from financial institutions

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

(In millions of Korean won)

	March 31, 2023							
	12-month expected credit losses	Lifetime expected credit losses		Not applying expected credit losses	Total			
		Non-impaired	Impaired					
Due from financial institutions measured at amortized cost *								
Grade 1	₩ 24,978,003	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 24,978,003
Grade 2	741,670	-	-	-	-	-	-	741,670
Grade 3	4	-	-	-	-	-	-	4
Grade 4	-	-	-	-	-	-	-	-
Grade 5	661,733	-	-	-	-	-	-	661,733
	₩ 26,381,410	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 26,381,410

(In millions of Korean won)

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

* Before netting of allowance

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

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4.2.7 Credit risk concentration analysis

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

(In millions of Korean won)

March 31, 2023					
		Loans	%	Allowances	Carrying amount
Financial institutions	₩	24,185,271	10.48	₩ (48,487)	₩ 24,136,784
Manufacturing		53,783,257	23.30	(688,521)	53,094,736
Service		100,688,963	43.62	(578,897)	100,110,066
Wholesale and retail		29,917,828	12.96	(464,343)	29,453,485
Construction		7,193,601	3.13	(266,664)	6,926,937
Public sector		2,078,093	0.91	(91,651)	1,986,442
Others		12,974,735	5.60	(227,123)	12,747,612
	₩	230,821,748	100.00	₩ (2,365,686)	₩ 228,456,062

(In millions of Korean won)

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

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

(In millions of Korean won)

March 31, 2023					
		Loans	%	Allowances	Carrying amount
Housing loan	₩	93,256,063	45.00	₩ (171,050)	₩ 93,085,013
General loan		92,071,112	44.43	(1,242,343)	90,828,769
Credit card		21,916,697	10.57	(888,088)	21,028,609
	₩	207,243,872	100.00	₩ (2,301,481)	₩ 204,942,391

(In millions of Korean won)

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

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

(In millions of Korean won)

	March 31, 2023			
	Amount	%	Allowances	Carrying amount
Due from financial institutions measured at amortized cost				
Finance and insurance	₩ 26,381,410	100.00	₩ (1,791)	₩ 26,379,619
	<u>26,381,410</u>	<u>100.00</u>	<u>(1,791)</u>	<u>26,379,619</u>
Due from financial institutions measured at fair value through profit or loss				
Finance and insurance	123,992	100.00	-	123,992
	<u>123,992</u>	<u>100.00</u>	<u>-</u>	<u>123,992</u>
Securities measured at fair value through profit or loss				
Government and government funded institutions	17,972,081	27.57	-	17,972,081
Finance and insurance	30,056,382	46.10	-	30,056,382
Others	17,169,894	26.33	-	17,169,894
	<u>65,198,357</u>	<u>100.00</u>	<u>-</u>	<u>65,198,357</u>
Derivative financial assets				
Government and government funded institutions	38,522	0.45	-	38,522
Finance and insurance	8,147,531	94.86	-	8,147,531
Others	402,641	4.69	-	402,641
	<u>8,588,694</u>	<u>100.00</u>	<u>-</u>	<u>8,588,694</u>
Securities measured at fair value through other comprehensive income				
Government and government funded institutions	40,833,760	53.88	-	40,833,760
Finance and insurance	21,666,439	28.59	-	21,666,439
Others	13,282,401	17.53	-	13,282,401
	<u>75,782,600</u>	<u>100.00</u>	<u>-</u>	<u>75,782,600</u>
Securities measured at amortized cost				
Government and government funded institutions	17,379,598	47.54	(181)	17,379,417
Finance and insurance	18,519,335	50.65	(5,635)	18,513,700
Others	660,688	1.81	(358)	660,330
	<u>36,559,621</u>	<u>100.00</u>	<u>(6,174)</u>	<u>36,553,447</u>
	<u>₩ 212,634,674</u>		<u>₩ (7,965)</u>	<u>₩ 212,626,709</u>

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

(In millions of Korean won)

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

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

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4.3 Liquidity Risk

4.3.1 Overview of liquidity risk

Liquidity risk is a risk that the Group becomes insolvent due to the mismatch between the inflow and outflow of funds, unexpected cash outflows, or a risk of loss due to financing funds at a high interest rate or disposing of securities at an unfavorable price due to lack of available funds. The Group manages its liquidity risk through analysis of the contractual maturity of interest-bearing assets and liabilities, assets and liabilities related to the other inflows and outflows of funds, and off-balance sheet items related to the inflows and outflows of funds such as currency derivative instruments and others.

4.3.2 Liquidity risk management and indicator

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

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

4.3.3 Analysis of remaining contractual maturity of financial liabilities

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

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

(In millions of Korean won)

	March 31, 2023													
	On demand		Up to 1 month		1-3 months		3-12 months		1-5 years		Over 5 years		Total	
Financial liabilities														
Financial liabilities at fair value through profit or loss ¹	₩	1,946,647	₩	-	₩	-	₩	-	₩	-	₩	-	₩	1,946,647
Financial liabilities designated at fair value through profit or loss ¹		9,895,525		-		-		-		-		-		9,895,525
Derivatives held for trading ¹		8,174,159		-		-		-		-		-		8,174,159
Derivatives held for hedging ²		66,528		4,301		21,051		34,185		51,699		12,364		190,128
Deposits ³		165,298,203		25,621,268		40,312,800		143,715,649		14,773,592		1,045,176		390,766,688
Borrowings		10,483,999		18,863,003		7,725,535		19,210,243		13,087,514		1,136,024		70,506,318
Debentures		10,661		4,372,410		9,741,653		18,591,015		32,863,538		6,424,656		72,003,933
Lease liabilities		291		28,790		40,672		158,386		352,574		26,267		606,980
Other financial liabilities		160,828		27,932,178		193,687		344,379		991,048		558,996		30,181,116
	₩	196,036,841	₩	76,821,950	₩	58,035,398	₩	182,053,857	₩	62,119,965	₩	9,203,483	₩	584,271,494
Off-balance sheet items														
Commitments ⁴	₩	196,001,887	₩	-	₩	-	₩	-	₩	-	₩	-	₩	196,001,887
Acceptances and guarantees contracts		13,346,803		-		-		-		-		-		13,346,803
Financial guarantee contracts ⁵		9,008,532		-		-		-		-		-		9,008,532
	₩	218,357,222	₩	-	₩	-	₩	-	₩	-	₩	-	₩	218,357,222

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

(In millions of Korean won)

	December 31, 2022													
	On demand		Up to 1 month		1-3 months		3-12 months		1-5 years		Over 5 years		Total	
Financial liabilities														
Financial liabilities at fair value through profit or loss ¹	₩	2,193,210	₩	-	₩	-	₩	-	₩	-	₩	-	₩	2,193,210
Financial liabilities designated at fair value through profit or loss ¹		10,078,394		-		-		-		-		-		10,078,394
Derivatives held for trading ¹		9,209,537		-		-		-		-		-		9,209,537
Derivatives held for hedging ²		-		11,106		8,886		39,174		221,551		3,502		284,219
Deposits ³		175,530,178		29,911,835		45,245,496		131,765,097		17,979,299		1,129,024		401,560,929
Borrowings		7,831,474		23,821,330		7,676,952		19,120,861		12,839,302		1,159,432		72,449,351
Debentures		11,117		4,011,679		8,353,663		20,995,587		33,216,320		6,485,136		73,073,502
Lease liabilities		164		28,079		45,200		171,449		376,159		2,839		623,890
Other financial liabilities		179,241		17,938,781		368,218		447,898		907,643		428,310		20,270,091
	₩	205,033,315	₩	75,722,810	₩	61,698,415	₩	172,540,066	₩	65,540,274	₩	9,208,243	₩	589,743,123
Off-balance sheet items														
Commitments ⁴	₩	188,168,340	₩	-	₩	-	₩	-	₩	-	₩	-	₩	188,168,340
Acceptances and guarantees contracts		12,559,514		-		-		-		-		-		12,559,514
Financial guarantee contracts ⁵		8,376,728		-		-		-		-		-		8,376,728
	₩	209,104,582	₩	-	₩	-	₩	-	₩	-	₩	-	₩	209,104,582

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

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

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

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

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

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4.4 Market Risk

4.4.1 Concept

Market risk refers to risks that can result in losses due to changes in market factors such as interest rate, stock price, and foreign exchange rate, etc., which arise from securities, derivatives, and others. The most significant risks associated with trading positions are interest rate risk, currency risk, and additional risks include stock price risk. The non-trading position is also exposed to interest rate risk. The Group manages the market risks by dividing them into those arising from the trading position and those arising from the non-trading position. The above market risks are measured and managed by each subsidiary.

4.4.2 Risk management

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

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

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

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

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4.5 Operational Risk

4.5.1 Concept

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

4.5.2 Risk management

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

5. Segment Information

5.1 Overall Segment Information and Business Segments

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

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

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

Financial information by business segment as of March 31, 2023 and December 31, 2022 and for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
	Corporate banking	Retail banking	Other banking services	Sub-total							
Net operating revenues (expenses) from external customers	₩ 1,399,752	₩ 1,171,870	₩ (36,633)	₩ 2,534,989	₩ 497,743	₩ 399,571	₩ 478,640	₩ 152,817	₩ 295,739	₩ -	₩ 4,359,499
Intersegment net operating revenues (expenses)	50,960	-	103,765	154,725	6,703	(25,065)	(29,333)	1,523	98,772	(207,325)	-
	1,450,712	1,171,870	67,132	2,689,714	504,446	374,506	449,307	154,340	394,511	(207,325)	4,359,499
Net interest income	1,310,460	891,578	145,393	2,347,431	141,553	(63,370)	401,249	(121,868)	142,775	(62,177)	2,785,593
Interest income	2,717,968	1,879,678	673,706	5,271,352	402,547	188,252	569,280	140,521	317,664	(23,033)	6,866,583
Interest expense	(1,407,508)	(988,100)	(528,313)	(2,923,921)	(260,994)	(251,622)	(168,031)	(262,389)	(174,889)	(39,144)	(4,080,990)
Net fee and commission income (expenses)	110,367	72,582	124,489	307,438	161,130	(5,488)	156,456	(2,404)	293,347	3,527	914,006
Fee and commission income	149,310	109,231	159,007	417,548	218,886	8,636	434,934	462	329,284	(75,048)	1,334,702
Fee and commission expense	(38,943)	(36,649)	(34,518)	(110,110)	(57,756)	(14,124)	(278,478)	(2,866)	(35,937)	78,575	(420,696)
Net insurance income	-	-	-	-	-	276,686	2,498	101,942	-	(479)	380,647
Insurance income	-	-	-	-	-	2,447,515	5,194	218,791	-	(9,388)	2,662,112
Insurance expense	-	-	-	-	-	(2,170,829)	(2,696)	(116,849)	-	8,909	(2,281,465)
Net gains (losses) on financial instruments at fair value through profit or loss	(21,032)	-	287,576	266,544	124,058	132,324	547	355,684	53,854	(159,604)	773,407
Net other insurance finance expense	-	-	-	-	-	(3,592)	-	(230,438)	-	-	(234,030)
Net other operating income (expenses)	50,917	207,710	(490,326)	(231,699)	77,705	37,946	(111,443)	51,424	(95,465)	11,408	(260,124)

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

(In millions of Korean won)

	Banking business				Securities	2023 Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
	Corporate banking	Retail banking	Other banking services	Sub-total							
General and administrative expenses	₩ (436,384)	₩ (462,932)	₩ (130,966)	₩ (1,030,282)	₩ (233,963)	₩ (34,641)	₩ (159,344)	₩ (26,516)	₩ (109,610)	₩ 28,070	₩ (1,566,286)
Operating income (expenses) before provision for credit losses	1,014,328	708,938	(63,834)	1,659,432	270,483	339,865	289,963	127,824	284,901	(179,255)	2,793,213
Reversal (provision) of credit losses	(361,075)	(30,185)	(32)	(391,292)	(8,170)	711	(178,121)	199	(92,484)	969	(668,188)
Net operating income (expenses)	653,253	678,753	(63,866)	1,268,140	262,313	340,576	111,842	128,023	192,417	(178,286)	2,125,025
Share of profit (loss) of associates and joint ventures	-	-	4,910	4,910	(17,976)	610	282	-	942	8,736	(2,496)
Net other non-operating income (expenses)	(3,701)	-	(34,185)	(37,886)	(57,381)	2,743	(289)	2,482	681	(4,015)	(93,665)
Segment profit (loss) before income tax expense	649,552	678,753	(93,141)	1,235,164	186,956	343,929	111,835	130,505	194,040	(173,565)	2,028,864
Income tax benefit (expense)	(165,547)	(171,687)	23,994	(313,240)	(46,304)	(89,955)	(28,693)	(36,832)	(34,917)	20,291	(529,650)
Profit (loss) for the period	₩ 484,005	₩ 507,066	₩ (69,147)	₩ 921,924	₩ 140,652	₩ 253,974	₩ 83,142	₩ 93,673	₩ 159,123	₩ (153,274)	₩ 1,499,214
Profit (loss) attributable to shareholders of the Parent Company	482,549	507,066	(58,099)	931,516	140,596	253,811	81,989	93,673	158,567	(162,521)	1,497,631
Profit (loss) attributable to non-controlling interests	1,456	-	(11,048)	(9,592)	56	163	1,153	-	556	9,247	1,583
Total assets *	213,944,442	161,689,211	136,563,216	512,196,869	62,243,421	35,516,669	28,811,282	30,501,320	61,883,557	(39,717,481)	691,435,637
Total liabilities *	200,255,897	189,998,999	87,904,765	478,159,661	56,346,316	29,794,409	24,214,361	26,552,187	25,596,701	(5,468,154)	635,195,481

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

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

(In millions of Korean won)

	2022										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
Net operating revenues from external customers	₩ 1,037,782	₩ 904,140	₩ 182,865	₩ 2,124,787	₩ 388,836	₩ 322,720	₩ 440,674	₩ 23,458	₩ 237,161	₩ -	₩ 3,537,636
Intersegment net operating revenues (expenses)	37,859	-	81,727	119,586	(18,054)	(18,214)	(27,723)	(5,794)	41,150	(90,951)	-
	1,075,641	904,140	264,592	2,244,373	370,782	304,506	412,951	17,664	278,311	(90,951)	3,537,636
Net interest income	1,030,273	984,903	124,387	2,139,563	134,129	(28,042)	363,367	(86,756)	131,793	(2,543)	2,651,511
Interest income	1,523,743	1,260,462	294,472	3,078,677	238,290	161,909	465,819	135,474	237,894	(11,751)	4,306,312
Interest expense	(493,470)	(275,559)	(170,085)	(939,114)	(104,161)	(189,951)	(102,452)	(222,230)	(106,101)	9,208	(1,654,801)
Net fee and commission income (expenses)	99,596	68,297	102,889	270,782	275,079	(7,098)	149,420	(753)	274,808	(4,982)	957,256
Fee and commission income	132,383	101,526	133,650	367,559	327,312	5,052	399,976	652	307,248	(72,870)	1,334,929
Fee and commission expense	(32,787)	(33,229)	(30,761)	(96,777)	(52,233)	(12,150)	(250,556)	(1,405)	(32,440)	67,888	(377,673)
Net insurance income	-	-	-	-	-	303,584	2,650	90,731	-	(1,089)	395,876
Insurance income	-	-	-	-	-	2,161,491	5,168	190,235	-	(9,315)	2,347,579
Insurance expense	-	-	-	-	-	(1,857,907)	(2,518)	(99,504)	-	8,226	(1,951,703)
Net gains (losses) on financial instruments at fair value through profit or loss	8,688	-	23,359	32,047	(47,386)	24,167	277	(282,882)	(2,001)	(49,751)	(325,529)
Net other insurance finance income	-	-	-	-	-	12,943	-	261,886	-	-	274,829
Net other operating income (expenses)	(62,916)	(149,060)	13,957	(198,019)	8,960	(1,048)	(102,763)	35,438	(126,289)	(32,586)	(416,307)

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

(In millions of Korean won)

	2022										
	Banking business				Securities	Non-life insurance	Credit card	Life insurance	Others	Consolidation adjustments	Total
Corporate banking	Retail banking	Other banking services	Sub-total								
General and administrative expenses	₩ (412,573)	₩ (481,829)	₩ (126,480)	₩ (1,020,882)	₩ (210,480)	₩ (31,150)	₩ (136,188)	₩ (7,900)	₩ (104,337)	₩ 29,559	₩ (1,481,378)
Operating income before provision for credit losses	663,068	422,311	138,112	1,223,491	160,302	273,356	276,763	9,764	173,974	(61,392)	2,056,258
Reversal (provision) of credit losses	(14,379)	(8,492)	11,076	(11,795)	(11,158)	1,283	(111,173)	310	(13,837)	521	(145,849)
Net operating income	648,689	413,819	149,188	1,211,696	149,144	274,639	165,590	10,074	160,137	(60,871)	1,910,409
Share of profit (loss) of associates and joint ventures	-	-	(734)	(734)	3,114	(98)	212	-	2,093	3,545	8,132
Net other non-operating income (expenses)	316	-	4,163	4,479	7,782	1,362	(961)	2,106	(7,676)	(5,948)	1,144
Segment profit before income tax expense	649,005	413,819	152,617	1,215,441	160,040	275,903	164,841	12,180	154,554	(63,274)	1,919,685
Income tax expense	(124,153)	(85,055)	(31,707)	(240,915)	(45,527)	(73,890)	(45,822)	(6,661)	(41,674)	6,338	(448,151)
Profit for the period	₩ 524,852	₩ 328,764	₩ 120,910	₩ 974,526	₩ 114,513	₩ 202,013	₩ 119,019	₩ 5,519	₩ 112,880	₩ (56,936)	₩ 1,471,534
Profit attributable to shareholders of the Parent Company	524,566	328,764	123,945	977,275	114,318	201,880	118,890	5,519	112,353	(69,663)	1,460,572
Profit (loss) attributable to non-controlling interests	286	-	(3,035)	(2,749)	195	133	129	-	527	12,727	10,962
Total assets *	211,989,036	165,273,848	140,506,628	517,769,512	53,824,245	34,743,259	29,721,017	29,989,683	60,219,661	(37,602,551)	688,664,826
Total liabilities *	205,382,625	191,786,626	86,877,002	484,046,253	47,946,933	29,017,685	24,998,214	26,136,081	25,973,897	(3,598,485)	634,520,578

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

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5.2 Services and Geographical Segments

5.2.1 Services information

Net operating revenues from external customers by service for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023		2022	
Banking service	₩	2,534,989	₩	2,124,787
Securities service		497,743		388,836
Non-life insurance service		399,571		322,720
Credit card service		478,640		440,674
Life insurance service		152,817		23,458
Others		295,739		237,161
	₩	<u>4,359,499</u>	₩	<u>3,537,636</u>

5.2.2 Geographical information

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

<i>(In millions of Korean won)</i>	Net operating revenues from external customers		Major non-current assets	
	2023	2022	March 31, 2023	December 31, 2022
	₩		₩	₩
Domestic	3,974,697	3,274,906	8,550,176	8,358,265
United States	23,366	(8,770)	54,189	53,179
New Zealand	2,653	3,179	1,316	1,382
China	45,626	37,711	20,598	19,559
Cambodia	145,274	122,427	61,787	46,060
United Kingdom	10,968	10,021	5,815	5,808
Indonesia	80,924	67,198	445,841	421,658
Others	75,991	30,964	517,491	536,794
Consolidation adjustments	-	-	573,223	555,572
	₩	<u>4,359,499</u>	₩	<u>3,537,636</u>
			₩	<u>10,230,436</u>
			₩	<u>9,998,277</u>

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6. Financial Assets and Financial Liabilities

6.1 Classification and Fair Value of Financial Instruments

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

(In millions of Korean won)

	March 31, 2023			
	Carrying amount		Fair value	
Financial assets				
Cash and due from financial institutions	₩	28,955,066	₩	28,960,079
Financial assets at fair value through profit or loss:		70,094,713		70,094,713
Due from financial institutions		123,992		123,992
Debt securities		65,198,357		65,198,357
Equity securities		4,132,456		4,132,456
Loans		543,412		543,412
Others		96,496		96,496
Derivatives held for trading		8,148,375		8,148,375
Derivatives held for hedging		440,319		440,319
Loans measured at amortized cost		432,189,440		432,191,312
Securities measured at amortized cost		36,553,447		35,174,820
Financial assets at fair value through other comprehensive income:		78,900,647		78,900,647
Debt securities		75,782,600		75,782,600
Equity securities		2,452,446		2,452,446
Loans		665,601		665,601
Other financial assets		18,259,592		18,259,592
	₩	<u>673,541,599</u>	₩	<u>672,169,857</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩	1,946,647	₩	1,946,647
Financial liabilities designated at fair value through profit or loss		9,895,525		9,895,525
Derivatives held for trading		8,174,159		8,174,159
Derivatives held for hedging		342,208		342,208
Deposits		387,230,486		387,851,265
Borrowings		67,904,471		67,841,338
Debentures		68,546,555		67,472,674
Other financial liabilities		37,418,907		37,418,907
	₩	<u>581,458,958</u>	₩	<u>580,942,723</u>

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

(In millions of Korean won)

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

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

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

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

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

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6.1.2 Fair value hierarchy

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

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

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

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

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

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

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

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

(In millions of Korean won)

	March 31, 2023			
	Fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through profit or loss:				
Due from financial institutions	₩ 18,461,073	₩ 35,421,406	₩ 16,212,234	₩ 70,094,713
Debt securities	-	75,230	48,762	123,992
Equity securities	16,076,930	34,347,793	14,773,634	65,198,357
Loans	2,287,647	635,009	1,209,800	4,132,456
Others	-	363,374	180,038	543,412
Derivatives held for trading	96,496	-	-	96,496
Derivatives held for hedging	150,855	7,904,391	93,129	8,148,375
Financial assets at fair value through other comprehensive income:				
Debt securities	33,499,195	43,915,615	1,485,837	78,900,647
Equity securities	32,878,204	42,904,396	-	75,782,600
Loans	620,991	345,618	1,485,837	2,452,446
	-	665,601	-	665,601
	<u>₩ 52,111,123</u>	<u>₩ 87,681,731</u>	<u>₩ 17,791,200</u>	<u>₩ 157,584,054</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 1,946,647	₩ -	₩ -	₩ 1,946,647
Financial liabilities designated at fair value through profit or loss	54,361	1,532,374	8,308,790	9,895,525
Derivatives held for trading	350,044	7,237,243	586,872	8,174,159
Derivatives held for hedging	-	342,208	-	342,208
	<u>₩ 2,351,052</u>	<u>₩ 9,111,825</u>	<u>₩ 8,895,662</u>	<u>₩ 20,358,539</u>

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

(In millions of Korean won)

	December 31, 2022			
	Fair value hierarchy			Total
	Level 1	Level 2	Level 3	
Financial assets				
Financial assets at fair value through profit or loss:	₩ 18,209,969	₩ 35,208,843	₩ 16,673,685	₩ 70,092,497
Due from financial institutions	-	24,444	45,025	69,469
Debt securities	16,240,223	34,425,619	15,233,555	65,899,397
Equity securities	1,879,740	414,291	1,246,032	3,540,063
Loans	-	344,489	149,073	493,562
Others	90,006	-	-	90,006
Derivatives held for trading	182,019	8,678,896	123,256	8,984,171
Derivatives held for hedging	-	462,409	-	462,409
Financial assets at fair value through other comprehensive income:	32,141,450	45,933,688	1,458,280	79,533,418
Debt securities	31,528,524	45,119,829	-	76,648,353
Equity securities	612,926	264,587	1,458,280	2,335,793
Loans	-	549,272	-	549,272
	<u>₩ 50,533,438</u>	<u>₩ 90,283,836</u>	<u>₩ 18,255,221</u>	<u>₩ 159,072,495</u>
Financial liabilities				
Financial liabilities at fair value through profit or loss	₩ 2,193,210	₩ -	₩ -	₩ 2,193,210
Financial liabilities designated at fair value through profit or loss	35,687	1,811,404	8,231,303	10,078,394
Derivatives held for trading	442,042	7,984,424	783,071	9,209,537
Derivatives held for hedging	-	300,232	-	300,232
	<u>₩ 2,670,939</u>	<u>₩ 10,096,060</u>	<u>₩ 9,014,374</u>	<u>₩ 21,781,373</u>

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

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

(In millions of Korean won)

		March 31, 2023		
		Fair value	Valuation techniques	Inputs
Financial assets				
Financial assets at fair value through profit or loss:	₩	35,421,406		
Due from financial institutions		75,230	DCF Model, Hull-white Model	Projected cash flow, Discount rate, Volatility, Correlation coefficient
Debt securities		34,347,793	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, Binomial Model, and others	Projected cash flow, Fair value of underlying asset, Dividend yield, Price of underlying asset, Interest rate, Discount rate, Volatility, Correlation coefficient, and others
Equity securities		635,009	DCF Model	Interest rate, Discount rate, and others
Loans		363,374	DCF Model	Interest rate, Discount rate, and others
Derivatives held for trading		7,904,391	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Option Model and others	Price of underlying asset, Underlying asset index, Interest rate, Dividend yield, Volatility, Foreign exchange rate, Discount rate, and others
Derivatives held for hedging		440,319	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, CRS interest rate, and others
Financial assets at fair value through other comprehensive income:		43,915,615		
Debt securities		42,904,396	DCF Model, Option Model	Underlying asset index, Discount rate, and others
Equity securities		345,618	DCF Model	Discount rate
Loans		665,601	DCF Model	Discount rate
	₩	<u>87,681,731</u>		
Financial liabilities				
Financial liabilities designated at fair value through profit or loss	₩	1,532,374	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model, Net Asset Value Method	Price of underlying asset, Interest rate, Dividend yield, Volatility, Discount rate
Derivatives held for trading		7,237,243	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Binomial Model and others	Interest rate, Price of underlying asset, Foreign exchange rate, Credit spread, Discount rate, Volatility, and others
Derivatives held for hedging		342,208	DCF Model, Closed Form, FDM	Projected cash flow, Discount rate, Forward exchange rate, Volatility, Foreign exchange rate, risk-free interest rate and others
	₩	<u>9,111,825</u>		

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

(In millions of Korean won)

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

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

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

(In millions of Korean won)

	March 31, 2023			
	Fair value hierarchy			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from financial institutions ¹	₩ 3,169,906	₩ 23,943,000	₩ 1,847,173	₩ 28,960,079
Loans measured at amortized cost	-	67,131	432,124,181	432,191,312
Securities measured at amortized cost ²	5,192,653	29,962,611	19,556	35,174,820
Other financial assets ²	-	-	18,259,592	18,259,592
	<u>₩ 8,362,559</u>	<u>₩ 53,972,742</u>	<u>₩ 452,250,502</u>	<u>₩ 514,585,803</u>
Financial liabilities				
Deposits ¹	₩ -	₩ 165,267,526	₩ 222,583,739	₩ 387,851,265
Borrowings ³	-	5,447,502	62,393,836	67,841,338
Debentures	-	58,530,297	8,942,377	67,472,674
Other financial liabilities ²	-	-	37,418,907	37,418,907
	<u>₩ -</u>	<u>₩ 229,245,325</u>	<u>₩ 331,338,859</u>	<u>₩ 560,584,184</u>

(In millions of Korean won)

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

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

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

³ Borrowings of ₩ 22,456 million and ₩ 18,266 million included in Level 2 are the carrying amounts which are reasonable approximations of fair value as of March 31, 2023 and December 31, 2022, respectively.

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

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

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

(In millions of Korean won)

	March 31, 2023		
	Fair value	Valuation techniques	Inputs
Financial assets			
Loans measured at amortized cost	₩ 67,131	DCF Model	Discount rate
Securities measured at amortized cost	29,962,611	DCF Model, MonteCarlo Simulation	Discount rate, Interest rate
	<u>₩ 30,029,742</u>		
Financial liabilities			
Borrowings	₩ 5,425,046	DCF Model	Discount rate
Debentures	58,530,297	DCF Model	Discount rate
	<u>₩ 63,955,343</u>		

(In millions of Korean won)

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

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

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

(In millions of Korean won)

		March 31, 2023		
		Fair value	Valuation techniques	Inputs
Financial assets				
Cash and due from financial institutions	₩	1,847,173	DCF Model	Credit spread, Other spread, Interest rate
Loans measured at amortized cost		432,124,181	DCF Model	Credit spread, Other spread, Prepayment rate, Interest rate
		<u>₩ 433,971,354</u>		
Financial liabilities				
Deposits	₩	222,583,739	DCF Model	Other spread, Prepayment rate, Interest rate
Borrowings		62,393,836	DCF Model	Other spread, Interest rate
Debentures		8,942,377	DCF Model	Other spread, Interest rate
		<u>₩ 293,919,952</u>		

(In millions of Korean won)

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

6.2 Disclosure of Fair Value Hierarchy Level 3

6.2.1 Valuation policy and process of Level 3 fair value

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

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

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

6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023							
	Financial assets at fair value through profit or loss			Financial investments		Financial liabilities at fair value through profit or loss	Net derivative financial instruments	
	Due from financial institutions measured at fair value through profit or loss	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Loans measured at fair value through other comprehensive income	Financial liabilities designated at fair value through profit or loss	Derivatives held for trading	
Beginning	₩ 45,025	₩ 16,479,588	₩ 149,074	₩ 1,486,478	₩ -	₩ (8,231,303)	₩ (659,816)	
Total gains or losses:								
Profit or loss	3,737	211,261	30,964	1,696	-	(514,692)	152,843	
Other comprehensive income (loss)	-	-	-	(18,206)	-	(50,226)	-	
Purchases	-	978,438	-	56,257	-	-	214	
Sales	-	(1,685,844)	-	(40,388)	-	-	(4,247)	
Issues	-	-	-	-	-	(941,315)	(752)	
Settlements	-	-	-	-	-	1,428,746	18,015	
Transfers into Level 3 *	-	-	-	-	-	-	-	
Transfers out of Level 3 *	-	(9)	-	-	-	-	-	
Ending	₩ 48,762	₩ 15,983,434	₩ 180,038	₩ 1,485,837	₩ -	₩ (8,308,790)	₩ (493,743)	

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6.2.2.1 Changes in financial instruments classified as Level 3 of the fair value hierarchy for the three-month periods ended March 31, 2023 and 2022, are as follows:
(cont'd)

(In millions of Korean won)

	2022									
	Financial assets at fair value through profit or loss			Financial investments			Financial liabilities at fair value through profit or loss	Net derivative financial instruments		
	Due from financial institutions measured at fair value through profit or loss	Securities measured at fair value through profit or loss	Loans measured at fair value through profit or loss	Equity securities measured at fair value through other comprehensive income	Debt securities measured at fair value through other comprehensive income	Loans measured at fair value through other comprehensive income	Financial liabilities designated at fair value through profit or loss	Derivatives held for trading		
Beginning	₩ 72,016	₩ 13,795,261	₩ 93,929	₩ 1,434,567	₩ 97,190	₩ 13,970	₩ (7,817,514)	₩ 35,405		
Total gains or losses:										
Profit or loss	189	83,989	2,396	-	-	-	335,549	(323,352)		
Other comprehensive income (loss)	-	(997)	-	(16,081)	(5,059)	2	2,766	-		
Purchases	4,931	1,255,108	14,701	12,104	49,605	-	-	4,025		
Sales	(25,592)	(439,247)	-	-	(910)	(1,300)	-	(54,309)		
Issues	-	-	-	-	-	-	(1,638,644)	(4,586)		
Settlements	-	(11,821)	-	-	-	-	846,026	-		
Transfers into Level 3 *	-	497	-	-	-	-	-	-		
Transfers out of Level 3 *	-	(12,082)	-	-	-	-	-	-		
Ending	₩ 51,544	₩ 14,670,708	₩ 111,026	₩ 1,430,590	₩ 140,826	₩ 12,672	₩ (8,271,817)	₩ (342,817)		

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

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6.2.2.2 In relation to changes in financial instruments classified as Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the period, and total gains or losses recognized in profit or loss from financial instruments held at the end of the reporting period for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			2022		
	Net losses on financial instruments at fair value through profit or loss	Other operating income	Net interest income	Net gains on financial instruments at fair value through profit or loss	Other operating income	Net interest income
Total gains (losses) recognized in profit or loss for the period	₩ (183,641)	₩ 69,450	₩ -	₩ 61,621	₩ 37,150	₩ -
Total gains (losses) recognized in profit or loss from financial instruments held at the end of the reporting period	(146,510)	178,692	-	59,898	40,224	-

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6.2.3 Sensitivity analysis of changes in unobservable inputs

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

(In millions of Korean won)

			March 31, 2023			
		Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial assets						
Financial assets at fair value through profit or loss:						
Due from financial institutions	₩	48,762	Hull-white Model	Interest rate	0.86	The lower the interest rate, the higher the fair value
Debt securities		14,773,634	DCF Model, Closed Form, FDM, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Option Model, Binomial Model, Net Asset Value Method, Milestone Method, Income Approach, Market Value Approach, and others	Growth rate	1.00 ~ 3.00	The higher the growth rate, the higher the fair value
				Volatility	0.24 ~ 37.39	The higher the volatility, the higher the fair value fluctuation
				Discount rate	2.15 ~ 12.50	The lower the discount rate, the higher the fair value
				Volatility of stock price	23.25 ~ 34.00	The higher the volatility, the higher the fair value
				Correlation coefficient between underlying assets	-59.90 ~ 94.07	The higher the correlation coefficient, the higher the fair value fluctuation
				Liquidation value	-1.00 ~ 1.00	The higher the liquidation value, the higher the fair value
				Recovery rate	40.00	The higher the recovery rate, the higher the fair value
			Rate of real estate price fluctuation	-1.00 ~ 1.00	The higher the sale price of real estate, the higher the fair value	
Equity securities		1,209,800	Income Approach, Market Value Approach, Asset Value Approach, DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, Dividend Discount Model, Usage of Past Transactions, Binomial Model, and others	Growth rate	-1.00 ~ 3.00	The higher the growth rate, the higher the fair value
				Discount rate	2.15 ~ 20.00	The lower the discount rate, the higher the fair value
				Volatility	0.62 ~ 35.50	The higher the volatility, the higher the fair value fluctuation
Loans		180,038	DCF Model	Discount rate	9.91	The lower the discount rate, the higher the fair value

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

(In millions of Korean won)

		March 31, 2023			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Derivatives held for trading:					
Stock and index	₩ 63,237	DCF Model, Closed Form, MonteCarlo Simulation, Hull-white Model, Black-Scholes Model, Binomial Model	Volatility of underlying asset Correlation coefficient	16.85 ~ 64.78 -59.90 ~ 78.01	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Currency, interest rate, and others	29,892	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Volatility Correlation coefficient	9.85 ~ 35.52 -50.29 ~ 91.76	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Financial assets at fair value through other comprehensive income:					
Equity securities	1,485,837	DCF Model, Comparable Company Analysis, Risk Adjusted Discount Rate Method, IMV Model, Income Approach, Net Asset Value Method, Market Value Approach, and others	Growth rate Discount rate Volatility	0.00 ~ 2.00 10.41 ~ 18.98 19.66 ~ 28.04	The higher the growth rate, the higher the fair value The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation
		<u>₩ 17,791,200</u>			

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

(In millions of Korean won)

		March 31, 2023			
	Fair value	Valuation techniques	Unobservable inputs	Range of unobservable inputs (%)	Relationship of unobservable inputs to fair value
Financial liabilities					
Financial liabilities designated at fair value through profit or loss:					
Derivative-linked securities	₩ 8,308,790	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others	Volatility of underlying asset Correlation coefficient	1.00 ~ 130.72 -59.90 ~ 94.07	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Derivatives held for trading:					
Stock and index	217,112	DCF Model, Closed Form, MonteCarlo Simulation, Black-Scholes Model, Hull-white Model, Net Asset Value Method, and others	Volatility of underlying asset Correlation coefficient	0.00 ~ 64.78 -59.90 ~ 78.01	The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
Others	369,760	DCF Model, Hull-white Model, MonteCarlo Simulation, Closed Form	Discount rate Volatility of underlying asset Correlation coefficient between underlying assets	4.49 ~ 6.55 8.31 ~ 130.72 -48.96 ~ 94.07	The lower the discount rate, the higher the fair value The higher the volatility, the higher the fair value fluctuation The higher the correlation coefficient, the higher the fair value fluctuation
	<u>₩ 8,895,662</u>				

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

(In millions of Korean won)

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

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

(In millions of Korean won)

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

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

(In millions of Korean won)

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

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6.2.3.2 Sensitivity analysis of changes in unobservable inputs

Sensitivity analysis of financial instruments is performed to measure favorable and unfavorable changes in fair value of financial instruments which are affected by unobservable parameters, using a statistical technique. When the fair value is affected by more than one input parameter, the amounts represent the most favorable or most unfavorable outcome. Level 3 financial instruments subject to sensitivity analysis are (a) equity-related derivatives, currency-related derivatives, and interest rate related derivatives whose fair value changes are recognized in profit or loss, (b) financial liabilities designated at fair value through profit or loss, and (c) due from financial institutions, debt securities (including beneficiary certificates), equity securities, and loans whose fair value changes are recognized in profit or loss or other comprehensive income or loss.

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

(In millions of Korean won)

	March 31, 2023			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss: ¹				
Due from financial institutions	₩ 178	₩ (191)	₩ -	₩ -
Debt securities ⁴	18,225	(19,821)	-	-
Equity securities ³	44,569	(36,657)	-	-
Loans ⁵	2,255	(2,037)	-	-
Derivatives held for trading ²	17,286	(17,575)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities ³	-	-	148,652	(76,862)
	₩ 82,513	₩ (76,281)	₩ 148,652	₩ (76,862)
Financial liabilities				
Financial liabilities designated at fair value through profit or loss ¹	₩ 69,351	₩ (69,283)	₩ -	₩ -
Derivatives held for trading ²	25,959	(26,386)	-	-
	₩ 95,310	₩ (95,669)	₩ -	₩ -

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

(In millions of Korean won)

	December 31, 2022			
	Profit or loss		Other comprehensive income or loss	
	Favorable changes	Unfavorable changes	Favorable changes	Unfavorable changes
Financial assets				
Financial assets at fair value through profit or loss: ¹				
Due from financial institutions	₩ 221	₩ (247)	₩ -	₩ -
Debt securities ⁴	19,034	(19,765)	-	-
Equity securities ³	34,564	(25,586)	-	-
Loans ⁵	2,276	(2,055)	-	-
Derivatives held for trading ²	18,076	(19,034)	-	-
Financial assets at fair value through other comprehensive income:				
Equity securities ³	-	-	179,307	(82,595)
Loans ⁶	-	-	-	-
	<u>₩ 74,171</u>	<u>₩ (66,687)</u>	<u>₩ 179,307</u>	<u>₩ (82,595)</u>
Financial liabilities				
Financial liabilities designated at fair value through profit or loss ¹				
Derivatives held for trading ²	₩ 94,001	₩ (97,663)	₩ -	₩ -
	48,768	(46,427)	-	-
	<u>₩ 142,769</u>	<u>₩ (144,090)</u>	<u>₩ -</u>	<u>₩ -</u>

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

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

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

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

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

⁶ For loans measured at fair value through other comprehensive income, changes in fair value are calculated by shifting principal unobservable input parameters such as discount rate by -1% p~ 1% p.

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6.2.4 Valuation gains and losses on transaction day

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

Changes in deferred valuation gains and losses on transaction day for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Balance at the beginning of the period	₩ 71,504	₩ 77,208
New transactions	29,001	71,997
Changes during the period	<u>(45,228)</u>	<u>(21,404)</u>
Balance at the end of the period	<u>₩ 55,277</u>	<u>₩ 127,801</u>

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6.3 Carrying Amount of Financial Instruments by Category

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

(In millions of Korean won)

March 31, 2023												
	Financial instruments at fair value through profit or loss		Financial instruments at fair value through other comprehensive income		Financial instruments designated at fair value through other comprehensive income		Financial instruments at amortized cost		Derivatives held for hedging		Total	
Financial assets												
Cash and due from financial institutions	₩	-	₩	-	₩	-	₩	28,955,066	₩	-	₩	28,955,066
Financial assets at fair value through profit or loss		70,094,713		-		-		-		-		70,094,713
Derivative financial assets		8,148,375		-		-		-		440,319		8,588,694
Loans measured at amortized cost		-		-		-		432,189,440		-		432,189,440
Financial investments		-		76,448,201		2,452,446		36,553,447		-		115,454,094
Other financial assets		-		-		-		18,259,592		-		18,259,592
	₩	78,243,088	₩	76,448,201	₩	2,452,446	₩	515,957,545	₩	440,319	₩	673,541,599

(In millions of Korean won)

March 31, 2023												
	Financial instruments at fair value through profit or loss		Financial instruments designated at fair value through profit or loss		Financial instruments at amortized cost		Derivatives held for hedging		Total			
Financial liabilities												
Financial liabilities at fair value through profit or loss	₩	1,946,647	₩	9,895,525	₩	-	₩	-	₩	-	₩	11,842,172
Derivative financial liabilities		8,174,159		-		-		-		342,208		8,516,367
Deposits		-		-		387,230,486		-		-		387,230,486
Borrowings		-		-		67,904,471		-		-		67,904,471
Debentures		-		-		68,546,555		-		-		68,546,555
Other financial liabilities		-		-		37,418,907		-		-		37,418,907
	₩	10,120,806	₩	9,895,525	₩	561,100,419	₩	342,208	₩		₩	581,458,958

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

(In millions of Korean won)

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

(In millions of Korean won)

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

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7. Due from Financial Institutions Measured at Amortized Cost

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

(In millions of Korean won)

		Financial institutions	Interest rate (%) as of March 31, 2023	March 31, 2023	December 31, 2022
Due from financial institutions in Korean won	Due from the Bank of Korea	The Bank of Korea	0.00 ~ 3.55	₩ 13,624,221	₩ 15,169,704
	Due from banks	Hana Bank and others	0.00 ~ 5.60	2,951,446	3,941,987
	Due from others	NH Investment & Securities Co., Ltd. and others	0.00 ~ 4.35	1,413,421	1,509,698
				<u>17,989,088</u>	<u>20,621,389</u>
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	The Bank of Korea and others	0.00 ~ 5.60	5,177,999	5,653,587
	Time deposits in foreign currencies	Bank of Communications Co., Ltd.(New York) and others	0.00 ~ 9.50	483,172	573,493
	Due from others	State Steet Bank and Trust Company(Seoul) and others	0.00 ~ 10.70	2,731,151	3,066,370
				<u>8,392,322</u>	<u>9,293,450</u>
				<u>₩ 26,381,410</u>	<u>₩ 29,914,839</u>

* Before netting of allowance

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

(In millions of Korean won)

		Financial institutions	March 31, 2023	December 31, 2022	Reasons of restriction
Due from financial institutions in Korean won	Due from the Bank of Korea	The Bank of Korea	₩ 13,624,221	₩ 15,169,704	Bank of Korea Act
	Due from banks	Shinhan Bank and others	520,612	522,306	Net settlement and others
	Due from others	NH Investment & Securities Co., Ltd. and others	1,077,468	1,113,712	Derivatives margin account and others
			<u>15,222,301</u>	<u>16,805,722</u>	
Due from financial institutions in foreign currencies	Due from banks in foreign currencies	The Bank of Korea	1,690,448	2,350,933	Bank of Korea Act and others
	Time deposits in foreign currencies	Bank of Communications Co., Ltd.(New York) and others	87,685	72,437	Bank Act of the State of New York and others
	Due from others	State Steet Bank and Trust Company(Seoul) and others	1,932,849	2,092,655	Derivatives margin account and others
			<u>3,710,982</u>	<u>4,516,025</u>	
			<u>₩ 18,933,283</u>	<u>₩ 21,321,747</u>	

* Before netting of allowance

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7.3 Changes in allowances for credit losses of due from financial institutions for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023				
	12-month	Lifetime expected credit losses			
	expected credit	Non-impaired		Impaired	
	losses				
Beginning	₩ 2,743	₩ -	₩ -	₩ -	₩ -
Transfer between stages:					
Transfer to 12-month expected credit losses	-	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-	-
Impairment	-	-	-	-	-
Sales	-	-	-	-	-
Reversal of credit losses	(954)	-	-	-	-
Others	2	-	-	-	-
Ending	₩ 1,791	₩ -	₩ -	₩ -	₩ -

(In millions of Korean won)

	2022				
	12-month	Lifetime expected credit losses			
	expected credit	Non-impaired		Impaired	
	losses				
Beginning	₩ 2,969	₩ -	₩ -	₩ -	₩ -
Transfer between stages:					
Transfer to 12-month expected credit losses	-	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-	-
Impairment	-	-	-	-	-
Sales	-	-	-	-	-
Provision for credit losses	16	-	-	-	-
Others	935	-	-	-	-
Ending	₩ 3,920	₩ -	₩ -	₩ -	₩ -

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8. Derivative Financial Instruments and Hedge Accounting

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

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

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

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

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

(In millions of Korean won)

	March 31, 2023			December 31, 2022		
	Notional amount	Assets	Liabilities	Notional amount	Assets	Liabilities
Interest rate						
Forwards	₩ 13,232,761	₩ 702,640	₩ 415,621	₩ 8,261,663	₩ 821,603	₩ 431,002
Futures *	6,516,731	802	3,156	4,450,505	765	256
Swaps	401,571,481	777,826	639,788	359,581,194	859,670	694,713
Options	9,754,000	230,524	233,212	10,508,000	274,596	272,284
	<u>431,074,973</u>	<u>1,711,792</u>	<u>1,291,777</u>	<u>382,801,362</u>	<u>1,956,634</u>	<u>1,398,255</u>
Currency						
Forwards	112,222,654	2,217,456	1,512,520	115,682,577	2,813,603	2,472,119
Futures *	726,205	178	3,435	413,960	36	2,364
Swaps	95,287,020	3,552,288	4,326,764	91,646,725	3,525,458	4,049,390
Options	1,643,132	16,215	9,601	1,852,065	27,258	13,025
	<u>209,879,011</u>	<u>5,786,137</u>	<u>5,852,320</u>	<u>209,595,327</u>	<u>6,366,355</u>	<u>6,536,898</u>
Stock and index						
Futures *	2,064,509	53,996	82,099	1,828,302	37,455	89,624
Swaps	6,067,122	324,090	323,345	6,649,735	377,840	492,275
Options	7,645,196	204,118	299,480	7,257,715	168,311	359,274
	<u>15,776,827</u>	<u>582,204</u>	<u>704,924</u>	<u>15,735,752</u>	<u>583,606</u>	<u>941,173</u>
Credit						
Swaps	3,299,270	26,426	14,117	3,006,114	32,860	17,468
	<u>3,299,270</u>	<u>26,426</u>	<u>14,117</u>	<u>3,006,114</u>	<u>32,860</u>	<u>17,468</u>
Commodity						
Futures *	52,721	606	3,393	28,577	1,970	941
Options	90,192	1,059	1,059	131,500	887	885
	<u>142,913</u>	<u>1,665</u>	<u>4,452</u>	<u>160,077</u>	<u>2,857</u>	<u>1,826</u>
Others	<u>1,128,896</u>	<u>40,151</u>	<u>306,569</u>	<u>1,003,301</u>	<u>41,859</u>	<u>313,917</u>
	<u>₩ 661,301,890</u>	<u>₩ 8,148,375</u>	<u>₩ 8,174,159</u>	<u>₩ 612,301,933</u>	<u>₩ 8,984,171</u>	<u>₩ 9,209,537</u>

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

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

(In millions of Korean won)

	March 31, 2023						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	₩ 5,403,319	₩ 2,685,926	₩ 2,678,364	₩ 1,546,564	₩ 311,613	₩ 2,146,204	₩ 14,771,990
Average price condition (%)	3.86	4.34	4.67	4.71	4.84	4.53	4.31
Average price condition (KRW/USD)	1,271.31	1,291.55	1,303.80	-	-	-	1,284.84
Average price condition (KRW/EUR)	1,360.87	1,394.97	-	1,421.53	-	-	1,398.82
Average price condition (KRW/AUD)	878.06	874.59	-	-	-	-	876.99
Average price condition (KRW/GBP)	1,614.95	-	1,614.95	-	-	-	1,614.95
Cash flow hedge							
Nominal amount of the hedging instrument	₩ 2,567,539	₩ 1,410,547	₩ 1,848,228	₩ 1,062,660	₩ 1,092,547	₩ 210,000	₩ 8,191,521
Average price condition (%)	4.02	4.01	4.87	-	5.63	4.29	4.51
Average price condition (KRW/USD)	1,159.47	1,193.26	1,192.85	1,163.85	1,148.76	1,232.00	1,202.30
Average price condition (KRW/EUR)	-	1,364.00	1,374.73	-	1,392.00	-	1,372.29
Average price condition (KRW/AUD)	-	853.40	889.00	-	-	-	866.92
Average price condition (KRW/SGD)	-	-	-	-	-	866.14	866.14
Hedge of net investments in foreign operations							
Nominal amount of the hedging instrument	₩ 59,487	₩ -	₩ -	₩ 209,912	₩ -	₩ -	₩ 269,399
Average price condition (KRW/USD)	1,071.00	-	-	-	-	-	1,071.00
Average price condition (KRW/GBP)	1,465.26	-	-	-	-	-	1,465.26

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

(In millions of Korean won)

	December 31, 2022						
	1 year	2 years	3 years	4 years	5 years	Over 5 years	Total
Fair value hedge							
Nominal amount of the hedging instrument	₩ 5,677,321	₩ 1,921,072	₩ 2,701,675	₩ 1,883,332	₩ 426,551	₩ 2,147,845	₩ 14,757,796
Average price condition (%)	4.17	4.52	4.64	4.56	4.36	4.64	4.43
Average price condition (KRW/USD)	1197.01	1262.56	1276.70	-	-	-	1240.59
Average price condition (KRW/EUR)	1363.42	1373.32	-	1436.86	-	-	1387.71
Average price condition (KRW/AUD)	886.23	895.76	-	-	-	-	890.17
Average price condition (KRW/GBP)	1617.02	-	1535.25	-	-	-	1537.85
Cash flow hedge							
Nominal amount of the hedging instrument	₩ 3,033,420	₩ 892,720	₩ 1,846,139	₩ 771,585	₩ 1,078,676	₩ 210,000	₩ 7,832,540
Average price condition (%)	2.90	2.60	4.42	4.62	4.95	3.99	3.54
Average price condition (KRW/USD)	1178.13	1196.80	1166.24	1225.35	1252.61	-	1202.02
Average price condition (KRW/EUR)	1,321.00	1,364.00	1374.73	-	-	-	1362.51
Average price condition (KRW/AUD)	-	856.40	851.50	-	-	-	853.40
Average price condition (KRW/SGD)	866.14	-	-	-	-	-	866.14
Hedge of net investments in foreign operations							
Nominal amount of the hedging instrument	₩ 65,012	₩ 27,499	₩ -	₩ -	₩ -	₩ -	₩ 92,511
Average price condition (KRW/USD)	1,071.00	-	-	-	-	-	1,071.00
Average price condition (KRW/GBP)	-	1465.26	-	-	-	-	1465.26

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8.3 Fair Value Hedge

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

(In millions of Korean won)

		March 31, 2023				2023
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Hedge accounting						
Interest rate	Debt securities in Korean won	₩ 2,236,630	₩ -	₩ (73,375)	₩ -	₩ 31,436
	Debt securities in foreign currencies	3,017,109	-	(191,912)	-	32,577
	Deposits in foreign currencies	-	31,247	-	(7,868)	(723)
	Debentures in Korean won	-	6,115,861	-	(184,139)	(62,513)
	Debentures in foreign currencies	-	1,247,589	-	(82,287)	(13,577)
		<u>5,253,739</u>	<u>7,394,697</u>	<u>(265,287)</u>	<u>(274,294)</u>	<u>(12,800)</u>
Currency	Debt securities in foreign currencies	1,228,671	-	(88,474)	-	3,524
		<u>1,228,671</u>	<u>-</u>	<u>(88,474)</u>	<u>-</u>	<u>3,524</u>
		<u>₩ 6,482,410</u>	<u>₩ 7,394,697</u>	<u>₩ (353,761)</u>	<u>₩ (274,294)</u>	<u>₩ (9,276)</u>

(In millions of Korean won)

		December 31, 2022				2022
		Carrying amount		Accumulated amount of hedge adjustments		Changes in fair value
		Assets	Liabilities	Assets	Liabilities	
Hedge accounting						
Interest rate	Debt securities in Korean won	₩ 2,467,171	₩ -	₩ (107,444)	₩ -	₩ (50,160)
	Debt securities in foreign currencies	3,142,973	-	(232,085)	-	(118,722)
	Deposits in foreign currencies	-	29,429	-	(8,591)	3,905
	Debentures in Korean won	-	5,690,371	-	(249,629)	85,044
	Debentures in foreign currencies	-	1,196,781	-	(95,865)	58,476
		<u>5,610,144</u>	<u>6,916,581</u>	<u>(339,529)</u>	<u>(354,085)</u>	<u>(21,457)</u>
Currency	Debt securities in foreign currencies	1,602,384	-	(79,616)	-	65,699
		<u>1,602,384</u>	<u>-</u>	<u>(79,616)</u>	<u>-</u>	<u>65,699</u>
		<u>₩ 7,212,528</u>	<u>₩ 6,916,581</u>	<u>₩ (419,145)</u>	<u>₩ (354,085)</u>	<u>₩ 44,242</u>

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

(In millions of Korean won)

	March 31, 2023				2023
	Notional amount	Carrying amount		Changes in fair value	
		Assets	Liabilities		
Interest rate					
Swaps	₩ 13,205,241	₩ 153,380	₩ 94,043	₩	19,106
Currency					
Forwards	1,566,749	20,748	41,522		(34,224)
	₩ 14,771,990	₩ 174,128	₩ 135,565	₩	(15,118)

(In millions of Korean won)

	December 31, 2022				2022
	Notional amount	Carrying amount		Changes in fair value	
		Assets	Liabilities		
Interest rate					
Swaps	₩ 13,290,183	₩ 186,258	₩ 104,856	₩	27,986
Currency					
Forwards	1,467,613	37,015	29,069		(47,814)
	₩ 14,757,796	₩ 223,273	₩ 133,925	₩	(19,828)

8.3.3 Details of hedge ineffectiveness recognized in profit or loss on derivative instruments designated as fair value hedge for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Hedge accounting				
Interest rate	₩	6,306	₩	6,529
Currency		(30,700)		17,885
	₩	(24,394)	₩	24,414

8.3.4 Gains or losses on fair value hedging instruments and hedged items attributable to the hedged for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Losses on hedging instruments	₩	(16,661)	₩	(14,460)
Gains (losses) on hedged items attributable to the hedged risk		(8,396)		38,039
	₩	(25,057)	₩	23,579

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8.4 Cash Flow Hedge

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

(In millions of Korean won)

	Cash flow hedge reserve		Changes in fair value	
	March 31, 2023	December 31, 2022	2023	2022
Hedge accounting				
Interest rate risk	₩ 18,485	₩ 46,234	₩ 11,856	₩ (35,761)
Currency risk	(34,318)	(26,602)	(9,580)	(4,264)
	₩ (15,833)	₩ 19,632	₩ 2,276	₩ (40,025)

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

(In millions of Korean won)

	March 31, 2023			2023	
	Notional amount	Assets	Liabilities	Changes in fair value	
Interest rate					
Forwards	₩ 352,741	₩ 31,407	₩ 72,130	₩	3,269
Swaps	4,151,307	74,139	6,879		(27,615)
Currency					
Swaps	3,687,473	160,645	119,508		9,301
	₩ 8,191,521	₩ 266,191	₩ 198,517	₩	(15,045)

(In millions of Korean won)

	December 31, 2022			2022	
	Notional amount	Assets	Liabilities	Changes in fair value	
Interest rate					
Forwards	₩ 1,079,652	₩ 20,200	₩ 56,753	₩	-
Swaps	3,231,288	101,975	124		25,828
Currency					
Swaps	3,521,600	116,961	98,237		51,328
	₩ 7,832,540	₩ 239,136	₩ 155,114	₩	77,156

8.4.3 Gains or losses on cash flow hedging instruments and hedged items attributable to the hedged risk for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Gains (losses) on hedging instruments:	₩	(15,045)	₩	77,156
Effective portion of gains (losses) on cash flow hedging instruments (recognized in other comprehensive income or loss)		(15,587)		41,726
Ineffective portion of gains on cash flow hedging instruments (recognized in profit or loss)		542		35,430

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8.4.4 Amounts recognized in other comprehensive income (loss) and reclassified from equity to profit or loss related to derivative instruments designated as cash allow hedge for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Other comprehensive income (loss)	₩	(15,587)	₩	41,726
Reclassification to profit or loss		(16,462)		(9,871)
Income tax effect		(3,416)		(3,859)
	₩	(35,465)	₩	27,996

8.5 Hedge of Net Investments in Foreign Operations

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

(In millions of Korean won)

	Foreign currency translation reserve		Changes in fair value					
	March 31, 2023	December 31, 2022	2023	2022				
Hedge accounting								
Currency risk	₩	(144,875)	₩	(114,743)	₩	40,949	₩	29,425

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

(In millions of Korean won)

	March 31, 2023			2023				
	Notional amount	Assets	Liabilities	Changes in fair value				
Currency								
Forwards	₩	269,399	₩	-	₩	8,126	₩	(1,748)
Debentures in foreign currencies		1,400,281		-		1,400,281		(39,201)
	₩	1,669,680	₩	-	₩	1,408,407	₩	(40,949)

(In millions of Korean won)

	December 31, 2022			2022				
	Notional amount	Assets	Liabilities	Changes in fair value				
Currency								
Forwards	₩	92,511	₩	-	₩	11,193	₩	(2,253)
Debentures in foreign currencies		1,361,080		-		1,361,080		(27,172)
	₩	1,453,591	₩	-	₩	1,372,273	₩	(29,425)

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

<i>(In millions of Korean won)</i>	March 31, 2023	December 31, 2022
Debentures in foreign currencies	₩ 1,267,493	₩ 1,211,215

8.5.4 Gains or losses on net investments in foreign operations hedging instruments and hedged items attributable to the hedged risk for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Losses on hedging instruments:	₩ (40,949)	₩ (29,425)
Effective portion of losses on hedge of net investments in foreign operations (recognized in other comprehensive income or loss)	(40,949)	(29,425)
Ineffective portion of losses on hedge of net investments in foreign operations (recognized in profit or loss)	-	-

8.5.5 Effective portion of gains or losses on net investments in foreign operations hedging instruments recognized in other comprehensive income (loss) for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Other comprehensive loss	₩ (40,949)	₩ (29,425)
Reclassification to profit or loss	-	-
Income tax effect	10,816	5,259
	<u>₩ (30,133)</u>	<u>₩ (24,166)</u>

8.6 Interest Rate Benchmark Reform

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

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9. Loans Measured at Amortized Cost

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Loans measured at amortized cost	₩ 436,314,008	₩ 436,647,081
Deferred loan origination fees and costs	542,599	552,834
Less: Allowances for credit losses	(4,667,167)	(4,160,984)
	₩ 432,189,440	₩ 433,038,931

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Loans measured at amortized cost	₩ 11,867,692	₩ 9,751,737
Less: Allowances for credit losses	(1,248)	(1,950)
	₩ 11,866,444	₩ 9,749,787

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

(In millions of Korean won)

	March 31, 2023			
	Retail	Corporate	Credit card	Total
Loans in Korean won	₩ 173,329,650	₩ 179,514,536	₩ -	₩ 352,844,186
Loans in foreign currencies	5,510,431	26,276,693	-	31,787,124
Domestic import usance bills	-	4,582,838	-	4,582,838
Off-shore funding loans	-	824,730	-	824,730
Call loans	-	2,598	-	2,598
Bills bought in Korean won	-	3,266	-	3,266
Bills bought in foreign currencies	-	1,872,488	-	1,872,488
Guarantee payments under acceptances and guarantees	1	19,581	-	19,582
Credit card receivables in Korean won	-	-	21,867,521	21,867,521
Credit card receivables in foreign currencies	-	-	49,176	49,176
Bonds purchased under repurchase agreements	200	2,943,730	-	2,943,930
Privately placed bonds	-	637,917	-	637,917
Factored receivables	115	4	-	119
Lease receivables	531,549	490,916	-	1,022,465
Loans for installment credit	5,955,229	575,746	-	6,530,975
	185,327,175	217,745,043	21,916,697	424,988,915
Proportion (%)	43.61	51.24	5.15	100.00
Less: Allowances for credit losses	(1,413,393)	(2,364,438)	(888,088)	(4,665,919)
	₩ 183,913,782	₩ 215,380,605	₩ 21,028,609	₩ 420,322,996

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

(In millions of Korean won)

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

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10. Allowances for Credit Losses

10.1 Changes in allowances for credit losses of loans measured at amortized cost for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023								
	Retail			Corporate			Credit card		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired		Non- impaired	Impaired		Non- impaired	Impaired
Beginning	₩ 602,037	₩ 284,816	₩ 450,513	₩ 522,552	₩ 561,936	₩ 901,288	₩ 163,185	₩ 354,315	₩ 320,342
Transfer between stages:									
Transfer to 12-month expected credit losses	55,094	(52,194)	(2,900)	61,522	(42,662)	(18,860)	54,295	(49,988)	(4,307)
Transfer to lifetime expected credit losses	(37,148)	51,168	(14,020)	(33,114)	48,928	(15,814)	(20,725)	22,301	(1,576)
Impairment	(4,115)	(46,781)	50,896	(1,277)	(35,598)	36,875	(661)	(67,502)	68,163
Write-offs	-	-	(112,702)	-	-	(37,236)	-	-	(118,121)
Sales	(207)	(347)	(1,624)	99	(188)	(4,921)	-	-	-
Provision (reversal) for credit losses ^{1,2}	(15,086)	55,445	132,533	141,358	126,828	103,854	(22,119)	75,525	124,060
Others (exchange differences, etc.)	1,157	536	16,322	2,605	4,182	43,329	187	9	(9,295)
Ending	₩ 601,732	₩ 292,643	₩ 519,018	₩ 693,745	₩ 663,426	₩ 1,008,515	₩ 174,162	₩ 334,660	₩ 379,266

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10.1 Changes in allowances for credit losses of loans measured at amortized cost for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022								
	Retail			Corporate			Credit card		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired		Non- impaired	Impaired		Non- impaired	Impaired
Beginning	₩ 474,475	₩ 242,819	₩ 288,912	₩ 448,084	₩ 477,993	₩ 960,964	₩ 175,168	₩ 322,649	₩ 294,327
Transfer between stages:									
Transfer to 12-month expected credit losses	53,405	(45,501)	(7,904)	39,824	(27,715)	(12,109)	36,639	(35,886)	(753)
Transfer to lifetime expected credit losses	(30,890)	51,294	(20,404)	(21,253)	30,257	(9,004)	(19,984)	20,928	(944)
Impairment	(4,391)	(41,993)	46,384	(799)	(14,885)	15,684	(331)	(45,444)	45,775
Write-offs	-	(1)	(109,796)	-	-	(153,036)	-	-	(112,006)
Sales	(178)	(5)	(4,952)	-	-	-	-	-	-
Provision (reversal) for credit losses ^{1,2}	(45,707)	28,960	106,321	10,397	39,611	31,778	(16,236)	67,471	64,628
Others (exchange differences, etc.)	(266)	75	1,189	1,948	(7,598)	8,876	6	-	(3,235)
Ending	₩ 446,448	₩ 235,648	₩ 299,750	₩ 478,201	₩ 497,663	₩ 843,153	₩ 175,262	₩ 329,718	₩ 287,792

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

² Includes ₩ 92,434 million and ₩ 145,059 million of collections from written-off loans for the three-month periods ended March 31, 2023 and 2022, respectively.

The Group manages the written-off loans that their legal extinctive prescriptions have not been completed, and that have not been collected. The balances of those loans are ₩ 9,843,134 million and ₩ 9,830,171 million as of March 31, 2023 and December 31, 2022, respectively.

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10.2 Changes in gross carrying amount of loans for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	12-month expected	Lifetime expected credit losses	
	credit losses	Non-impaired	Impaired
Beginning	₩ 399,089,134	₩ 34,563,171	₩ 3,547,610
Transfer between stages:			
Transfer to 12-month expected credit losses	10,798,013	(10,353,019)	(444,994)
Transfer to lifetime expected credit losses (non-impaired)	(10,306,126)	10,618,206	(312,080)
Transfer to lifetime expected credit losses (impaired)	(761,095)	(860,228)	1,621,323
Write-offs	-	(1)	(268,058)
Sales	(1,520,510)	(6,142)	(40,956)
Net increase (decrease) (execution, repayment, and others)	2,962,015	(1,519,686)	50,030
Ending	₩ 400,261,431	₩ 32,442,301	₩ 4,152,875

(In millions of Korean won)

	2022		
	12-month expected	Lifetime expected credit losses	
	credit losses	Non-impaired	Impaired
Beginning	₩ 381,796,028	₩ 32,788,361	₩ 3,485,825
Transfer between stages:			
Transfer to 12-month expected credit losses	8,021,172	(7,948,685)	(72,487)
Transfer to lifetime expected credit losses (non-impaired)	(9,920,407)	10,030,378	(109,971)
Transfer to lifetime expected credit losses (impaired)	(160,128)	(485,976)	646,104
Write-offs	-	(1)	(374,838)
Sales	(1,993,084)	(11,107)	(9,796)
Net increase (decrease) (execution, repayment, and others)	10,850,630	(733,631)	(179,236)
Ending	₩ 388,594,211	₩ 33,639,339	₩ 3,385,601

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

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss		
Debt securities:		
Government and public bonds	₩ 10,670,890	₩ 9,310,991
Financial bonds	10,738,973	12,509,496
Corporate bonds	5,967,012	4,983,552
Asset-backed securities	126,691	164,543
Beneficiary certificates	18,746,561	19,838,465
Derivative-linked securities	1,767,835	1,625,950
Other debt securities	17,180,395	17,466,400
Equity securities:		
Stocks	3,450,051	2,926,094
Other equity securities	682,405	613,969
Loans:		
Privately placed bonds	509,538	158,731
Other loans	33,874	334,831
Due from financial institutions:		
Other due from financial institutions	123,992	69,469
Others	96,496	90,006
	<u>₩ 70,094,713</u>	<u>₩ 70,092,497</u>
Financial investments		
Financial assets at fair value through other comprehensive income		
Debt securities:		
Government and public bonds	₩ 30,288,427	₩ 29,556,711
Financial bonds	20,931,254	22,009,492
Corporate bonds	22,661,035	24,134,382
Asset-backed securities	1,417,762	662,791
Other debt securities	484,122	284,977
Equity securities:		
Stocks	1,931,493	1,907,737
Equity investments	9,560	17,096
Other equity securities	511,393	410,960
Loans:		
Privately placed bonds	665,601	549,272
	<u>78,900,647</u>	<u>79,533,418</u>
Financial assets at amortized cost		
Debt securities:		
Government and public bonds	6,377,900	6,520,633
Financial bonds	12,141,521	10,965,141
Corporate bonds	9,732,772	10,642,200
Asset-backed securities	7,821,906	7,432,860
Other debt securities	485,522	363,985
Less: Allowances for credit losses	(6,174)	(5,578)
	<u>36,553,447</u>	<u>35,919,241</u>
	<u>₩ 115,454,094</u>	<u>₩ 115,452,659</u>

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11.2 Dividend income from equity securities designated at fair value through other comprehensive income for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

		2023		2022	
		From the equity securities derecognized	From the equity securities held	From the equity securities derecognized	From the equity securities held
Equity securities measured at fair value through other comprehensive income:					
Stocks	Listed	₩ -	₩ 136	₩ -	₩ 409
	Unlisted	245	13,395	245	21,230
Other equity securities		-	6,605	-	2,219
		₩ 245	₩ 20,136	₩ 245	₩ 23,858

11.3 Derecognized equity securities measured at fair value through other comprehensive income for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

		2023		2022	
		Disposal price	Accumulated other comprehensive income (loss) as of disposal date	Disposal price	Accumulated other comprehensive income as of disposal date
Equity securities measured at fair value through other comprehensive income:					
Stocks	Listed	₩ -	₩ (758)	₩ 1,924	₩ (352)
	Unlisted	-	-	-	-
		₩ -	₩ (758)	₩ 1,924	₩ (352)

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11.4 Provision (reversal) for credit losses of financial investments for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	Provision	Reversal	Total
Securities measured at fair value through other comprehensive income	₩ 1,292	₩ (998)	₩ 294
Loans measured at fair value through other comprehensive income	62	(3)	59
Securities measured at amortized cost	958	(366)	592
	₩ 2,312	₩ (1,367)	₩ 945

(In millions of Korean won)

	2022		
	Provision	Reversal	Total
Securities measured at fair value through other comprehensive income	₩ 682	₩ (720)	₩ (38)
Loans measured at fair value through other comprehensive income	-	(113)	(113)
Securities measured at amortized cost	438	(97)	341
	₩ 1,120	₩ (930)	₩ 190

11.5 Changes in allowances for credit losses of financial investments for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	₩ 16,343	₩ 270	₩ 76
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(330)	(270)	-
Provision for credit losses	892	53	-
Others	190	-	-
Ending	₩ 17,095	₩ 53	₩ 76

(In millions of Korean won)

	2022		
	12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired
Beginning	₩ 18,675	₩ 28	₩ 76
Transfer between stages:			
Transfer to 12-month expected credit losses	-	-	-
Transfer to lifetime expected credit losses	-	-	-
Sales	(169)	(1)	-
Provision for credit losses	188	1	-
Others	168	1	-
Ending	₩ 18,862	₩ 29	₩ 76

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12. Investments in Associates and Joint Ventures

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

(In millions of Korean won)

	March 31, 2023						
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location	
KB-KDBC Pre-IPO New Technology Business Investment Fund ²	66.66	₩ 3,601	₩ 6,070	₩ 6,072	Investment finance	Korea	
Balhae Infrastructure Company ¹	12.61	96,516	91,678	91,642	Investment finance	Korea	
Aju Good Technology Venture Fund	38.47	4,343	23,991	23,988	Investment finance	Korea	
KG Capital Co., Ltd. ⁶	49.00	9,800	-	-	Auto loans	Korea	
Incheon Bridge Co., Ltd. ¹	14.99	9,158	(16,230)	-	Operation of highways and related facilities	Korea	
Big Dipper Co., Ltd. ¹	17.86	440	104	104	Research, consulting, and big data	Korea	
Paycoms Co., Ltd. ³	12.24	800	155	157	System software publishing	Korea	
Food Factory Co., Ltd. ⁴	22.22	1,000	652	1,419	Farm product distribution	Korea	
KBSP Private Equity Fund No.4 ¹	14.95	6,100	2,997	2,997	Investment finance	Korea	
Korea Credit Bureau Co., Ltd. ¹	9.00	4,500	5,300	5,300	Credit information	Korea	
KB Social Impact Investment Fund	30.00	4,500	4,250	4,250	Investment finance	Korea	
KB-Solidus Global Healthcare Fund ²	43.33	25,927	24,318	25,015	Investment finance	Korea	
POSCO-KB Shipbuilding Fund	31.25	1,826	4,801	4,801	Investment finance	Korea	
KB-TS Technology Venture Private Equity Fund ²	56.00	9,072	12,648	12,648	Investment finance	Korea	
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund ²	42.55	10,850	15,176	14,426	Investment finance	Korea	
KB-SJ Tourism Venture Fund ¹	18.52	4,599	3,769	3,770	Investment finance	Korea	
UNION Media Commerce Fund	28.99	1,000	953	953	Investment finance	Korea	
KB-Stonebridge Secondary Private Equity Fund ¹	14.56	23,801	25,537	25,537	Investment finance	Korea	
KB SPROTT Renewable Private Equity Fund No.1 ²	37.69	18,041	16,584	16,585	Investment finance	Korea	
KB-UTC Inno-Tech Venture Fund ²	44.29	21,375	18,967	18,969	Investment finance	Korea	
WJ Private Equity Fund No.1	26.95	10,000	9,500	9,500	Investment finance	Korea	

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

(In millions of Korean won)

	March 31, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
All Together Korea Fund No.2 ⁵	99.99	₩ 10,000	₩ 10,312	₩ 10,312	Asset management	Korea
KB-NAU Special Situation Corporate Restructuring Private Equity Fund ¹	12.00	10,006	12,634	12,634	Asset management	Korea
December & Company Inc. ¹	16.78	29,951	2,667	2,668	Investment finance	Korea
2020 KB Fintech Renaissance Fund ¹	5.05	550	628	628	Investment finance	Korea
KB Material and Parts No.1 PEF ¹	14.47	3,400	3,308	3,308	Investment finance	Korea
FineKB Private Equity Fund No.1	25.00	10,650	8,334	8,335	Investment finance	Korea
G payment Joint Stock Company	43.84	9,341	3,376	9,613	Investment advisory and securities trading	Vietnam
KB-GeneN Medical Venture Fund No.1	22.52	2,000	1,954	1,954	Investment finance	Korea
KB-BridgePole Venture Investment Fund ¹	6.30	850	830	831	Investment finance	Korea
KB-Kyobo New Mobility Power Fund	28.57	3,000	2,809	2,808	Investment finance	Korea
DA-Friend New Technology Investment Fund No.2	27.06	988	943	943	Investment finance	Korea
Cornerstone Pentastone Fund No.4	21.52	818	788	788	Investment finance	Korea
SKS-VLP New Technology Investment Fund No.2	23.11	1,156	1,115	1,115	Investment finance	Korea
Star-Lord General Investors Private Real Estate Investment Company No.10	26.24	46,700	45,296	-	Real estate investment	Korea
KB-Badgers Future Mobility ESG Fund No.1	40.91	4,431	3,517	3,517	Investment finance	Korea
JS Private Equity Fund No.3	20.48	1,700	1,656	1,656	Investment finance	Korea
Mirae Asset Mobility Investment Fund No.1	22.99	2,000	1,972	1,972	Investment finance	Korea
KB-FT 1st Green Growth Investment Fund ¹	10.34	2,000	1,960	1,960	Investment finance	Korea
Glenwood Credit Private Equity Fund No.2	29.89	42,000	44,178	44,178	Investment finance	Korea
THE CHAEUL FUND NO.1	31.25	1,000	986	986	Investment finance	Korea
Smart Korea KB Future9-Sejong Venture Fund	38.46	2,000	1,882	1,882	Investment finance	Korea

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

(In millions of Korean won)

	March 31, 2023					
	Ownership (%)	Acquisition cost	Share of net asset amount	Carrying amount	Industry	Location
KB-KTB Technology Venture Fund ²	50.90	₩ 16,800	₩ 16,141	₩ 16,142	Investment finance	Korea
KB-SOLIDUS Healthcare Investment Fund ²	88.23	19,800	18,357	18,356	Investment finance	Korea
Paramark KB Fund No.1 ¹	17.34	12,199	10,780	10,780	Investment finance	Korea
KB Co-Investment Private Equity Fund No.1 ¹	7.12	7,268	7,269	7,220	Investment finance	Korea
POSITIVE Sobujang Venture Fund No.1	43.96	2,000	1,966	1,966	Investment finance	Korea
History 2022 Fintech Fund	34.78	2,000	1,970	1,970	Investment finance	Korea
PEBBLES-MW M.C.E New Technology Investment Fund ^{1st}	23.26	2,000	1,972	1,972	Investment finance	Korea
KB-NP Green ESG New Technology Venture Capital Fund	29.85	13,700	13,207	13,207	Investment finance	Korea
TMAP Mobility Co., Ltd. ¹	8.25	200,000	58,208	190,850	Application software development and supply	Korea
Nextrade Co., Ltd. ¹	6.64	9,700	9,455	9,455	Investment finance	Korea
Shinhan Global Mobility Fund No.1	24.56	1,345	1,345	1,345	Investment finance	Korea
SKB Next Unicorn K-Battery Fund No.1	24.84	1,995	1,997	1,997	Investment finance	Korea
Lakewood-AVES Fund No.1	39.06	2,000	1,982	1,982	Investment finance	Korea
MW-Pyco NewWave New Technology Investment Fund 4th ²	51.30	2,000	1,997	1,997	Investment finance	Korea
Others		2,034	218	1,342		
		₩ 746,631	₩ 549,229	₩ 660,802		

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

(In millions of Korean won)

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

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

(In millions of Korean won)

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

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

(In millions of Korean won)

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

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

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

³ The ownership of Paycoms Co., Ltd. would be 21.68% and 21.68% as of March 31, 2023 and December 31, 2022, respectively, considering the potential voting rights of convertible bonds.

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

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

⁶ The investment was classified as assets of a disposal group held for sale as of March 31, 2023.

In accordance with Korean IFRS No.1028 *Investments in Associates and Joint Ventures*, the Group elected an exemption from applying the equity method for 46 companies including Banksalad Co., Ltd. and classified them as financial assets at fair value through profit or loss.

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

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13. Deferred Income Tax Assets and Liabilities

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

(In millions of Korean won)

	March 31, 2023		
	Assets	Liabilities	Net amount
Other provisions	₩ 179,615	₩ -	₩ 179,615
Allowances for credit losses	97	(13,393)	(13,296)
Impairment losses of property and equipment	8,776	(1)	8,775
Stock index-linked deposit interest	-	(10,486)	(10,486)
Share-based payments	15,672	-	15,672
Provisions for acceptances and guarantees	46,442	-	46,442
Gains or losses on valuation of derivatives	146,400	(222,824)	(76,424)
Present value discount	16,142	(60,765)	(44,623)
Gains or losses on fair value hedge	1,222	(72,413)	(71,191)
Accrued interest	188	(152,456)	(152,268)
Deferred loan origination fees and costs	14,650	(122,875)	(108,225)
Advanced depreciation provision	-	(4,009)	(4,009)
Gains or losses on revaluation	313	(291,292)	(290,979)
Investments in subsidiaries and others	55,815	(218,332)	(162,517)
Gains or losses on valuation of security investment	1,436,976	(47,218)	1,389,758
Defined benefit liabilities	480,232	-	480,232
Accrued expenses	143,792	(3,158)	140,634
Retirement insurance expense	-	(578,329)	(578,329)
Adjustments to the prepaid contributions	5,774	(28,181)	(22,407)
Derivative-linked securities	4,644	(132,602)	(127,958)
Others	943,723	(4,290,181)	(3,346,458)
	<u>3,500,473</u>	<u>(6,248,515)</u>	<u>(2,748,042)</u>
Offsetting of deferred income tax assets and liabilities	(3,299,759)	3,317,009	17,250
	<u>₩ 200,714</u>	<u>₩ (2,931,506)</u>	<u>₩ (2,730,792)</u>

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

(In millions of Korean won)

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

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14. Financial Liabilities at Fair Value through Profit or Loss

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Financial liabilities at fair value through profit or loss		
Borrowed securities sold	₩ 1,851,828	₩ 2,102,537
Others	94,819	90,673
	<u>1,946,647</u>	<u>2,193,210</u>
Financial liabilities designated at fair value through profit or loss		
Derivative-linked securities	9,895,525	10,078,394
	<u>9,895,525</u>	<u>10,078,394</u>
	<u>₩ 11,842,172</u>	<u>₩ 12,271,604</u>

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Amount contractually required to pay at maturity	₩ 9,757,084	₩ 9,973,340
Carrying amount	9,895,525	10,078,394
Difference	<u>₩ (138,441)</u>	<u>₩ (105,054)</u>

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15. Deposits

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Demand deposits		
Demand deposits in Korean won	₩ 148,909,646	₩ 152,079,457
Demand deposits in foreign currencies	11,800,749	12,844,385
	<u>160,710,395</u>	<u>164,923,842</u>
Time deposits		
Time deposits in Korean won	189,248,643	194,117,692
	<u>189,248,643</u>	<u>194,117,692</u>
Time deposits in foreign currencies	23,865,473	23,529,633
Fair value adjustments of fair value hedged time deposits in foreign currencies	(7,868)	(8,591)
	<u>23,857,605</u>	<u>23,521,042</u>
	<u>213,106,248</u>	<u>217,638,734</u>
Certificates of deposits	8,537,842	6,325,876
Investment contract liabilities	4,876,001	5,040,452
	<u>₩ 387,230,486</u>	<u>₩ 393,928,904</u>

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16. Borrowings

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
General borrowings	₩ 55,648,885	₩ 55,789,869
Bonds sold under repurchase agreements and others	9,238,772	11,773,494
Call money	3,016,814	4,154,003
	<u>₩ 67,904,471</u>	<u>₩ 71,717,366</u>

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

(In millions of Korean won)

		Lenders	Interest rate (%) as of March 31, 2023	March 31, 2023	December 31, 2022
Borrowings in Korean won	Borrowings from the Bank of Korea	The Bank of Korea	0.25~2.00	₩ 8,302,787	₩ 8,282,289
	Borrowings from the government	SEMAS and others	0.00~3.64	2,645,802	2,670,867
	Borrowings from banks	Shinhan Bank and others	0.00~7.79	963,004	914,360
	Borrowings from non-banking financial institutions	Korea Securities Finance Corporation and others	1.96~6.96	2,239,580	2,189,510
	Other borrowings	The Korea Development Bank and others	0.00~7.50	19,130,438	19,806,869
				<u>33,281,611</u>	<u>33,863,895</u>
Borrowings in foreign currencies	Due to banks	Hana Bank and others	-	22,456	18,266
	Borrowings from banks	Citicorp International Ltd and others	0.00~16.33	17,622,299	16,296,725
	Borrowings from other financial institutions	The Export-Import Bank of Korea and others	5.57~6.29	32,312	38,249
	Other borrowings	Standard Chartered Bank and others	0.00~5.60	4,690,207	5,572,734
				<u>22,367,274</u>	<u>21,925,974</u>
				<u>₩ 55,648,885</u>	<u>₩ 55,789,869</u>

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17. Debentures

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

<i>(In millions of Korean won)</i>	Interest rate (%) as of March 31, 2023	March 31, 2023	December 31, 2022
Debentures in Korean won			
Structured debentures	5.86~8.62	₩ 680	₩ 710
Exchangeable bonds *	0.00	240,000	240,000
Subordinated fixed rate debentures	2.02~7.86	4,754,485	5,354,890
Fixed rate debentures	0.99~13.70	46,015,645	45,424,094
Floating rate debentures	3.37~5.97	5,315,000	5,455,000
		<u>56,325,810</u>	<u>56,474,694</u>
Fair value adjustments of fair value hedged debentures in Korean won		(184,139)	(249,629)
Less: Discount on debentures in Korean won		(28,555)	(29,166)
Less: Adjustment for exchange right of exchangeable bonds in Korean won		(7,614)	(8,435)
		<u>56,105,502</u>	<u>56,187,464</u>
Debentures in foreign currencies			
Floating rate debentures	3.56~6.22	2,346,208	2,168,341
Fixed rate debentures	0.00~12.00	10,216,545	10,482,244
		<u>12,562,753</u>	<u>12,650,585</u>
Fair value adjustments of fair value hedged debentures in foreign currencies		(82,287)	(95,865)
Less: Discount on debentures in foreign currencies		(39,413)	(43,981)
		<u>12,441,053</u>	<u>12,510,739</u>
		<u>₩ 68,546,555</u>	<u>₩ 68,698,203</u>

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

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18. Provisions

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

(In millions of Korean won)

	March 31, 2023		December 31, 2022	
Provisions for credit losses of unused loan commitments	₩	344,399	₩	342,182
Provisions for credit losses of acceptances and guarantees		179,403		153,529
Provisions for credit losses of financial guarantee contracts		3,536		2,955
Provisions for restoration costs		159,407		159,033
Others		255,293		276,002
	₩	<u>942,038</u>	₩	<u>933,701</u>

18.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non- impaired	Impaired		Non- impaired	Impaired
Beginning	₩ 179,885	₩ 151,067	₩ 11,230	₩ 26,906	₩ 118,724	₩ 7,899
Transfer between stages:						
Transfer to 12-month expected credit losses	40,637	(40,129)	(508)	215	(215)	-
Transfer to lifetime expected credit losses	(6,773)	7,000	(227)	(72)	173	(101)
Impairment	(157)	(919)	1,076	-	(101)	101
Provision (reversal) for credit losses	(6,071)	5,763	1,359	2,145	20,163	341
Others (exchange differences, etc.)	706	536	(76)	(3,559)	2,551	4,233
Ending	₩ <u>208,227</u>	₩ <u>123,318</u>	₩ <u>12,854</u>	₩ <u>25,635</u>	₩ <u>141,295</u>	₩ <u>12,473</u>

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18.2 Changes in provisions for credit losses of unused loan commitments, and acceptances and guarantees for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022					
	Provisions for credit losses of unused loan commitments			Provisions for credit losses of acceptances and guarantees		
	12-month expected credit losses	Lifetime expected credit losses		12-month expected credit losses	Lifetime expected credit losses	
		Non-impaired	Impaired		Non-impaired	Impaired
Beginning	₩ 153,997	₩ 146,619	₩ 8,024	₩ 27,397	₩ 82,170	₩ 11,537
Transfer between stages:						
Transfer to 12-month expected credit losses	15,229	(14,696)	(533)	52	(52)	-
Transfer to lifetime expected credit losses	(4,690)	4,895	(205)	(104)	104	-
Impairment	(26)	(465)	491	(9)	(137)	146
Provision (reversal) for credit losses	(11,876)	2,915	894	1,045	8,296	(543)
Others (exchange differences, etc.)	7,473	229	1	1,328	1,238	(89)
Ending	₩ 160,107	₩ 139,497	₩ 8,672	₩ 29,709	₩ 91,619	₩ 11,051

18.3 Changes in provisions for credit losses of financial guarantee contracts for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Beginning	₩	2,955	₩	5,351
Provision		594		1,264
Others		(13)		(769)
Ending	₩	3,536	₩	5,846

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18.4 Changes in provisions for restoration costs for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022	
Beginning	₩	159,033	₩	152,186
Provision		1,739		4,429
Reversal		(844)		(670)
Used		(2,177)		(2,073)
Unwinding of discount		1,600		690
Effect of changes in discount rate		56		17
Ending	₩	159,407	₩	154,579

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

18.5 Changes in other provisions for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023				
	Membership rewards program	Dormant accounts	Litigations	Others	Total
Beginning	₩ 46	₩ 2,794	₩ 113,527	₩ 159,635	₩ 276,002
Increase	21	826	716	16,534	18,097
Decrease	(16)	(818)	(24,082)	(16,391)	(41,307)
Others	-	-	3,007	(506)	2,501
Ending	₩ 51	₩ 2,802	₩ 93,168	₩ 159,272	₩ 255,293

(In millions of Korean won)

	2022				
	Membership rewards program	Dormant accounts	Litigations	Others	Total
Beginning	₩ 22,902	₩ 3,062	₩ 55,168	₩ 109,174	₩ 190,306
Increase	19,732	266	1,380	1,452	22,830
Decrease	(18,643)	(499)	(324)	(16,529)	(35,995)
Others	-	-	39	-	39
Ending	₩ 23,991	₩ 2,829	₩ 56,263	₩ 94,097	₩ 177,180

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19. Net Defined Benefit Liabilities

19.1 Defined Benefit Plan

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

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

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

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

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Present value of defined benefit obligation	₩ 2,149,982	₩ 2,215,330
Fair value of plan assets	(2,535,251)	(2,608,519)
Net defined benefit liabilities *	₩ (385,269)	₩ (393,189)

* As of March 31, 2023, the net defined benefit asset of ₩ 385,269 million is the amount obtained by subtracting the net defined benefit liability of ₩ 88,764 million from the net defined benefit asset of ₩ 474,033 million. Similarly, as of December 31, 2022, the net defined benefit asset of ₩ 393,189 million is the amount obtained by subtracting the net defined benefit liability of ₩ 85,745 million from the net defined benefit asset of ₩ 478,934 million.

19.3 Details of post-employment benefits recognized in profit or loss for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023	2022
Current service cost	₩ 47,963	₩ 61,103
Net interest expense on net defined benefit liabilities	(5,717)	490
Post-employment benefits *	₩ 42,246	₩ 61,593

* Includes post-employment benefits amounting to ₩ 4,707 million recognized as insurance service expenses and ₩ 706 million recognized as other operating expenses and ₩ 34 million recognized as advanced payments for the three-month period ended March 31, 2023, and ₩ 7,015 million recognized as insurance service expenses and ₩ 752 million recognized as other operating expenses for the three-month period ended March 31, 2022.

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20. Equity

20.1 Share Capital

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

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

	March 31, 2023	December 31, 2022
Type of share	Ordinary share	Ordinary share
Number of authorized shares	1,000,000,000	1,000,000,000
Par value per share <i>(In Korean won)</i>	₩ 5,000	₩ 5,000
Number of issued shares	408,897,068	408,897,068
Share capital *	₩ 2,090,558	₩ 2,090,558

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

20.1.2 Changes in outstanding shares for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In number of shares)

	2023	2022
Beginning	389,634,335	389,634,335
Increase	-	-
Decrease	(5,385,996)	-
Ending	<u>384,248,339</u>	<u>389,634,335</u>

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20.2 Hybrid Securities

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

(In millions of Korean won)

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

The above hybrid securities are early redeemable by the Group after 5 or 7 or 10 years from the issuance date. On the other hand, hybrid securities of ₩ 1,282,993 million issued by Kookmin Bank, hybrid securities of ₩ 82,679 million issued by KB Securities Co., Ltd. and hybrid securities of ₩ 49,800 million issued by KB Life Insurance Co., Ltd. are recognized as non-controlling interests and are early redeemable after 5 years from the issuance date and each interest payment date thereafter.

20.3 Capital Surplus

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Paid-in capital in excess of par value	₩ 13,190,274	₩ 13,190,274
Losses on sales of treasury shares	(481,332)	(481,332)
Other capital surplus	4,219,814	4,219,856
Consideration for exchange right of exchangeable bonds	11,933	11,933
	₩ 16,940,689	₩ 16,940,731

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20.4 Accumulated Other Comprehensive Income

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

(In millions of Korean won)

	March 31,	December 31,
	2023	2022
Remeasurements of net defined benefit liabilities	₩ (83,738)	₩ (88,770)
Currency translation differences	359,925	254,446
Losses on financial instruments at fair value through other comprehensive income	(4,555,639)	(6,081,560)
Share of other comprehensive loss of associates and joint ventures	(7,502)	(3,342)
Gains (Losses) on cash flow hedging instruments	(15,833)	19,632
Losses on hedging instruments of net investments in foreign operations	(144,875)	(114,742)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	(8,912)	41,063
Insurance finance income	6,244,741	7,285,794
	<u>₩ 1,788,167</u>	<u>₩ 1,312,521</u>

20.5 Retained Earnings

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

(In millions of Korean won)

	March 31,	December 31,
	2023	2022
Legal reserves *	₩ 1,007,686	₩ 839,235
Voluntary reserves	982,000	982,000
Unappropriated retained earnings	27,823,986	27,101,037
	<u>₩ 29,813,672</u>	<u>₩ 28,922,272</u>

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

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20.5.2 Regulatory reserve for credit losses

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

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

<i>(In millions of Korean won)</i>	March 31, 2023		December 31, 2022	
Regulatory reserve for credit losses attributable to:				
Shareholders of the Parent Company	₩	4,042,097	₩	4,355,734
Non-controlling interests		123,225		89,214
	₩	<u>4,165,322</u>	₩	<u>4,444,948</u>

20.5.2.2 Regulatory reserve for credit losses estimated to be appropriated and adjusted profit after provision of regulatory reserve for credit losses for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won, except for earnings per share)</i>	2023		2022	
Provision (reversal) of regulatory reserve for credit losses	₩	(313,637)	₩	77,990
Adjusted profit after provision of regulatory reserve for credit losses ^{1,2}		1,770,564		1,360,049
Adjusted basic earnings per share after provision of regulatory reserve for credit losses ¹		4,562		3,491
Adjusted diluted earnings per share after provision of regulatory reserve for credit losses ¹		4,459		3,414

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

² After deducting dividends on hybrid securities

20.6 Treasury Shares

Changes in treasury shares for the three-month periods ended March 31, 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	5,385,996	-	24,648,729
Carrying amount	₩ 836,188	₩ 271,745	₩ -	₩ 1,107,933

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

	2022			
	Beginning	Acquisition	Retirement	Ending
Number of treasury shares *	26,173,585	-	(3,455,426)	22,718,159
Carrying amount	₩ 1,136,188	₩ -	₩ (150,000)	₩ 986,188

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

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21. Net Interest Income

Details of interest income, interest expense, and net interest income for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>	<u>2022</u>
Interest income		
Due from financial institutions measured at fair value through profit or loss	₩ 485	₩ 850
Securities measured at fair value through profit or loss	330,092	185,657
Loans measured at fair value through profit or loss	2,900	2,230
Securities measured at fair value through other comprehensive income	511,736	273,011
Loans measured at fair value through other comprehensive income	7,575	2,917
Due from financial institutions measured at amortized cost	75,884	20,779
Securities measured at amortized cost	255,082	182,625
Loans measured at amortized cost	5,552,026	3,553,630
Insurance finance income	5,550	4,968
Others	125,253	79,645
	<u>6,866,583</u>	<u>4,306,312</u>
Interest expense		
Deposits	2,342,923	709,237
Borrowings	582,311	178,610
Debentures	629,206	325,887
Insurance finance expense	441,111	384,099
Others	85,439	56,968
	<u>4,080,990</u>	<u>1,654,801</u>
Net interest income	<u>₩ 2,785,593</u>	<u>₩ 2,651,511</u>

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22. Net Fee and Commission Income

Details of fee and commission income, fee and commission expense, and net fee and commission income for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Fee and commission income		
Banking activity fees	₩ 45,928	₩ 44,197
Lending activity fees	25,327	19,262
Credit card and debit card related fees	402,588	370,373
Agent activity fees	54,535	43,899
Trust and other fiduciary fees	88,705	83,477
Fund management related fees	33,070	41,941
Acceptances and guarantees fees	15,731	15,060
Foreign currency related fees	75,005	65,553
Securities agency fees	30,218	31,782
Other business account commission on consignment	12,706	12,553
Commissions received on securities business	137,652	218,471
Lease fees	263,563	241,930
Others	149,674	146,431
	<u>1,334,702</u>	<u>1,334,929</u>
Fee and commission expense		
Trading activity related fees *	11,760	10,856
Lending activity fees	9,073	10,806
Credit card and debit card related fees	207,452	194,979
Outsourcing related fees	43,309	34,175
Foreign currency related fees	20,535	14,221
Others	128,567	112,636
	<u>420,696</u>	<u>377,673</u>
Net fee and commission income	<u>₩ 914,006</u>	<u>₩ 957,256</u>

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

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

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

Net gains or losses on financial instruments at fair value through profit or loss include dividend income, gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial instruments at fair value through profit or loss for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	2023	2022
Gains on financial instruments at fair value through profit or loss		
Financial assets at fair value through profit or loss:		
Debt securities	₩ 1,489,471	₩ 511,860
Equity securities	319,666	181,695
	<u>1,809,137</u>	<u>693,555</u>
Derivatives held for trading:		
Interest rate	3,298,710	5,240,242
Currency	4,014,823	2,287,825
Stock or stock index	922,046	583,275
Credit	10,858	13,274
Commodity	9,503	8,589
Others	68,260	72,131
	<u>8,324,200</u>	<u>8,205,336</u>
Financial liabilities at fair value through profit or loss	38,162	121,849
Other financial instruments	656	75
	<u>10,172,155</u>	<u>9,020,815</u>
Losses on financial instruments at fair value through profit or loss		
Financial assets at fair value through profit or loss:		
Debt securities	286,461	1,212,754
Equity securities	65,800	231,392
	<u>352,261</u>	<u>1,444,146</u>
Derivatives held for trading:		
Interest rate	3,497,435	4,847,024
Currency	4,098,293	2,385,730
Stock or stock index	677,621	821,883
Credit	13,814	12,750
Commodity	15,531	6,875
Others	68,441	188,376
	<u>8,371,135</u>	<u>8,262,638</u>
Financial liabilities at fair value through profit or loss	152,685	33,394
Other financial instruments	471	8
	<u>8,876,552</u>	<u>9,740,186</u>
Net gains (losses) on financial instruments at fair value through profit or loss	<u>₩ 1,295,603</u>	<u>₩ (719,371)</u>

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

Net gains or losses on financial instruments designated at fair value through profit or loss include gains or losses arising from changes in fair value, and gains or losses arising from sales and redemptions. Details of net gains or losses on financial instruments designated at fair value through profit or loss for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>	<u>2022</u>
Gains on financial instruments designated at fair value through profit or loss		
Financial liabilities designated at fair value through profit or loss	₩ 152,957	₩ 491,502
	<u>152,957</u>	<u>491,502</u>
Losses on financial instruments designated at fair value through profit or loss		
Financial liabilities designated at fair value through profit or loss	675,153	97,660
	<u>675,153</u>	<u>97,660</u>
Net gains (losses) on financial instruments designated at fair value through profit or loss	₩ (522,196)	₩ 393,842

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24. Net Other Operating Income and Expenses

Details of other operating income and expenses for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023	2022
Other operating income		
Gains on financial instruments at fair value through other comprehensive income:		
Gains on redemption of financial instruments at fair value through other comprehensive income	₩ 532	₩ 3
Gains on disposal of financial instruments at fair value through other comprehensive income	46,369	6,546
	<u>46,901</u>	<u>6,549</u>
Gains on financial assets at amortized cost:		
Gains on sale of loans measured at amortized cost	19,355	12,609
Gains on disposal of securities measured at amortized cost	115	-
	<u>19,470</u>	<u>12,609</u>
Gains on hedge accounting	164,463	393,213
Gains on foreign exchange transactions	3,110,232	886,677
Dividend income	20,381	22,933
Others	132,436	107,696
	<u>3,493,883</u>	<u>1,429,677</u>
Other operating expenses		
Losses on financial instruments at fair value through other comprehensive income:		
Losses on redemption of financial instruments at fair value through other comprehensive income	2	326
Losses on disposal of financial instruments at fair value through other comprehensive income	28,550	25,671
	<u>28,552</u>	<u>25,997</u>
Losses on financial assets at amortized cost:		
Losses on sale of loans measured at amortized cost	4,773	2,882
	<u>4,773</u>	<u>2,882</u>
Losses on hedge accounting	191,188	338,746
Losses on foreign exchange transactions	2,803,202	803,259
Deposit insurance fee	142,696	129,021
Credit guarantee fund fee	73,773	65,784
Depreciation expenses of operating lease assets	173,383	162,686
Others	336,440	317,609
	<u>3,754,007</u>	<u>1,845,984</u>
Net other operating expenses	<u>₩ (260,124)</u>	<u>₩ (416,307)</u>

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25. General and Administrative Expenses

25.1 Details of general and administrative expenses for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023		2022
Expenses related to employee			
Employee benefits - salaries	₩ 662,478	₩	635,087
Employee benefits - others	230,410		216,677
Post-employment benefits - defined benefit plans	36,787		53,826
Post-employment benefits - defined contribution plans	7,695		6,456
Termination benefits	956		407
Share-based payments	11,361		40,698
	<u>949,687</u>		<u>953,151</u>
Depreciation and amortization	<u>205,533</u>		<u>189,749</u>
Other general and administrative expenses			
Rental expense	24,975		24,082
Tax and dues	68,777		58,825
Communication	11,413		11,671
Electricity and utilities	9,858		8,351
Publication	1,992		2,334
Repairs and maintenance	11,188		9,100
Vehicle	4,210		3,809
Travel	3,829		2,128
Training	8,832		7,626
Service fees	52,430		49,367
Electronic data processing expenses	95,359		66,156
Advertising	43,992		31,405
Others	74,211		63,624
	<u>411,066</u>		<u>338,478</u>
	<u>₩ 1,566,286</u>	₩	<u>1,481,378</u>

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25.2 Share-based Payments

25.2.1 Stock grants

The Group changed the scheme of share-based payments awarded to executives and employees from stock options to stock grants in November 2007. The stock grants award program is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted is determined in accordance with achievement of pre-set performance targets over the vesting period.

25.2.1.1 Details of stock grants linked to long-term performance as of March 31, 2023, are as follows:

<i>(In number of shares)</i>	Grant date	Number of granted shares ¹	Vesting conditions ²
KB Financial Group Inc.			
Series 28	Nov. 21, 2020	68,135	Services fulfillment, market performance ³ 35%, and non-market performance ⁵ 65%
Series 30	Apr. 1, 2021	3,069	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 33	Jan. 1, 2022	57,463	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 34	Feb. 1, 2022	654	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 35	May 27, 2022	6,364	Services fulfillment, market performance ³ 30%, and non-market performance ⁴ 70%
Series 36	Jan. 1, 2023	83,557	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Deferred grant in 2015		3,183	Satisfied
Deferred grant in 2016		943	Satisfied
Deferred grant in 2018		884	Satisfied
Deferred grant in 2020		18,871	Satisfied
Deferred grant in 2021		18,105	Satisfied
Deferred grant in 2022		38,277	Satisfied
		299,505	
Kookmin Bank			
Series 83	Apr. 1, 2021	14,972	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 85	Jan. 1, 2022	261,013	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
			Services fulfillment, market performance ³ 30%, and EPS & Asset Quality ⁶ 70%
Series 86	Feb. 1, 2022	1,525	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 88	Mar. 14, 2022	5,884	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 90	Jul. 18, 2022	4,131	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 91	Aug. 24, 2022	7,277	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%
Series 92	Jan. 1, 2023	213,476	Services fulfillment, market performance ³ 0~30%, and non-market performance ⁴ 70~100%

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25.2.1.1 Details of stock grants linked to long-term performance as of March 31, 2023, are as follows: (cont'd)

<i>(In number of shares)</i>	Grant date	Number of granted shares ¹	Vesting conditions ²
Deferred grant in 2016		799	Satisfied
Deferred grant in 2017		893	Satisfied
Deferred grant in 2018		1,145	Satisfied
Deferred grant in 2020		26,763	Satisfied
Deferred grant in 2021		104,643	Satisfied
Deferred grant in 2022		87,342	Satisfied
		<u>729,863</u>	
Other subsidiaries			
Stock granted in 2010		106	
Stock granted in 2011		146	
Stock granted in 2012		420	
Stock granted in 2013		544	
Stock granted in 2014		1,028	
Stock granted in 2015		2,014	
Stock granted in 2016		3,048	
Stock granted in 2017		9,548	
Stock granted in 2018		19,861	
Stock granted in 2019		23,788	
Stock granted in 2020		94,662	
Stock granted in 2021		120,806	
Stock granted in 2022		383,727	
Stock granted in 2023		211,447	
		<u>871,145</u>	
		<u>1,900,513</u>	

Services fulfillment,
market performance ³ 0~50%,
and non-market performance ⁴ 50~100%

¹ Granted shares represent the total number of shares initially granted to executives and employees who have residual shares as of March 31, 2023 (Deferred grants are residual shares vested as of March 31, 2023).

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

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

⁴ Performance results of company and employee

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

⁶ EPS, Asset Quality

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25.2.1.2 Details of stock grants linked to short-term performance as of March 31, 2023, are as follows:

<i>(In number of shares)</i>	Estimated number of vested shares *	Vesting conditions
KB Financial Group Inc.		
Stock granted in 2015	2,097	Satisfied
Stock granted in 2016	3,034	Satisfied
Stock granted in 2017	306	Satisfied
Stock granted in 2018	380	Satisfied
Stock granted in 2020	12,336	Satisfied
Stock granted in 2021	23,677	Satisfied
Stock granted in 2022	45,537	Satisfied
Stock granted in 2023	13,420	Proportional to service period
Kookmin Bank		
Stock granted in 2015	419	Satisfied
Stock granted in 2016	2,135	Satisfied
Stock granted in 2017	535	Satisfied
Stock granted in 2018	739	Satisfied
Stock granted in 2019	9,412	Satisfied
Stock granted in 2020	53,205	Satisfied
Stock granted in 2021	97,561	Satisfied
Stock granted in 2022	119,844	Satisfied
Stock granted in 2023	37,622	Proportional to service period
Other subsidiaries		
Stock granted in 2015	4,048	Satisfied
Stock granted in 2016	18,144	Satisfied
Stock granted in 2017	35,359	Satisfied
Stock granted in 2018	82,096	Satisfied
Stock granted in 2019	91,957	Satisfied
Stock granted in 2020	262,879	Satisfied
Stock granted in 2021	464,972	Satisfied
Stock granted in 2022	511,361	Satisfied
Stock granted in 2023	53,873	Proportional to service period
	<u>1,946,948</u>	

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

25.2.1.3 The accrued expenses for share-based payments related to stock grants are ₩ 139,100 million and ₩ 186,908 million as of March 31, 2023 and December 31, 2022, respectively, and the compensation costs amounting to ₩ 10,870 million and ₩ 44,528 million were recognized for the three-month periods ended March 31, 2023 and 2022, respectively.

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25.2.2 Mileage stock

25.2.2.1 Details of mileage stock as of March 31, 2023, are as follows:

(In number of shares)

Grant date	Number of granted shares ¹	Expected exercise period (years) ²	Remaining shares
<i>Stock granted in 2019</i>			
Nov. 1, 2019	119	0.00	48
Nov. 8, 2019	14	0.00	6
Dec. 5, 2019	56	0.00	39
Dec. 6, 2019	84	0.00	39
Dec. 31, 2019	87	0.00	22
<i>Stock granted in 2020</i>			
Jan. 18, 2020	28,645	0.00	14,458
May 12, 2020	46	0.00~0.12	43
Jun. 30, 2020	206	0.00~0.25	147
Aug. 26, 2020	40	0.00~0.41	27
Oct. 29, 2020	160	0.00~0.58	107
Nov. 6, 2020	45	0.00~0.60	37
Nov. 30, 2020	35	0.00~0.67	34
Dec. 2, 2020	57	0.00~0.67	33
Dec. 4, 2020	154	0.00~0.68	95
Dec. 30, 2020	88	0.00~0.75	64
<i>Stock granted in 2021</i>			
Jan. 15, 2021	28,156	0.00~0.79	16,766
Apr. 5, 2021	89	0.00~1.01	53
Jul. 1, 2021	54	0.00~1.25	54
Jul. 2, 2021	11	0.00~1.25	11
Jul. 27, 2021	70	0.00~1.32	63
Nov. 1, 2021	71	0.00~1.59	71
Nov. 16, 2021	53	0.00~1.63	13
Dec. 3, 2021	91	0.00~1.68	79
Dec. 6, 2021	87	0.00~1.68	79
Dec. 30, 2021	76	0.00~1.75	76

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25.2.2.1 Details of mileage stock as of March 31, 2023, are as follows: (cont'd)

(In number of shares)

Grant date	Number of granted shares ¹	Expected exercise period (years) ²	Remaining shares
<i>Stock granted in 2022</i>			
Jan. 14, 2022	20,909	0.00~1.79	17,749
Apr. 4, 2022	65	0.00~2.01	65
Apr. 19, 2022	33	0.00~2.05	33
Jul. 1, 2022	62	0.00~2.25	62
Aug. 3, 2022	62	0.00~2.34	62
Aug. 9, 2022	80	0.00~2.36	76
Oct. 19, 2022	55	0.00~2.55	55
Nov. 1, 2022	177	0.00~2.59	177
Dec. 1, 2022	49	0.00~2.67	49
Dec. 2, 2022	42	0.00~2.67	42
Dec. 6, 2022	88	0.00~2.68	88
Dec. 12, 2022	114	0.00~2.70	114
Dec. 15, 2022	42	0.00~2.71	42
Dec. 30, 2022	114	0.00~2.75	114
<i>Stock granted in 2023</i>			
Jan. 9, 2023	23,071	0.00~2.78	22,205
Jan. 14, 2023	742	0.00~2.79	688
Mar. 7, 2023	58	0.00~2.93	58
Mar. 27, 2023	58	0.00~2.99	58
Mar. 31, 2023	98	0.00~3.00	99
	<u>104,513</u>		<u>74,300</u>

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

² Assessed based on the stock price as of March 31, 2023. These shares are vested immediately at grant date.

25.2.2.2 The accrued expenses for share-based payments related to mileage stock are ₩ 3,540 million and ₩ 2,738 million as of March 31, 2023 and December 31, 2022, respectively. The compensation costs amounting to ₩ 1,351 million and ₩ 1,551 million were recognized as expenses for the three-month periods ended March 31, 2023 and 2022, respectively.

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25.2.3 Long-term share-based payments

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

25.2.3.1 Details of long-term share-based payments as of March 31, 2023, are as follows:

(In number of shares)

	<u>Grant date</u>	<u>Vested shares</u>	<u>Expected exercise period (years)</u>	<u>Vesting condition</u>
Granted in 2020	2020	13,402	0.75	Services fulfillment

25.2.3.2 The accrued expenses for long-term share-based payments are ₩ 616 million and ₩ 625 million as of March 31, 2023 and December 31, 2022, respectively. The reversal compensation costs amounting to ₩ 9 million were recognized for the three-month period ended March 31, 2023, and the compensation costs amounting to ₩ 70 million were recognized for the three-month period ended March 31, 2022, respectively.

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26. Income Tax Expense

26.1 Details of income tax expense for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	<u>2023</u>	<u>2022</u>
Income tax payable		
Current income tax expense	₩ (893,807)	₩ 643,118
Adjustments of income tax of prior years recognized in current tax	(17,226)	(15,190)
	<u>(911,033)</u>	<u>627,928</u>
Changes in deferred income tax assets and liabilities *	<u>1,344,210</u>	<u>65,765</u>
Income tax recognized directly in equity and others		
Remeasurements of net defined benefit liabilities	(1,849)	4,300
Currency translation differences	(4,505)	(6,432)
Net gains or losses on financial assets at fair value through other comprehensive income	(333,717)	759,818
Share of other comprehensive income or loss of associates and joint ventures	(2,570)	(104)
Gains or losses on cash flow hedging instruments	(3,416)	(3,859)
Gains or losses on hedging instruments of net investments in foreign operations	10,816	5,259
Gain on revaluation of property, plant and equipment	84	-
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	18,002	309
Insurance finance income	<u>396,257</u>	<u>(1,009,594)</u>
Others	<u>17,371</u>	<u>4,761</u>
Income tax expense	<u>₩ 529,650</u>	<u>₩ 448,151</u>

27. Dividends

The annual dividends to the shareholders of the Parent Company for the year ended December 31, 2022, amounting to ₩ 564,970 million (₩ 1,450 per share) were declared at the annual general shareholders' meeting on March 24, 2023. The Group's consolidated financial statements as of and for the three-month period ended March 31, 2023, reflect this dividend payable. Meanwhile, the annual dividends and quarterly dividends paid in 2022 were ₩ 853,299 million (₩ 2,190 per share) and ₩ 584,452 million (₩ 500 per share), respectively.

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28. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss) for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023					
	Beginning	Changes except for reclassifi- cation	Reclassification to profit or loss	Transfer within equity	Tax effect	Ending
Remeasurements of net defined benefit liabilities	₩ (88,770)	₩ 6,881	₩ -	₩ -	₩ (1,849)	₩ (83,738)
Currency translation differences	254,446	109,984	-	-	(4,505)	359,925
Losses on financial instruments at fair value through other comprehensive income	(6,081,560)	1,844,699	14,181	758	(333,717)	(4,555,639)
Share of other comprehensive loss of associates and joint ventures	(3,342)	(1,590)	-	-	(2,570)	(7,502)
Gains (losses) on cash flow hedging instruments	19,632	(15,586)	(16,463)	-	(3,416)	(15,833)
Losses on hedging instruments of net investments in foreign operations	(114,742)	(40,949)	-	-	10,816	(144,875)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	41,063	(67,977)	-	-	18,002	(8,912)
Gains on revaluation of property and equipment	-	(84)	-	-	84	-
Insurance finance income	7,285,794	(1,437,310)	-	-	396,257	6,244,741
	<u>₩ 1,312,521</u>	<u>₩ 398,068</u>	<u>₩ (2,282)</u>	<u>₩ 758</u>	<u>₩ 79,102</u>	<u>₩ 1,788,167</u>

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

Changes in accumulated other comprehensive income (loss) for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2022					
	Beginning	Changes except for reclassifi- cation	Reclassification to profit or loss	Transfer within equity	Tax effect	Ending
Remeasurements of net defined benefit liabilities	₩ (328,392)	₩ (15,284)	₩ -	₩ -	₩ 4,300	₩ (339,376)
Currency translation differences	96,129	88,982	-	-	(6,432)	178,679
Gains (losses) on financial instruments at fair value through other comprehensive income	434,956	(3,460,630)	152,326	352	759,818	(2,113,178)
Share of other comprehensive loss of associates and joint ventures	(2,980)	181	-	-	(104)	(2,903)
Gains (losses) on cash flow hedging instruments	(6,535)	41,726	(9,871)	-	(3,859)	21,461
Losses on hedging instruments of net investments in foreign operations	(35,658)	(29,425)	-	-	5,259	(59,824)
Fair value changes of financial liabilities designated at fair value through profit or loss due to own credit risk	2,208	(1,123)	-	-	309	1,394
Assets of a disposal group held for sale	7,671	(7,671)	-	-	-	-
Insurance finance income	1,255,023	3,695,679	-	-	(1,009,594)	3,941,108
	<u>₩ 1,422,422</u>	<u>₩ 312,435</u>	<u>₩ 142,455</u>	<u>₩ 352</u>	<u>₩ (250,303)</u>	<u>₩ 1,627,361</u>

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29. Earnings per Share

29.1 Basic Earnings per Share

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

29.1.1 Weighted average number of ordinary shares outstanding

<i>(In number of shares)</i>	2023	2022
	Number of shares	Number of shares
Number of issued ordinary shares	408,897,068	412,352,494
Number of treasury shares *	(24,648,729)	(22,718,159)
Average number of ordinary shares outstanding	388,114,802	389,634,335

* Initial date of treasury stock that was deducted by retirement is February 14, 2022.

29.1.2 Basic earnings per share

<i>(In Korean won and in number of shares)</i>	2023	2022
Profit attributable to shareholders of the Parent Company	₩ 1,497,630,961,975	₩ 1,460,572,444,689
Deduction: Dividends on hybrid securities	(40,704,075,000)	(22,533,200,000)
Profit attributable to ordinary equity holders of the Parent Company (A)	1,456,926,886,975	1,438,039,244,689
Weighted average number of ordinary shares outstanding (B)	388,114,802	389,634,335
Basic earnings per share (A/B)	₩ 3,754	₩ 3,691

29.2 Diluted Earnings per Share

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

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

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

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29.2.1 Adjusted profit for diluted earnings per share

(In Korean won)

	2023		2022
Profit attributable to shareholders of the Parent Company	₩ 1,497,630,961,975	₩	1,460,572,444,689
Deduction: Dividends on hybrid securities	(40,704,075,000)		(22,533,200,000)
Profit attributable to ordinary equity holders of the Parent Company	1,456,926,886,975		1,438,039,244,689
Adjustments: Interest expense on exchangeable bonds	604,566,012		587,084,503
Adjusted profit for diluted earnings per share	₩ 1,457,531,452,987	₩	1,438,626,329,192

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

(In number of shares)

	2023		2022
Weighted average number of ordinary shares outstanding	₩ 388,114,802	₩	389,634,335
Adjustment:			
Stock grants	4,129,985		3,954,872
Exchangeable bonds	5,000,000		5,000,000
Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share	₩ 397,244,787	₩	398,589,207

29.2.3 Diluted earnings per share

(In Korean won and in number of shares)

	2023		2022
Adjusted profit for diluted earnings per share	₩ 1,457,531,452,987	₩	1,438,626,329,192
Adjusted weighted average number of ordinary shares outstanding for diluted earnings per share	397,244,787		398,589,207
Diluted earnings per share	₩ 3,669	₩	3,609

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30. Insurance Contracts

30.1 Insurance Contracts Assets and Liabilities

30.1.1 Details of insurance contract assets and insurance contract liabilities as of March 31, 2023 and December 31, 2022, are as follows:

(In millions of Korean won)

	March 31, 2023																	
	Life insurance					Non-life insurance												
	Death		Health		Pension		Variables		Compound		Long-term		General		Automobile		Overseas	
Insurance contract assets	₩	-	₩	-	₩	-	₩	-	₩	-	₩	140,153	₩	12,394	₩	-	₩	-
Insurance contract liabilities		11,199,215		361,785		7,140,104		6,052,186		-		18,969,089		1,629,377		2,172,701		234,052
Net insurance contract liabilities	₩	11,199,215	₩	361,785	₩	7,140,104	₩	6,052,186	₩	-	₩	18,828,936	₩	1,616,983	₩	2,172,701	₩	234,052
Reinsurance contract assets	₩	(11)	₩	(90)	₩	-	₩	-	₩	2,932	₩	400,311	₩	1,023,951	₩	14,520	₩	69,584
Reinsurance contract liabilities		14,015		16,966		-		-		-		-		3,228		-		-
Net reinsurance contract assets	₩	(14,026)	₩	(17,056)	₩	-	₩	-	₩	2,932	₩	400,311	₩	1,020,723	₩	14,520	₩	69,584

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

(In millions of Korean won)

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

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

2023

	Life insurance					Non-life insurance				Total	
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas		
Insurance revenue:											
Insurance contracts not applying the premium allocation approach:											
Expected insurance claims and expenses	₩ 62,479	₩ 8,083	₩ 9,510	₩ 21,411	₩ -	₩ 1,010,661	₩ -	₩ -	₩ -	₩ -	₩ 1,112,144
Changes in risk adjustment due to release of risk	4,159	714	1,290	1,174	-	45,090	-	-	-	-	52,427
Contractual service margin recognised in profit or loss for the services provided	71,210	4,425	8,422	22,198	-	197,115	-	-	-	-	303,370
Experience adjustments on premium related to current and past services	-	-	-	-	-	-	-	-	-	-	-
Recovery of insurance acquisition cash flows	1,554	643	1,218	1,011	-	39,045	-	-	-	-	43,471
Other insurance revenues	(258)	(69)	(140)	(360)	-	-	-	-	-	-	(827)
	₩ 139,144	₩ 13,796	₩ 20,300	₩ 45,434	₩ -	₩ 1,291,911	₩ -	₩ -	₩ -	₩ -	₩ 1,510,585
Insurance revenue for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	308,606	656,324	22,011	-	986,941
Total insurance revenue	₩ 139,144	₩ 13,796	₩ 20,300	₩ 45,434	₩ -	₩ 1,291,911	₩ 308,606	₩ 656,324	₩ 22,011	₩ -	₩ 2,497,526

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023										
	Life insurance					Non-life insurance				Total	
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas		
Insurance service expenses:											
Incurred claims and expenses	₩ (51,467)	₩ (7,373)	₩ (7,250)	₩ (20,362)	₩ -	₩ (1,003,510)	₩ (339,518)	₩ (540,391)	₩ (24,941)	₩ (1,994,812)	
Amortization of insurance acquisition cash flows	(1,554)	(643)	(1,218)	(1,011)	-	(35,311)	(26,589)	(74,436)	(683)	(141,445)	
Changes in fulfilment cash flows relating to incurred claims	(7,820)	(3,064)	(1,871)	(2,986)	-	(4,789)	88,913	(5,522)	-	62,861	
Losses on onerous contracts and reversals	(1,339)	1,163	(573)	(5,000)	-	(2,980)	769	-	-	(7,960)	
Other insurance service expenses	(1,405)	(62)	(872)	(269)	-	-	-	-	-	(2,608)	
Insurance service expenses for insurance contracts not applying the premium allocation approach	(63,585)	(9,979)	(11,784)	(29,628)	-	(1,046,590)	-	-	-	(1,161,566)	
Insurance service expenses for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	(276,425)	(620,349)	(25,624)	(922,398)	
Total insurance service expenses	₩ (63,585)	₩ (9,979)	₩ (11,784)	₩ (29,628)	₩ -	₩ (1,046,590)	₩ (276,425)	₩ (620,349)	₩ (25,624)	₩ (2,083,964)	
Reinsurance income:											
Recovery of incurred reinsurance claims and expenses	42	284	-	-	152	32,639	195,307	311	6,022	234,757	
Changes in fulfilment cash flows relating to incurred claims	(227)	(129)	-	-	(173)	5,815	(76,205)	422	-	(70,497)	
Recognition and reversal of loss-recovery component	(22)	(2)	-	-	189	212	(51)	-	-	326	
Other reinsurance income	-	-	-	-	-	-	-	-	-	-	
Reinsurance income for reinsurance contracts not applying the premium allocation approach	(207)	153	-	-	168	37,930	-	-	-	38,044	
Reinsurance income for reinsurance contracts applying the premium allocation approach	-	-	-	-	-	736	119,051	733	6,022	126,542	
Total reinsurance income	₩ (207)	₩ 153	₩ -	₩ -	₩ 168	₩ 38,666	₩ 119,051	₩ 733	₩ 6,022	₩ 164,586	

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023																			
	Life insurance					Non-life insurance				Total										
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas											
Reinsurance expense:																				
Reinsurance contracts not applying the premium allocation approach:																				
Expected recovery of incurred claims and expenses	₩	(223)	₩	(541)	₩	-	₩	-	₩	(332)	₩	(36,635)	₩	-	₩	-	₩	-	₩	(37,731)
Changes in risk adjustment due to release of risk		(32)		(37)		-		-		(14)		(2,070)		-		-		-		(2,153)
Contractual service margin recognised in profit or loss for the services received		(245)		(227)		-		-		(270)		1,330		-		-		-		588
Experience adjustments on reinsurance premium related to current and past services		-		-		-		-		-		-		-		-		-		-
Other reinsurance expenses		4		2		-		-		42		-		-		-		-		48
	₩	(496)	₩	(803)	₩	-	₩	-	₩	(574)	₩	(37,375)	₩	-	₩	-	₩	-	₩	(39,248)
Reinsurance expenses for reinsurance contracts applying the premium allocation approach		-		-		-		-		-		(252)		(147,900)		(2,923)		(7,178)		(158,253)
Total reinsurance expense		(496)		(803)		-		-		(574)		(37,627)		(147,900)		(2,923)		(7,178)		(197,501)
Total insurance service result	₩	74,856	₩	3,167	₩	8,516	₩	15,806	₩	(406)	₩	246,360	₩	3,332	₩	33,785	₩	(4,769)	₩	380,647

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022														
	Life insurance					Non-life insurance				Total					
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas						
Insurance revenue:															
Insurance contracts not applying the premium allocation approach:															
Expected insurance claims and expenses	₩ 60,635	₩ 7,203	₩ 9,160	₩ 20,149	₩ -	₩ 905,136	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 1,002,283
Changes in risk adjustment due to release of risk	4,072	406	1,167	637	-	40,513	-	-	-	-	-	-	-	-	46,795
Contractual service margin recognised in profit or loss for the services provided	51,941	4,107	5,547	19,677	-	173,729	-	-	-	-	-	-	-	-	255,001
Experience adjustments on premium related to current and past services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Recovery of insurance acquisition cash flows	2,482	290	795	1,117	-	30,579	-	-	-	-	-	-	-	-	35,263
Other insurance revenues	(150)	(63)	(54)	(89)	-	-	-	-	-	-	-	-	-	-	(356)
	₩ 118,980	₩ 11,943	₩ 16,615	₩ 41,491	₩ -	₩ 1,149,957	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 1,338,986
Insurance revenue for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	-	-	-	298,839	623,712	20,110	-	-	942,661
Total insurance revenue	₩ 118,980	₩ 11,943	₩ 16,615	₩ 41,491	₩ -	₩ 1,149,957	₩ 298,839	₩ 623,712	₩ 20,110	₩ -	₩ -	₩ -	₩ -	₩ -	₩ 2,281,647

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022									
	Life insurance					Non-life insurance				Total
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas	
Insurance service expenses:										
Incurred claims and expenses	₩ (52,280)	₩ (6,579)	₩ (9,369)	₩ (17,921)	₩ -	₩ (925,022)	₩ (280,498)	₩ (491,119)	₩ (19,597)	₩ (1,802,385)
Amortization of insurance acquisition cash flows	(2,482)	(290)	(795)	(1,117)	-	(40,213)	(28,359)	(68,923)	(560)	(142,739)
Changes in fulfilment cash flows relating to incurred claims	(6,681)	(250)	1,716	(206)	-	87,916	77,558	254	-	160,307
Losses on onerous contracts and reversals	(654)	(347)	4,173	(8,926)	-	(3,279)	(40)	-	-	(9,073)
Other insurance service expenses	3,074	71	763	210	-	-	-	-	-	4,118
Insurance service expenses for insurance contracts not applying the premium allocation approach	(59,023)	(7,395)	(3,512)	(27,960)	-	(880,598)	-	-	-	(978,488)
Insurance service expenses for insurance contracts applying the premium allocation approach	-	-	-	-	-	-	(231,339)	(559,788)	(20,157)	(811,284)
Total insurance service expenses	₩ (59,023)	₩ (7,395)	₩ (3,512)	₩ (27,960)	₩ -	₩ (880,598)	₩ (231,339)	₩ (559,788)	₩ (20,157)	₩ (1,789,772)
Reinsurance income:										
Recovery of incurred reinsurance claims and expenses	548	294	-	-	839	22,837	135,049	1,876	(29,906)	131,537
Changes in fulfilment cash flows relating to incurred claims	53	(45)	-	-	(254)	(10,596)	(55,013)	65	-	(65,790)
Recognition and reversal of loss-recovery component	(449)	5	-	-	14	678	(40)	-	-	208
Other reinsurance income	(1)	(2)	-	-	(20)	-	-	-	-	(23)
Reinsurance income for reinsurance contracts not applying the premium allocation approach	151	252	-	-	579	12,918	-	-	-	13,900
Reinsurance income for reinsurance contracts applying the premium allocation approach	-	-	-	-	-	1	79,996	1,941	(29,906)	52,032
Total reinsurance income	₩ 151	₩ 252	₩ -	₩ -	₩ 579	₩ 12,919	₩ 79,996	₩ 1,941	₩ (29,906)	₩ 65,932

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30.2 Details of insurance service results for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022												
	Life insurance					Non-life insurance				Total			
	Death	Health	Pension	Variables	Compound	Long-term	General	Automobile	Overseas				
Reinsurance expense:													
Reinsurance contracts not applying the premium allocation approach:													
Expected recovery of incurred claims and expenses	₩ (221)	₩ (346)	₩ -	₩ -	₩ (312)	₩ (28,611)	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ (29,490)
Changes in risk adjustment due to release of risk	(17)	(37)	-	-	(14)	(1,398)	-	-	-	-	-	-	(1,466)
Contractual service margin recognised in profit or loss for the services received	93	(32)	-	-	(170)	(1,705)	-	-	-	-	-	-	(1,814)
Experience adjustments on reinsurance premium related to current and past services	-	-	-	-	-	-	-	-	-	-	-	-	-
Other reinsurance expenses	431	2	-	-	20	-	-	-	-	-	-	-	453
	₩ 286	₩ (413)	₩ -	₩ -	₩ (476)	₩ (31,714)	₩ -	₩ -	₩ -	₩ -	₩ -	₩ -	₩ (32,317)
Reinsurance expenses for reinsurance contracts applying the premium allocation approach	-	-	-	-	-	(209)	(140,985)	(2,758)	14,338	-	-	-	(129,614)
Total reinsurance expense	286	(413)	-	-	(476)	(31,923)	(140,985)	(2,758)	14,338	-	-	-	(161,931)
Total insurance service result	₩ 60,394	₩ 4,387	₩ 13,103	₩ 13,531	₩ 103	₩ 250,355	₩ 6,511	₩ 63,107	₩ (15,615)	₩ -	₩ -	₩ -	₩ 395,876

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30.3 Details of other insurance finance income and expenses for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023													
	Life insurance			Non-life insurance				Total						
	Retirement	Variables	Others	Long-term	General and Automobile	Overseas	Others							
Insurance finance income (expenses)														
Insurance finance income (expenses) recognized in profit or loss:														
Effect of changes in discount rates and financial assumptions	₩	-	₩	(238,306)	₩	31,289	₩	-	₩	-	₩	(207,017)		
Effect of exchange rate fluctuations		-		(18,697)		(4,562)		(12,276)		-		(35,535)		
Other insurance finance income (expenses)		-		-		283		(645)		53		(309)		
		-		(257,003)		26,727		(12,921)		53		(242,861)		
Insurance finance income (expenses) recognized in other comprehensive income		-		(32,423)		(663,224)		(744,916)		(1,704)		(1,442,267)		
Total insurance finance income (expenses)	₩	-	₩	(289,426)	₩	(636,497)	₩	(744,633)	₩	(14,625)	₩	53	₩	(1,685,128)
Reinsurance finance income (expenses)														
Reinsurance finance income (expenses) recognized in profit or loss:														
Effect of changes in discount rates and financial assumptions		-		-		(157)		-		-		-		(157)
Effect of exchange rate fluctuations		-		-		(19)		-		9,028		-		9,009
Other reinsurance finance income (expenses)		-		-		-		75		(91)		(5)		(21)
	₩	-	₩	-	₩	(176)	₩	75	₩	8,937	₩	(5)	₩	8,831
Reinsurance finance income (expenses) recognized in other comprehensive income		-		-		(1,611)		19,433		1,124		-		18,946
Total reinsurance finance income (expenses)	₩	-	₩	-	₩	(1,787)	₩	19,508	₩	10,061	₩	(5)	₩	27,777
Total	₩	-	₩	(289,426)	₩	(638,284)	₩	(725,125)	₩	(4,564)	₩	48	₩	(1,657,351)

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30.3 Details of other insurance finance income and expenses for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022											
	Life insurance			Non-life insurance				Total				
	Retirement	Variables	Others	Long-term	General and Automobile	Overseas	Others					
Insurance finance income (expenses)												
Insurance finance income (expenses) recognized in profit or loss:												
Effect of changes in discount rates and financial assumptions	₩	-	₩	382,226	₩	(102,888)	₩	-	₩	-	₩	279,338
Effect of exchange rate fluctuations		-		(14,896)		(2,528)		(5,980)		-		(23,404)
Other insurance finance income (expenses)		-		-		(3,338)		(1,173)		11		(4,500)
		-		367,330		(105,416)		(3,338)		(7,153)		251,434
Insurance finance income (expenses) recognized in other comprehensive income		-		167,294		1,751,695		1,811,460		1,619		3,732,068
Total insurance finance income (expenses)	₩	-	₩	534,624	₩	1,646,279	₩	1,808,122	₩	(5,534)	₩	3,983,502
Reinsurance finance income (expenses)												
Reinsurance finance income (expenses) recognized in profit or loss:												
Effect of changes in discount rates and financial assumptions		-		-		(20)		-		-		(20)
Effect of exchange rate fluctuations		-		-		(11)		-		6,153		6,142
Other reinsurance finance income (expenses)		-		-		(9)		(1,767)		1,710		17,273
	₩	-	₩	-	₩	(40)	₩	(1,767)	₩	7,863	₩	23,395
Reinsurance finance income (expenses) recognized in other comprehensive income		-		-		1,688		(26,753)		(1,064)		(26,129)
Total reinsurance finance income (expenses)	₩	-	₩	-	₩	1,648	₩	(28,520)	₩	6,799	₩	(2,734)
Total	₩	-	₩	534,624	₩	1,647,927	₩	1,779,602	₩	1,265	₩	3,980,768

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31. Statement of Cash Flows

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

<i>(In millions of Korean won)</i>	March 31, 2023	December 31, 2022
Cash	₩ 2,223,335	₩ 2,439,490
Checks issued by other banks	352,112	123,163
Due from the Bank of Korea	15,314,669	17,520,636
Due from other financial institutions	11,064,950	12,391,461
	<u>28,955,066</u>	<u>32,474,750</u>
Due from financial institutions measured at fair value through profit or loss	123,992	69,469
	<u>29,079,058</u>	<u>32,544,219</u>
Deduction:		
Restricted due from financial institutions	(4,429,919)	(4,893,839)
Due from financial institutions with original maturities over three months	(550,712)	(1,115,582)
	<u>(4,980,631)</u>	<u>(6,009,421)</u>
	<u>₩ 24,098,427</u>	<u>₩ 26,534,798</u>

31.2 Cash inflows and outflows from income tax, interest, and dividends for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>	Activities	2023	2022
Income tax paid	Operating	₩ 195,493	₩ 144,595
Interest received	Operating	6,648,075	4,211,962
Interest paid	Operating	2,631,378	1,053,337
Dividends received	Operating	73,944	70,261
Dividends paid	Financing	40,704	22,533

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32. Contingent Liabilities and Commitments

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

(In millions of Korean won)

	March 31, 2023	December 31, 2022
Confirmed acceptances and guarantees		
Confirmed acceptances and guarantees in Korean won:		
Acceptances and guarantees for KB purchasing loan	₩ 173,880	₩ 167,538
Others	928,952	918,670
	<u>1,102,832</u>	<u>1,086,208</u>
Confirmed acceptances and guarantees in foreign currencies:		
Acceptances of letter of credit	493,895	502,217
Letter of guarantees	41,784	78,414
Bid bond	11,124	19,998
Performance bond	1,159,597	976,008
Refund guarantees	2,676,932	1,705,796
Others	3,330,693	3,485,842
	<u>7,714,025</u>	<u>6,768,275</u>
Financial guarantee contracts:		
Acceptances and guarantees for issuance of debentures	5,040	5,040
Acceptances and guarantees for mortgage	96,261	94,861
Overseas debt guarantees	569,322	509,157
International financing guarantees in foreign currencies	183,101	181,241
	<u>853,724</u>	<u>790,299</u>
	<u>9,670,581</u>	<u>8,644,782</u>
Unconfirmed acceptances and guarantees		
Guarantees of letter of credit	2,868,846	3,042,911
Refund guarantees	1,661,100	1,528,359
	<u>4,529,946</u>	<u>4,571,270</u>
	<u>₩ 14,200,527</u>	<u>₩ 13,216,052</u>

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

<i>(In millions of Korean won)</i>	March 31, 2023	December 31, 2022
Commitments		
Corporate loan commitments	₩ 52,940,550	₩ 51,743,718
Retail loan commitments	53,353,567	51,241,471
Credit line of credit cards	79,975,801	77,825,953
Purchase of other securities	9,731,969	7,357,198
	<u>196,001,887</u>	<u>188,168,340</u>
Financial guarantee contracts		
Credit line	7,561,508	7,135,542
Purchase of securities	593,300	371,201
	<u>8,154,808</u>	<u>7,506,743</u>
	<u>₩ 204,156,695</u>	<u>₩ 195,675,083</u>

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32.3 Other Matters

a) The Group has 276 pending lawsuits as a plaintiff (excluding simple lawsuits related to the collection or management of loans), with aggregate claims amount of ₩ 1,487,885 million, and 331 pending lawsuits as a defendant (excluding simple lawsuits related to the collection or management of loans) with aggregate claims amount of ₩ 1,033,778 million, which arose in the normal course of the business, as of March 31, 2023. Details of major pending lawsuits in which the Group is a defendant are as follows:

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

Company	Lawsuits	No. of cases	Amount	Description of the lawsuits	Status of the lawsuits
Kookmin Bank	Request for a return of redemption amount	1	₩ 54,773	Kookmin Bank invested the assets entrusted by OO Asset Management and OO Investment Trust Management in the Fairfield Sentry Limited, and Fairfield Sentry Limited reinvested the assets in Bernard L. Madoff Investment Securities LLC managed by Bernard Madoff (Bernard L. Madoff Investment Securities LLC is in the liquidation process due to Ponzi scheme fraud-related losses). Bankruptcy trustee of Bernard L. Madoff Investment Securities LLC filed a lawsuit against Kookmin Bank seeking to return the amount of redemptions received by Kookmin Bank through Fairfield Sentry Limited.	Application for dismissal by the defendant has been denied, and further proceedings are scheduled. [Related litigation is in progress at the New York Southern District Federal Bankruptcy Court (10-3777) at the written complaint review stage]
	Confirm the absence of debt	1	96,200	Galamat-Art LLP is a joint guarantor of the PF loan for the 'Kazakhstan Almaty City Complex Development Project' in which Kookmin Bank Co., Ltd. participated as a lender. OO Bank, the agent bank of the lending group, filed a provisional seizure and a lawsuit on the merits of the guarantee debt to the local court against Galamat-Art LLP. And Galamat-Art LLP filed a counterclaim against the lenders, including Kookmin Bank, to confirm the absence of debt denying the joint guarantee obligation.	Litigation closure(the plaintiff did not file an appeal within the appeal period, Kookmin Bank has won the case)
	Expropriation of long-term leasehold rights	1	325,950	Kookmin Bank invested assets entrusted by DAOL Asset Management Co., Ltd. in loans that are directly or indirectly collateralized by the building and land leasehold rights (hereinafter referred to as "the real estate in this case") of Union Station in Washington, D.C., the United States. The Plaintiff, who is the operator of the railway facility, filed this lawsuit against those concerned with the real estate in this case, including Kookmin Bank, to expropriate the real estate in this case and determine indemnity.	Kookmin Bank submitted the response letter and will proceed with the process in the future.

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32.3 Other Matters (cont'd)

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

Company	Lawsuits	No. of cases	Amount	Description of the lawsuits	Status of the lawsuits
Kookmin Bank	Claim for damages	1	91,200	PT Bank KB Bukopin Tbk requested an auction of TMJ's (a distressed company) pledged TMJ shares, which NKLI won at the auction and then received a loan from the bank for the purpose of purchasing TMJ shares. However, NKLI was unable to secure management rights or conduct normal business operations after acquiring the TMJ shares due to legal disputes with TMJ (the bankruptcy trustee and court-appointed mine management company), and also lost a lawsuit against the mine management company. As a result, NKLI alleges that PT Bank KB Bukopin Tbk intentionally failed to disclose the legal issues and associated risks related to the TMJ share purchase and loan handling, which would constitute illegal activity under the law.	A legal representative has been appointed to handle the case, and the legal proceedings will proceed.
KB Securities Co., Ltd.	Request for a return of transaction amount (Australian fund)	1	37,468	The plaintiffs OOOO Securities and OOOO Life Insurance filed lawsuits, claiming that the KB Securities Co., Ltd. provided false information on major matters in the product description while selling JB Australia NDIS Private Fund No.1 (on April 25, 2019, plaintiffs invested ₩ 50 billion each) (a) (Primary claim) requesting KB Securities Co., Ltd. to return unjust enrichment of ₩ 100 billion for cancelation of sales contracts of beneficiary certificates due to an error or termination of the contract due to default, (b) (Secondary claim) requesting for compensation for damages in investments amounting to ₩ 100 billion due to violation of the investor protection obligation and fraudulent transactions of KB Securities Co., Ltd. and OOO Asset Management. The Plaintiff's complaint price was changed to ₩ 37.47 billion due to the Plaintiff's request to change the purpose and cause of the claim on October 11, 2022.	First trial is in progress (the pleading resumption has been decided on April 11, 2023, and the 9th pleading is scheduled on September 20, 2023).

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

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32.3 Other Matters (cont'd)

c) In June 2013, KB Kookmin Card Co., Ltd. had an accident in which cardholders' personal information was stolen (hereinafter referred to as "accident") due to illegal activities by employees of personal credit information company in charge of development of the system upgrading to prevent fraudulent use of credit card. As a result, KB Kookmin Card Co., Ltd. was notified by the Financial Services Commission of the suspension of some new business for 3 months as of February 16, 2014. In respect of the accident, the Group faces 1 legal claims filed as a defendant, with an aggregate claim amount of ₩ 51 million as of March 31, 2023 and December 31, 2022. The Group takes out the personal information protection liability insurance as of March 31, 2023.

d) As of March 31, 2023, KB KOLAO Leasing Co., Ltd. is selling LVMC Holdings (formerly Kolao Holdings) allied receivables that are overdue by three months or more to Lanexang Leasing Co., Ltd. in accordance with the agreement.

e) As of March 31, 2023, KB Capital Co., Ltd. and PT Sunindo Primasura are required to hold the shares of PT Sunindo Kookmin Best Finance for five years after May 18, 2020, when the purchase of shares was completed. If one party is going to sell all or part of the shares, provide them as collateral, trade or dispose of them, it should give the opportunity to exercise preemption to the other party by providing written proposal including transfer price, payment method, and others.

f) KB Securities Co., Ltd., as an investment broker, managed the sale of private equity funds and trusts amounting to ₩ 326,500 million, which lends to corporations (borrowers) that invest in apartment rental businesses for the disabled in Australia, to individuals and institutional investors. However, management of the fund has been suspended due to the breach of contract by local borrowers in Australia; therefore there is a possibility of losses of principal to these funds subscribers. In this regard, there are three lawsuits in which the KB Securities Co., Ltd., is a defendant as of March 31, 2023. One of the cases was ruled in 2023, ordering the payment of ₩ 29.8 billion in principal and delayed interest on it; however, the judgment may be changed at the higher court. And the other two cases are still in the first trial.

g) In relation to Lime Asset Management, KB Securities Co., Ltd. has a PIS (Portfolio Index Swap) contract, as of March 31, 2023, associated with 'Lime Thetis Qualified Investor Private Investment Trust No.2' and 'Lime Pluto FI Qualified Investor Private Investment Trust No.D-1' whose redemption were suspended during the fourth quarter of 2019. The notional amount of the underlying assets of the PIS contract is ₩ 156,100 million. Meanwhile, the KB Securities Co., Ltd., sold ₩ 68,100 million of feeder funds of aforementioned redemption-suspended funds. On October 20, 2020, Lime Asset Management's license as a fund manager was revoked by the Financial Supervisory Service's sanctions review committee, and most of its redemption-suspended funds and normal funds have been transferred to Wellbridge Asset Management (the bridge management company) to continue to collect and distribute investments. It is difficult to predict whether and when the aforementioned redemption-suspended funds will be redeemed. In this regard, KB Securities Co., Ltd. faces four claims filed as a defendant as of March 31, 2023. The Group has accounted for the estimated loss due to the possibility of additional lawsuits in the future as a provision for litigations.

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33. Subsidiaries

33.1 Details of major consolidated subsidiaries as of March 31, 2023, are as follows:

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry
KB Financial Group Inc.	Kookmin Bank	100.00	Korea	Mar. 31	Banking and foreign exchange transaction
	KB Securities Co., Ltd.	100.00	Korea	Mar. 31	Financial investment
	KB Insurance Co., Ltd.	100.00	Korea	Mar. 31	Non-life insurance
	KB Kookmin Card Co., Ltd.	100.00	Korea	Mar. 31	Credit card and installment financing
	KB Life Insurance Co., Ltd.	100.00	Korea	Mar. 31	Life insurance
	KB Asset Management Co., Ltd.	100.00	Korea	Mar. 31	Collective investment and advisory
	KB Capital Co., Ltd.	100.00	Korea	Mar. 31	Financial Leasing
	KB Real Estate Trust Co., Ltd.	100.00	Korea	Mar. 31	Real estate trust management
	KB Savings Bank Co., Ltd.	100.00	Korea	Mar. 31	Savings banking
	KB Investment Co., Ltd.	100.00	Korea	Mar. 31	Capital investment
	KB Data System Co., Ltd.	100.00	Korea	Mar. 31	Software advisory, development, and supply
	KB Credit Information Co., Ltd.	100.00	Korea	Mar. 31	Collection of receivables or credit investigation
	Kookmin Bank	Kookmin Bank Cambodia Plc.	100.00	Cambodia	Mar. 31
Kookmin Bank (China) Ltd.		100.00	China	Mar. 31	Banking and foreign exchange transaction
KB Microfinance Myanmar Co., Ltd.		100.00	Myanmar	Mar. 31	Microfinance services
PRASAC Microfinance Institution Plc.		100.00	Cambodia	Mar. 31	Microfinance services
PT Bank KB Bukopin Tbk		67.00	Indonesia	Mar. 31	Banking and foreign exchange transaction

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33.1 Details of major consolidated subsidiaries as of March 31, 2023, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry
Kookmin Bank	PT Bank Syariah Bukopin	92.78	Indonesia	Mar. 31	Banking
	PT Bukopin Finance	97.03	Indonesia	Mar. 31	Installment financing
	KB Bank Myanmar Co., Ltd.	100.00	Myanmar	Mar. 31	Banking and foreign exchange transaction
KB Securities Co., Ltd.	KBFG Securities America Inc.	100.00	United States	Mar. 31	Investment advisory and securities trading
	KB Securities Hong Kong Ltd.	100.00	China	Mar. 31	Investment advisory and securities trading
	KB Securities Vietnam Joint Stock Company	99.81	Vietnam	Mar. 31	Investment advisory and securities trading
	KB FINA Joint Stock Company	77.82	Vietnam	Mar. 31	Investment advisory and securities trading
	PT KB VALBURY SEKURITAS	65.00	Indonesia	Mar. 31	Investment advisory and securities trading
	PT.KB Valbury Capital Management	79.00	Indonesia	Mar. 31	Financial investment
	KB Insurance Co., Ltd.	Leading Insurance Services, Inc.	100.00	United States	Mar. 31
KB Insurance Co., Ltd.	KBFG Insurance(China) Co., Ltd.	100.00	China	Mar. 31	Non-life insurance
	PT. KB Insurance Indonesia	70.00	Indonesia	Mar. 31	Non-life insurance
	KB Claims Survey & Adjusting	100.00	Korea	Mar. 31	Claim service
	KB Sonbo CNS	100.00	Korea	Mar. 31	Management service
	KB Golden Life Care Co., Ltd.	100.00	Korea	Mar. 31	Service
	KB Healthcare Co., Ltd.	100.00	Korea	Mar. 31	Information and communication
	KB Life Insurance Co., Ltd.	KB Life Partners Co., Ltd.	100.00	Korea	Mar. 31
KB Kookmin Card Co., Ltd.	KB Daehan Specialized Bank Plc.	97.50	Cambodia	Mar. 31	Auto Installment finance
	PT. KB Finansia Multi Finance	80.00	Indonesia	Mar. 31	Auto Installment finance
	KB J Capital Co., Ltd.	50.99	Thailand	Mar. 31	Service
KB Capital Co., Ltd.	i-Finance Leasing Plc.	100.00	Cambodia	Mar. 31	Leasing
	PT Sunindo Kookmin Best Finance	85.00	Indonesia	Mar. 31	Auto Installment finance

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33.1 Details of major consolidated subsidiaries as of March 31, 2023, are as follows: (cont'd)

Investor	Investee	Ownership (%)	Location	Date of financial statements	Industry
KB Kookmin Card Co., Ltd. KB Capital Co., Ltd.	KB KOLAO Leasing Co., Ltd.	80.00	Laos	Mar. 31	Auto Installment finance
Kookmin Bank, KB Data System Co., Ltd.	PT KB Data Systems Indonesia	100.00	Indonesia	Mar. 31	Service
KB Asset Management Co., Ltd.	KBAM Shanghai Advisory Services Co., Ltd.	100.00	China	Mar. 31	General advisory
	KB Asset Management Singapore PTE. LTD.	100.00	Singapore	Mar. 31	Collective investment

33.2 Details of consolidated structured entities as of March 31, 2023, are as follows:

	Consolidated structured entities	Reasons for consolidation
Trusts	Kookmin Bank (development trust) and 10 others	The Group controls the trust because it has power to determine management performance of the trust and is significantly exposed to variable returns that absorb losses through the guarantees of payment of principal, or payment of principal and fixed rate of return.
Asset-backed securitization	Taejon Samho The First Co., Ltd. and 120 others	The Group controls these investees because it has power over relevant activities in the event of default, is significantly exposed to variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt and has ability to affect those returns through its power.
Investment funds and others	KB Global Platform Fund No.2 and 197 others	Funds are consolidated if the Group, as a collective investor or operating manager (member), etc., can manage fund assets on behalf of other investors, or dismiss the collective investor and operating manager, and is substantially exposed to significant variable returns or has such rights.

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

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

(In millions of Korean won)

	March 31, 2023			2023		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) attributable to shareholders of the Parent Company	Total comprehensive income (loss) attributable to shareholders of the Parent Company
Kookmin Bank ¹	₩ 512,196,869	₩ 478,159,661	₩ 34,037,208	₩ 49,436,046	₩ 931,516	₩ 1,281,320
KB Securities Co., Ltd. ^{1,2}	62,243,422	56,346,317	5,897,105	4,321,240	140,596	123,755
KB Insurance Co., Ltd. ^{1,2}	35,516,669	29,794,408	5,722,261	3,064,662	253,811	346,148
KB Kookmin Card Co., Ltd. ¹	28,811,283	24,214,362	4,596,921	1,023,991	81,989	72,806
KB Life Insurance Co., Ltd. ^{1,2,3,4}	30,501,320	26,552,188	3,949,132	969,291	93,673	(132,468)
KB Asset Management Co., Ltd. ¹	322,681	97,850	224,831	53,970	17,972	18,314
KB Capital Co., Ltd. ^{1,2}	15,503,490	13,355,350	2,148,140	533,705	46,936	47,681
KB Real Estate Trust Co., Ltd. ¹	496,154	106,862	389,292	35,796	18,755	18,755
KB Savings Bank Co., Ltd.	2,995,130	2,722,115	273,015	55,815	(10,954)	(10,979)
KB Investment Co., Ltd. ¹	1,387,135	1,114,528	272,607	15,177	2,320	2,320
KB Data System Co., Ltd. ¹	53,463	30,563	22,900	57,638	306	421
KB Credit Information Co., Ltd.	42,803	25,653	17,150	9,562	59	54

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

(In millions of Korean won)

	December 31, 2022			2022		
	Assets	Liabilities	Equity	Operating revenue	Profit (loss) attributable to shareholders of the Parent Company	Total comprehensive income (loss) attributable to shareholders of the Parent Company
Kookmin Bank ¹	₩ 517,769,512	₩ 484,046,253	₩ 33,723,259	₩ 9,929,905	₩ 977,275	₩ 585,357
KB Securities Co., Ltd. ^{1,2}	53,824,246	47,946,933	5,877,313	4,527,172	114,318	112,781
KB Insurance Co., Ltd. ^{1,2}	34,743,259	29,017,684	5,725,576	2,633,514	201,880	490,240
KB Kookmin Card Co., Ltd. ¹	29,721,017	24,998,215	4,722,802	879,924	118,890	135,361
KB Life Insurance Co., Ltd. (former Prudential Life Insurance Company of Korea Ltd.) ^{1,2,3,4}	20,924,583	17,705,417	3,219,166	568,437	14,503	289,537
KB Life Insurance Co., Ltd.	9,065,100	8,430,665	634,435	224,305	(8,984)	7,148
KB Asset Management Co., Ltd. ¹	369,488	102,970	266,518	49,003	11,796	12,185
KB Capital Co., Ltd. ^{1,2}	16,053,026	13,946,800	2,106,226	452,690	83,314	79,579
KB Real Estate Trust Co., Ltd.	518,980	113,444	405,536	33,573	15,736	15,737
KB Savings Bank Co., Ltd.	3,138,543	2,854,549	283,994	44,382	7,356	7,328
KB Investment Co., Ltd. ¹	1,378,550	1,108,264	270,286	36,215	3,033	3,030
KB Data System Co., Ltd. ¹	63,645	40,570	23,075	45,028	(169)	(173)
KB Credit Information Co., Ltd.	42,219	24,923	17,296	7,833	(1,470)	(1,475)

¹ Financial information is based on its consolidated financial statements.

² Includes fair value adjustments arising from the acquisition.

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

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

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33.4 The Characteristics of Risks Associated with Consolidated Structured Entities

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

33.4.1 The Group has provided payment guarantees of ₩ 5,075,894 million to K plus 1st L.L.C and other consolidated structured entities.

33.4.2 The Group has provided capital commitment to 51 consolidated structured entities including KB Sinansan Line Private Special Asset Fund (SOC). The unexecuted amount of the capital commitment is ₩ 2,045,524 million. Based on the capital commitment, the Group is subject to increase its investment upon the request of the asset management company or the additional agreement among investors.

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

33.5 Changes in Subsidiaries

33.5.1 Subsidiaries newly included in consolidation for the three-month period ended March 31, 2023, are as follows:

Company	Reasons of obtaining control
Starroad Alpha PFL General Asset Management Real Estate Investment Trust No.11 and 1 other New star Copper 2nd Co., Ltd. and 10 others	Holds more than half of the ownership interests
KB Overseas Investment General Asset Management Real Estate Investment Trust and 3 others KB Global Platform Fund No.2	Holds the power in the event of default and is exposed to significant variable returns by providing lines of credit, ABCP purchase commitments or acquisition of subordinated debt Holds the power to determine the operation of the funds and is exposed to variable returns by holding significant amount of ownership interests Holds the power as a general partner and is exposed to variable returns by holding significant amount of ownership interests

33.5.2 Subsidiaries excluded from consolidation for the three-month period ended March 31, 2023, are as follows:

Company	Reasons of losing control
KB Cheongra Hill Co., Ltd. and 8 others KB Life Insurance Co., Ltd. and 7 others KB KBSTAR Treasury Futures 3 Year ETF Trust (Bond-Derivative)	Termination of the commitments Liquidation Disposal
KB Global Dynamic Securities Master Investment Trust (Equity-Indirect Type) and 3 others	Decrease in ownership interests to less than majority

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34. Related Party Transactions

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

34.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

		2023	2022
Associates and joint ventures			
Balhae Infrastructure Company	Fee and commission income	₩ 1,241	₩ 1,289
Korea Credit Bureau Co., Ltd.	Fee and commission income	199	866
	Fee and commission expense	2,081	564
	Insurance income	1	1
	Other operating expenses	4	-
	Incheon Bridge Co., Ltd.	Interest income	1,980
	Interest expense	150	43
	Fee and commission income	6	5
	Fee and commission expense	2	1
	Insurance income	55	49
	Gains on financial instruments at fair value through profit or loss	52	-
	Losses on financial instruments at fair value through profit or loss	-	1,390
	Reversal of credit losses	-	1
Aju Good Technology Venture Fund	Interest expense	51	14
KB Star Office Private Real Estate Master Fund No.1*	Interest income	-	91
	Interest expense	-	1
	Fee and commission income	-	107
Star-Lord General Investors Private Real Estate Investment Company No.10	Insurance income	35	-
	Interest income	1,463	-
	Interest expense	164	-
	General and administrative expenses	2,410	-
KG Capital Co., Ltd.	Interest income	221	223
	Fee and commission income	12	13
	Fee and commission expense	1	3
	Insurance income	9	11

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34.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
KG Capital Co., Ltd.	Other operating income	₩ 99	₩ 175
	Other operating expenses	5	5
	Reversal of credit losses	27	-
	Provision for credit losses	-	4
Food Factory Co., Ltd.	Interest income	34	21
	Interest expense	-	2
	Insurance income	3	2
KB Pre IPO Secondary Venture Fund No.1 *	Fee and commission income	-	8
Acts Co., Ltd.	Insurance income	-	1
POSCO-KB Shipbuilding Fund	Fee and commission income	(18)	46
Paycoms Co., Ltd.	Interest income	2	3
Big Dipper Co., Ltd.	Fee and commission expense	129	181
KB-KDBC Pre-IPO New Technology Business Investment Fund	Interest expense	-	1
	Fee and commission income	-	37
KB-TS Technology Venture Private Equity Fund	Fee and commission income	166	63
KB-SJ Tourism Venture Fund	Fee and commission income	131	71
Banksalad Co., Ltd.	Fee and commission income	9	9
	Fee and commission expense	3	6
Iwon Alloy Co., Ltd.	Insurance income	-	1
RMGP Bio-Pharma Investment Fund, L.P.	Fee and commission income	7	12
KB-MDI Centauri Fund LP	Fee and commission income	119	112
Hibiscus Fund LP	Fee and commission income	440	128
RMG-KB BioAccess Fund L.P.	Fee and commission income	80	78
S&E Bio Co., Ltd.	Interest expense	2	-
Contents First Inc.	Interest income	56	-
	Interest expense	35	(8)
	Provision for credit losses	6	-
December & Company Inc.	Insurance income	48	39
GENINUS Inc. *	Interest expense	-	7
	Losses on financial instruments at fair value through profit or loss	-	643
	Provision for credit losses	-	5
Pin Therapeutics Inc.	Interest expense	41	6
Wyatt Corp.	Insurance income	31	38

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34.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	Interest expense	₩ 1	₩ 1
	Fee and commission income	72	-
Spark Biopharma Inc.	Interest expense	144	20
Skydigital Inc.	Fee and commission income	1	1
KB No.18 Special Purpose Acquisition Company *	Losses on financial instruments at fair value through profit or loss	-	1,570
	Interest expense	-	4
KB No.19 Special Purpose Acquisition Company	Losses on financial instruments at fair value through profit or loss	-	32
	Interest expense	-	2
KB No.20 Special Purpose Acquisition Company *	Gains on financial instruments at fair value through profit or loss	-	132
	Interest expense	-	6
KB No.21 Special Purpose Acquisition Company	Gains on financial instruments at fair value through profit or loss	66	-
	Interest expense	15	-
KB No.22 Special Purpose Acquisition Company	Gains on financial instruments at fair value through profit or loss	164	-
KB No.23 Special Purpose Acquisition Company	Gains on financial instruments at fair value through profit or loss	180	-
	Interest expense	17	-
KB No.24 Special Purpose Acquisition Company	Interest expense	2	-
KB SPROTT Renewable Private Equity Fund No.1	Fee and commission income	84	88
KB-Stonebridge Secondary Private Equity Fund	Fee and commission income	190	-
COSES GT Co., Ltd.	Interest income	8	5
IDTECK Co., Ltd.	Insurance income	-	1
Desilo Inc.	Interest income	3	2
	Provision for credit losses	3	-
Turing Co., Ltd.	Interest expense	1	-
IGGYMOB Co., Ltd.	Interest expense	-	1
Grinery Co., Ltd.	Provision for credit losses	1	-
TeamSparta Inc.	Interest expense	55	-
Chabot Mobility Co., Ltd.	Fee and commission expense	414	-
Wemade Connect Co., Ltd.	Insurance income	1	-
	Interest expense	83	-
TMAP Mobility Co., Ltd.	Interest expense	26	-
	Fee and commission expense	257	-
	Provision for credit losses	1	-

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34.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		2023	2022
Nextrade Co., Ltd.	Interest expense	₩ 718	₩ -
WJ Private Equity Fund No.1	Fee and commission income	2	2
UPRISE, Inc.	Interest expense	-	1
Channel Corporation	Interest expense	26	-
CWhy Inc.	Insurance income	1	-
KB Social Impact Investment Fund	Fee and commission income	64	75
KB-UTC Inno-Tech Venture Fund	Fee and commission income	134	138
KBSP Private Equity Fund No.4	Fee and commission income	-	94
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Fee and commission income	551	245
2020 KB Fintech Renaissance Fund	Fee and commission income	37	37
KB Material and Parts No.1 PEF	Fee and commission income	439	87
FineKB Private Equity Fund No.1	Fee and commission income	116	155
Paramark KB Fund No.1	Fee and commission income	32	105
KB-Badgers Future Mobility ESG Fund No.1	Fee and commission income	321	-
KB Bio Private Equity No.3 Ltd. *	Fee and commission income	-	49
KB-KTB Technology Venture Fund	Fee and commission income	275	-
KB-Solidus Global Healthcare Fund	Fee and commission income	81	107
SwatchOn Inc.	Fee and commission income	-	2
	Interest expense	-	1
Gomi corporation Inc.	Interest income	19	13
	Interest expense	-	1
	Provision for credit losses	22	-
KB Cape No.1 Private Equity Fund	Fee and commission income	73	-
KB-GeneN Medical Venture Fund No.1	Fee and commission income	22	9
KB-BridgePole Venture Investment Fund	Fee and commission income	33	16
KB-Kyobo New Mobility Power Fund	Fee and commission income	19	9

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34.1 Details of significant profit or loss arising from transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

		<u>2023</u>	<u>2022</u>
KB Co-Investment Private Equity Fund No.1	Fee and commission income	₩ 31	₩ -
KB-NP Green ESG New Technology Venture Capital Fund	Fee and commission income	290	-
KB-FT Green Growth 1st Technology Investment Association	Fee and commission income	33	-
Others			
Retirement pension	Fee and commission income	396	336
	Interest expense	14	5

* Excluded from the Group's related party as of March 31, 2023.

Meanwhile, the Group purchased installment financial assets, etc. from KG Capital Co., Ltd. amounting to ₩ 193,215 million and ₩ 169,977 million for the three-month periods ended March 31, 2023 and 2022, respectively.

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

(In millions of Korean won)

		March 31, 2023	December 31, 2022
Associates and joint ventures			
Balhae Infrastructure Company	Other assets	₩ 1,241	₩ 1,306
Korea Credit Bureau Co., Ltd.	Loans measured at amortized cost (gross amount)	128	38
	Deposits	1,980	27,889
	Provisions	1	2
	Insurance contract liabilities	-	1
	Other liabilities	11	-
Incheon Bridge Co., Ltd.	Financial assets at fair value through profit or loss	33,000	32,948
	Loans measured at amortized cost (gross amount)	91,536	95,211
	Allowances for credit losses	12	12
	Other assets	537	615
	Deposits	44,388	48,639
	Provisions	18	18
	Insurance contract liabilities	34	89
	Other liabilities	559	446
Jungdo Co., Ltd.	Deposits	4	4
Dae-A Leisure Co., Ltd.	Deposits	149	154
Aju Good Technology Venture Fund	Deposits	11,092	7,222
	Other liabilities	124	73
Star-Lord General Investors Private Real Estate Investment Company No.10	Loans measured at amortized cost (gross amount)	149,366	149,294
	Allowances for credit losses	1	1
	Property and equipment	9,241	9,915
	Other assets	8,568	8,591
	Insurance contract liabilities	11	46
	Other liabilities	13,153	14,227
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	Deposits	628	1,526
	Other liabilities	-	1
WJ Private Equity Fund No.1	Other assets	2	2
	Deposits	162	221
KB Cape No.1 Private Equity Fund	Financial assets at fair value through profit or loss	2,017	2,017
RAND Bio Science Co., Ltd.	Deposits	5	3
	Loans measured at amortized cost (gross amount)	1	-
KG Capital Co., Ltd.	Loans measured at amortized cost (gross amount)	20,034	40,040
	Allowances for credit losses	28	55
	Other assets	60	63
	Deposits	22	10
	Insurance contract liabilities	30	14
	Other liabilities	51	5

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

(In millions of Korean won)

		March 31,	December 31,
		2023	2022
Food Factory Co., Ltd.	Financial assets at fair value through profit or loss	₩ 696	₩ 696
	Loans measured at amortized cost (gross amount)	3,327	3,345
	Allowances for credit losses	4	4
	Other assets	17	4
	Deposits	300	664
	Insurance contract liabilities	6	8
	Other liabilities	1	1
POSCO-KB Shipbuilding Fund	Other assets	159	177
Paycoms Co., Ltd.	Financial assets at fair value through profit or loss	1,172	1,172
	Deposits	1	1
Big Dipper Co., Ltd.	Loans measured at amortized cost (gross amount)	13	18
	Deposits	1	19
KB-KDBC Pre-IPO New Technology Business Investment Fund	Deposits	57	317
Iwon Alloy Co., Ltd.	Deposits	-	1
	Insurance contract liabilities	1	1
Computerlife Co., Ltd.	Deposits	-	3
RMGP Bio-Pharma Investment Fund, L.P.	Financial assets at fair value through profit or loss	6,384	6,384
	Other liabilities	29	36
RMGP Bio-Pharma Investment, L.P.	Financial assets at fair value through profit or loss	17	17
Wyatt Corp.	Financial assets at fair value through profit or loss	6,000	6,000
	Deposits	1	1
	Insurance contract liabilities	45	75
Skydigital Inc.	Deposits	4	10
Banksalad Co., Ltd.	Financial assets at fair value through profit or loss	10,470	10,470
Spark Biopharma Inc.	Financial assets at fair value through profit or loss	7,450	7,450
	Loans measured at amortized cost (gross amount)	15	17
	Deposits	15,016	17,534
	Other liabilities	112	91
UPRISE, Inc.	Financial assets at fair value through profit or loss	5,248	5,248
	Deposits	27	27
Stratio, Inc.	Financial assets at fair value through profit or loss	1,000	1,000
Honest Fund, Inc.	Financial assets at fair value through profit or loss	3,999	3,999

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

<i>(In millions of Korean won)</i>		March 31,	December 31,
		2023	2022
CellinCells Co., Ltd.	Financial assets at fair value through profit or loss	₩ 2,000	₩ 2,000
	Loans measured at amortized cost (gross amount)	2	7
	Deposits	63	37
Channel Corporation	Financial assets at fair value through profit or loss	18,099	18,099
	Deposits	3,000	3,000
	Other liabilities	14	21
KB No.21 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	3,025	2,959
	Deposits	2,252	2,263
	Other liabilities	44	29
KB No.22 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	2,136	1,972
	Deposits	1,923	1,948
	Other liabilities	1	-
KB No.23 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	3,152	2,971
	Deposits	2,186	2,205
	Other liabilities	39	22
KB No.24 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	7,475	6,975
	Deposits	9,973	9,983
	Other liabilities	3	1
KB No.25 Special Purpose Acquisition Company	Financial assets at fair value through profit or loss	895	-
	COSES GT Co., Ltd.	4,930	4,930
	Loans measured at amortized cost (gross amount)	504	506
CWhy Inc.	Allowances for credit losses	4	4
	Other assets	2	2
	Deposits	761	1,213
Bomapp Inc. *	Insurance contract liabilities	2	-
	Deposits	-	1
	MitolImmune Therapeutics	7,000	7,000
KB-Solidus Global Healthcare Fund	Financial assets at fair value through profit or loss	430	350
	Other assets	3,802	3,802
	Bioprotect Ltd.	4,000	4,000
Gomi corporation Inc.	Financial assets at fair value through profit or loss	4,000	4,000
	Loans measured at amortized cost (gross amount)	2,235	2,234
	Allowances for credit losses	39	17
	Other assets	5	5
	Deposits	81	915

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

<i>(In millions of Korean won)</i>		March 31, 2023	December 31, 2022
Gomi corporation Inc.	Other liabilities	1	1
Go2joy Co., Ltd.	Financial assets at fair value through profit or loss	₩ 1,200	₩ 1,200
ClavisTherapeutics, Inc.	Financial assets at fair value through profit or loss	2,000	2,000
S&E Bio Co., Ltd.	Financial assets at fair value through profit or loss	4,000	4,000
	Loans measured at amortized cost (gross amount)	7	10
	Deposits	7,755	6,419
	Other liabilities	2	-
Bluepointpartners Inc.	Financial assets at fair value through profit or loss	2,133	2,133
4N Inc.	Financial assets at fair value through profit or loss	200	200
	Deposits	17	5
Xenohelix Co., Ltd	Financial assets at fair value through profit or loss	2,100	2,100
Contents First Inc.	Financial assets at fair value through profit or loss	7,277	7,277
	Loans measured at amortized cost (gross amount)	10,010	10,017
	Allowances for credit losses	1	1
	Other assets	2	2
	Deposits	2,486	5,010
	Provisions	6	-
	Other liabilities	9	21
KB-MDI Centauri Fund LP	Financial assets at fair value through profit or loss	17,471	17,471
	Other assets	589	470
2020 KB Fintech Renaissance Fund	Other assets	37	37
OKXE Inc.	Financial assets at fair value through profit or loss	800	800
Mantisco Co., Ltd.	Loans measured at amortized cost (gross amount)	19	15
	Financial assets at fair value through profit or loss	3,000	3,000
	Deposits	1,213	623
Pin Therapeutics Inc.	Loans measured at amortized cost (gross amount)	40	13
	Financial assets at fair value through profit or loss	5,000	5,000
	Deposits	8,413	6,033
	Other liabilities	25	18

KB Financial Group Inc. and Subsidiaries
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34.2 Details of significant outstanding balances of receivables and payables arising from transactions with related parties as of March 31, 2023 and December 31, 2022, are as follows: (cont'd)

<i>(In millions of Korean won)</i>		March 31,	December 31,
		2023	2022
IMBiologics Corp.	Loans measured at amortized cost (gross amount)	₩ 3	₩ 4
	Financial assets at fair value through profit or loss	5,000	5,000
SuperNGine Co., Ltd.	Loans measured at amortized cost (gross amount)	20	₩ 6
	Deposits	104	17
	Financial assets at fair value through profit or loss	1,996	1,996
Desilo Inc.	Financial assets at fair value through profit or loss	3,168	₩ 3,168
	Loans measured at amortized cost (gross amount)	300	300
	Allowances for credit losses	5	2
	Deposits	8	1
Turing Co., Ltd.	Financial assets at fair value through profit or loss	3,000	3,000
	Deposits	2,224	2,788
IGGYMOB Co., Ltd.	Financial assets at fair value through profit or loss	5,000	5,000
	Loans measured at amortized cost (gross amount)	13	15
	Deposits	210	254
Kukka Co., Ltd.	Financial assets at fair value through profit or loss	2,490	2,490
ZIPDOC Inc.	Financial assets at fair value through profit or loss	2,000	2,000
	Deposits	653	915
TeamSparta Inc.	Financial assets at fair value through profit or loss	4,001	4,001
	Deposits	13,719	12,502
	Provisions	1	-
	Other liabilities	60	6
Chabot Mobility Co., Ltd.	Financial assets at fair value through profit or loss	2,000	2,000
	Deposits	58	86
Wemade Connect Co., Ltd.	Financial assets at fair value through profit or loss	12,000	12,000
	Loans measured at amortized cost (gross amount)	32	52
	Allowances for credit losses	1	-
	Provisions	3	2
	Deposits	10,137	10,370
	Insurance contract liabilities	1	2
	Other liabilities	28	28

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

(In millions of Korean won)

		March 31,	December 31,
		2023	2022
Nextrade Co., Ltd.	Deposits	₩ 56,202	₩ 56,202
	Other liabilities	981	263
TMAP Mobility Co., Ltd.	Loans measured at amortized cost (gross amount)	29	-
	Deposits	-	30,000
	Other liabilities	137	76
Taeyoungjungkong Co.,Ltd.	Loans measured at amortized cost (gross amount)	48	-
FutureConnect Co., Ltd.	Financial assets at fair value through profit or loss	1,499	1,499
Gushcloud Talent Agency	Financial assets at fair value through profit or loss	4,165	4,165
Grinergy	Loans measured at amortized cost (gross amount)	1	-
	Financial assets at fair value through profit or loss	2,500	2,500
	Provisions	1	-
NexThera Co., Ltd.	Financial assets at fair value through profit or loss	2,000	2,000
FineKB Private Equity Fund No.1	Other assets	116	160
Paramark KB Fund No.1	Other liabilities	2	34
December & Company Inc.	Deposits	1	1
	Insurance contract liabilities	127	9
KB Social Impact Investment Fund	Other assets	500	436
Checkmate Therapeutics Inc.	Financial assets at fair value through profit or loss	3,200	3,200
	Insurance contract liabilities	-	3
G1 Playground Co., Ltd.	Financial assets at fair value through profit or loss	1,000	1,000
Hibiscus Fund LP	Financial assets at fair value through profit or loss	10,221	10,221
	Other assets	127	-
	Other liabilities	-	257
RMG-KB BioAccess Fund L.P.	Financial assets at fair value through profit or loss	3,051	2,753
	Other assets	80	-
RMG-KB BP Management Ltd.	Financial assets at fair value through profit or loss	84	77
KB Co-Investment Private Equity Fund No.1	Other assets	31	191

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

(In millions of Korean won)

		March 31, 2023	December 31, 2022
Key management personnel	Loans measured at amortized cost (gross amount)	₩ 6,279	₩ 6,299
	Allowances for credit losses	3	3
	Other assets	6	7
	Deposits	21,712	17,618
	Provisions	1	1
	Insurance contract liabilities	2,953	2,374
	Other liabilities	435	387
Others			
Retirement pension	Other assets	590	778
	Other liabilities	3,203	10,141

* Excluded from the Group's related party as of March 31, 2023, therefore, the remaining outstanding balances with those entities are not disclosed.

34.3 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023			
	Beginning	Loan	Collection	Ending
Associates and joint ventures				
Korea Credit Bureau Co., Ltd.	₩ 38	₩ 128	₩ (38)	₩ 128
Incheon Bridge Co., Ltd.	128,159	63	(3,686)	124,536
Star-Lord General Investors Private Real Estate Investment Company No.10	149,294	72	-	149,366
KB Cape No.1 Private Equity Fund	2,017	-	-	2,017
RAND Bio Science Co., Ltd.	-	1	-	1
KG Capital Co., Ltd.	40,040	34	(20,040)	20,034
Food Factory Co., Ltd.	4,041	7	(25)	4,023
Paycoms Co., Ltd.	1,172	-	-	1,172
Big Dipper Co., Ltd.	18	13	(18)	13
RMGP Bio-Pharma Investment Fund, L.P.	6,384	-	-	6,384
RMGP Bio-Pharma Investment, L.P.	17	-	-	17
Wyatt Corp.	6,000	-	-	6,000
Banksalad Co., Ltd.	10,470	-	-	10,470
UPRISE, Inc.	5,248	-	-	5,248
Stratio, Inc.	1,000	-	-	1,000
Honest Fund, Inc.	3,999	-	-	3,999
CellinCells Co., Ltd.	2,007	2	(7)	2,002
KB No.21 Special Purpose Acquisition Company	2,959	66	-	3,025

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34.3 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023			
	Beginning	Loan	Collection	Ending
KB No.22 Special Purpose Acquisition Company	₩ 1,972	₩ 164	₩ -	₩ 2,136
KB No.23 Special Purpose Acquisition Company	2,971	181	-	3,152
KB No.24 Special Purpose Acquisition Company	6,975	500	-	7,475
KB No.25 Special Purpose Acquisition Company	-	895	-	895
COSES GT Co., Ltd.	5,436	4	(6)	5,434
Channel Corporation	18,099	-	-	18,099
MitImmune Therapeutics	7,000	-	-	7,000
Bioprotect Ltd.	3,802	-	-	3,802
Gomi corporation Inc.	6,234	35	(34)	6,235
Go2joy Co., Ltd.	1,200	-	-	1,200
ClavisTherapeutics, Inc.	2,000	-	-	2,000
S&E Bio Co., Ltd.	4,010	7	(10)	4,007
Bluepointpartners Inc.	2,133	-	-	2,133
4N Inc.	200	-	-	200
Xenohelix Co., Ltd.	2,100	-	-	2,100
Contents First Inc.	17,294	-	(7)	17,287
KB-MDI Centauri Fund LP	17,471	-	-	17,471
OKXE Inc.	800	-	-	800
Checkmate Therapeutics Inc.	3,200	-	-	3,200
Mantisco Co., Ltd.	3,015	19	(15)	3,019
IMBiologics Corp.	5,004	3	(4)	5,003
Spark Biopharma Inc.	7,467	15	(17)	7,465
G1 Playground Co., Ltd.	1,000	-	-	1,000
Pin Therapeutics Inc.	5,013	40	(13)	5,040
Hibiscus Fund LP	10,221	-	-	10,221
SuperNGine Co., Ltd.	2,002	20	(6)	2,016
Desilo Inc.	3,468	-	-	3,468
RMG-KB BioAccess Fund L.P.	2,753	298	-	3,051
RMG-KB BP Management Ltd.	77	7	-	84
IGGYMOB Co., Ltd.	5,015	13	(15)	5,013
Turing Co., Ltd.	3,000	-	-	3,000
Kukka Co., Ltd.	2,490	-	-	2,490
ZIPDOC Inc.	2,000	-	-	2,000
Gushcloud Talent Agency	4,165	-	-	4,165
Grinergy	2,500	1	-	2,501
NexThera Co., Ltd.	2,000	-	-	2,000
Chabot Mobility Co., Ltd.	2,000	-	-	2,000
TeamSparta Inc.	4,001	-	-	4,001
FutureConnect Co., Ltd.	1,499	-	-	1,499
Wemade Connect Co., Ltd.	12,052	32	(52)	12,032
TMAP Mobility Co., Ltd	-	29	-	29
Taeyoungjungkong Co., Ltd.	-	55	(7)	48
Key management personnel	6,299	878	(898)	6,279

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34.3 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022			
	Beginning	Loan	Collection	Ending
Associates and joint ventures				
Korea Credit Bureau Co., Ltd.	₩ 36	₩ 113	₩ (36)	₩ 113
Incheon Bridge Co., Ltd.	151,489	9	(6,122)	145,376
KB Star Office Private Real Estate Master Fund No.1 *	10,000	-	-	10,000
KB Cape No.1 Private Equity Fund	1,591	-	-	1,591
RAND Bio Science Co., Ltd.	1	1	(1)	1
KG Capital Co., Ltd.	40,074	44	(74)	40,044
Food Factory Co., Ltd.	4,216	6	(30)	4,192
Paycoms Co., Ltd.	1,269	-	-	1,269
Big Dipper Co., Ltd.	17	11	(17)	11
RMGP Bio-Pharma Investment Fund, L.P.	5,423	-	-	5,423
RMGP Bio-Pharma Investment, L.P.	14	-	-	14
Wyatt Corp.	6,000	-	-	6,000
Banksalad Co., Ltd.	9,090	-	-	9,090
UPRISE, Inc.	1,250	3,998	-	5,248
Stratio, Inc.	1,000	-	-	1,000
Honest Fund, Inc.	3,999	-	-	3,999
CellinCells Co., Ltd.	2,006	10	(6)	2,010
KB No.17 Special Purpose Acquisition Company *	1,301	-	(1,000)	301
KB No.18 Special Purpose Acquisition Company *	3,881	-	(1,570)	2,311
KB No.19 Special Purpose Acquisition Company *	2,091	-	(32)	2,059
KB No.20 Special Purpose Acquisition Company *	3,135	132	-	3,267
KB No.21 Special Purpose Acquisition Company	-	1,490	-	1,490
COSES GT Co., Ltd.	5,445	7	(15)	5,437
Bomapp Inc. *	19	-	-	19
Channel Corporation	14,551	-	-	14,551
MitoImmune Therapeutics	7,000	-	-	7,000
Bioprotect Ltd.	3,557	-	-	3,557
Gomi corporation Inc.	4,733	1,519	(33)	6,219
Copin Communications, Inc. *	4,801	-	(4,801)	-

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34.3 Details of significant lending transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022			
	Beginning	Loan	Collection	Ending
Go2joy Co., Ltd.	₩ 1,200	₩ -	₩ -	₩ 1,200
ClavisTherapeutics, Inc.	2,000	-	-	2,000
S&E Bio Co., Ltd.	2,000	-	-	2,000
Bluepointpartners Inc.	2,278	-	-	2,278
4N Inc.	200	-	-	200
Xenohelix Co., Ltd.	2,100	-	-	2,100
Contents First Inc.	7,277	-	-	7,277
KB-MDI Centauri Fund LP	9,633	3,639	-	13,272
SwatchOn Inc. *	3,418	68	(73)	3,413
OKXE Inc.	800	-	-	800
GENINUS Inc. *	5,872	31	(660)	5,243
Checkmate Therapeutics Inc.	2,200	-	-	2,200
Mantisco Co., Ltd.	3,001	1	(1)	3,001
IMBiologics Corp.	5,004	3	(4)	5,003
Spark Biopharma Inc.	4,967	2,512	(17)	7,462
G1 Playground Co., Ltd.	1,000	-	-	1,000
Pin Therapeutics Inc.	3,000	2,000	-	5,000
Hibiscus Fund LP	4,731	4,857	-	9,588
SuperNGine Co., Ltd.	1,998	3	(2)	1,999
Desilo Inc.	3,469	-	-	3,469
RMG-KB BioAccess Fund L.P.	353	322	-	675
RMG-KB BP Management Ltd.	7	9	-	16
IGGYMOB Co., Ltd	5,006	19	(6)	5,019
Turing Co., Ltd.	3,000	-	-	3,000
Kukka Co., Ltd.	-	2,490	-	2,490
ZIPDOC Inc.	-	2,000	-	2,000
Gushcloud Talent Agency	-	3,896	-	3,896
Grinergy	-	2,500	-	2,500
NexThera Co., Ltd.	-	2,000	-	2,000
Key management personnel	4,591	2,727	(1,023)	6,295

* Excluded from the Group's related party as of March 31, 2023.

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34.4 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows:

(In millions of Korean won)

	2023				
	Beginning	Borrowing	Repayment	Others ¹	Ending
Associates and joint ventures					
Korea Credit Bureau Co., Ltd.	₩ 27,889	₩ -	₩ -	₩ (25,909)	₩ 1,980
Incheon Bridge Co., Ltd.	48,639	-	(2,500)	(1,751)	44,388
Jungdo Co., Ltd.	4	-	-	-	4
Dae-A Leisure Co., Ltd.	154	-	-	(5)	149
Iwon Alloy Co., Ltd.	1	-	-	(1)	-
Computerlife Co., Ltd.	3	-	-	(3)	-
Skydigital Inc.	10	-	-	(6)	4
Aju Good Technology Venture Fund	7,222	1,323	-	2,547	11,092
KB-KDBC Pre-IPO New Technology Business Investment Fund	317	-	-	(260)	57
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	1,526	-	-	(898)	628
WJ Private Equity Fund No.1	221	-	-	(59)	162
KG Capital Co., Ltd.	10	-	-	12	22
KB No.21 Special Purpose Acquisition Company	2,263	-	-	(11)	2,252
KB No.22 Special Purpose Acquisition Company	1,948	-	-	(25)	1,923
KB No.23 Special Purpose Acquisition Company	2,205	-	-	(19)	2,186
KB No.24 Special Purpose Acquisition Company	9,983	-	-	(10)	9,973
RAND Bio Science Co., Ltd.	3	-	-	2	5
Food Factory Co., Ltd.	664	-	-	(364)	300
Paycoms Co., Ltd.	1	-	-	-	1
Big Dipper Co., Ltd.	19	-	-	(18)	1
Wyatt Corp.	1	-	-	-	1
UPRISE, Inc.	27	-	-	-	27
CellinCells Co., Ltd.	37	-	-	26	63
COSES GT Co., Ltd.	1,213	-	-	(452)	761
Gomi corporation Inc.	915	-	-	(834)	81
S&E Bio Co., Ltd.	6,419	-	-	1,336	7,755
4N Inc.	5	-	-	12	17
Contents First Inc.	5,010	2,000	(4,000)	(524)	2,486
December & Company Inc.	1	-	-	-	1

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34.4 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2023				
	Beginning	Borrowing	Repayment	Others ¹	Ending
Mantisco Co., Ltd.	₩ 623	₩ -	₩ -	₩ 590	₩ 1,213
Pin Therapeutics Inc.	6,033	5,001	(3,600)	979	8,413
Spark Biopharma Inc.	17,534	6,031	(8,424)	(125)	15,016
SuperNGine Co., Ltd.	17	-	-	87	104
Desilo Inc.	1	-	-	7	8
Turing Co., Ltd.	2,788	-	-	(564)	2,224
IGGYMOB Co., Ltd.	254	-	-	(44)	210
TMAP Mobility Co., Ltd.	30,000	-	(30,000)	-	-
Nextrade Co., Ltd.	56,202	-	-	-	56,202
ZIPDOC Inc.	915	-	-	(262)	653
TeamSparta Inc.	12,502	-	-	1,217	13,719
Chabot Mobility Co., Ltd.	86	-	-	(28)	58
Wemade Connect Co., Ltd.	10,370	9,500	(7,717)	(2,016)	10,137
Channel Corporation	3,000	3,000	(3,000)	-	3,000
Key management personnel	17,619	5,193	(4,541)	3,441	21,712

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34.4 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022				
	Beginning	Borrowing	Repayment	Others ¹	Ending
Associates and joint ventures					
Korea Credit Bureau Co., Ltd.	₩ 10,200	₩ -	₩ -	₩ (6,141)	₩ 4,059
Incheon Bridge Co., Ltd.	35,487	-	-	11,414	46,901
Jungdo Co., Ltd.	4	-	-	-	4
Dae-A Leisure Co., Ltd.	17	-	-	27	44
Computerlife Co., Ltd.	-	-	-	1	1
Skydigital Inc.	85	-	-	(49)	36
Jo Yang Industrial Co., Ltd.	1	-	-	-	1
Aju Good Technology Venture Fund	6,286	-	-	214	6,500
KB-KDBC Pre-IPO New Technology Business Investment Fund	904	-	-	(389)	515
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	1,524	-	-	(224)	1,300
WJ Private Equity Fund No.1	260	-	-	256	516
KB Star Office Private Real Estate Master Fund No.1 ²	2,578	-	-	(429)	2,149
KG Capital Co., Ltd.	17	-	-	(11)	6
KB No.17 Special Purpose Acquisition Company ²	1,687	-	(1,546)	(141)	-
KB No.18 Special Purpose Acquisition Company ²	2,077	-	-	(25)	2,052
KB No.19 Special Purpose Acquisition Company ²	1,013	-	(30)	9	992
KB No.20 Special Purpose Acquisition Company ²	1,681	-	-	(14)	1,667
RAND Bio Science Co., Ltd.	443	-	-	(332)	111
Food Factory Co., Ltd.	839	511	(507)	(239)	604
Acts Co., Ltd. ²	154	-	-	(153)	1
Paycoms Co., Ltd.	1	-	-	1	2
Big Dipper Co., Ltd.	-	-	-	19	19
Wyatt Corp.	1	-	-	-	1
UPRISE, Inc.	4,001	-	-	(2)	3,999
CellinCells Co., Ltd.	38	-	-	11	49
COSES GT Co., Ltd.	1,939	-	-	(439)	1,500
SwatchOn Inc. ²	686	-	-	10,194	10,880
Gomi corporation Inc.	3,188	-	-	1,956	5,144

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34.4 Details of significant borrowing transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows: (cont'd)

(In millions of Korean won)

	2022				
	Beginning	Borrowing	Repayment	Others ¹	Ending
S&E Bio Co., Ltd.	W 263	W 50	W -	W (221)	W 92
KB Pre IPO Secondary Venture Fund No.1 ²	103	-	-	(103)	-
4N Inc.	39	-	-	(4)	35
Contents First Inc.	12,650	-	(8,700)	(2,650)	1,300
December & Company Inc.	1	-	-	-	1
GENINUS Inc. ²	34,415	-	-	(9,663)	24,752
Mantisco Co., Ltd.	386	-	-	(249)	137
Pin Therapeutics Inc.	-	15,000	-	3,043	18,043
Spark Biopharma Inc.	6,015	11,500	(1,000)	(836)	15,679
G1 Playground Co., Ltd.	354	-	-	(340)	14
SuperNGine Co., Ltd.	944	-	-	(321)	623
Desilo Inc.	168	-	-	(148)	20
Turing Co., Ltd.	1,054	-	-	199	1,253
IGGYMOB Co., Ltd.	2,938	-	-	(1,398)	1,540
Key management personnel	16,996	4,046	(3,823)	4,474	21,693

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

² Excluded from the Group's related party as of March 31, 2023.

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34.5 Details of significant investment and withdrawal transactions with related parties for the three-month periods ended March 31, 2023 and 2022, are as follows:

	2023		2022	
	Equity investment and others	Withdrawal and others	Equity investment and others	Withdrawal and others
(In millions of Korean won)				
Balhae Infrastructure Company	₩ -	₩ 979	₩ -	₩ 14,231
KoFC POSCO Hanwha KB Shared Growth Private Equity Fund No.2 *	-	-	-	5
KB Pre IPO Secondary Venture Fund No.1 *	-	-	-	2,625
KB-SJ Tourism Venture Fund	-	-	-	400
Korea Credit Bureau Co., Ltd.	-	90	-	-
KB-Solidus Global Healthcare Fund	-	-	-	14,040
KB SPROTT Renewable Private Equity Fund No.1	-	-	12,247	-
KB Bio Private Equity No.3 Ltd. *	-	-	-	5,100
December & Company Inc.	-	19,171	-	-
KB-TS Technology Venture Private Equity Fund	-	672	-	1,400
KB-Brain KOSDAQ Scale-up New Technology Business Investment Fund	-	1,600	-	-
Aju Good Technology Venture Fund	-	3,800	-	-
G payment Joint Stock Company	312	-	-	138
498/7 Owners LLC *	-	-	-	166,851
KB-SOLIDUS Healthcare Investment Fund	-	-	9,000	-
Paramark KB Fund No.1	-	-	660	-
FineKB Private Equity Fund No.1	-	2,141	5,000	3,100
KB-GeneN Medical Venture Fund No.1	-	-	2,000	-
KB-BridgePole Venture Investment Fund	-	-	850	-
KB-Kyobo New Mobility Power Fund	-	-	3,000	-
Star-Lord General Investors Private Real Estate Investment Company No.10	-	363	-	-
KB Co-Investment Private Equity Fund No.1	-	-	2,185	-
Apollo REIT PropCo LLC *	-	-	19,968	-
KB-NP Green ESG New Technology Venture Capital Fund	4,350	-	-	-
KB-Badgers Future Mobility ESG Fund No.1	2,295	-	-	-
Lakewood-AVES Fund No.1	2,000	-	-	-
MW-Pyco NewWave New Technology Investment Fund 4th	2,000	-	-	-
KB No.25 Special Purpose Acquisition Company	5	-	-	-

* Excluded from the Group's related party as of March 31, 2023.

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

<i>(In millions of Korean won or in a US Dollar or Malaysian ringgit)</i>		March 31, 2023	December 31, 2022
Associates and joint ventures			
Balhae Infrastructure Company	Purchase of securities	₩ 6,154	₩ 6,154
Korea Credit Bureau Co., Ltd.	Unused lines of credit for credit card	472	562
Incheon Bridge Co., Ltd	Loan commitments in Korean won	20,000	20,000
	Unused lines of credit for credit card	89	89
TeamSparta Inc.	Loan commitments in Korean won	1,000	-
KG Capital Co., Ltd.	Unused lines of credit for credit card	116	110
Food Factory Co., Ltd.	Unused lines of credit for credit card	52	52
KB No.23 Special Purpose Acquisition Company	Unused lines of credit for credit card	12	12
CellinCells Co., Ltd.	Unused lines of credit for credit card	22	17
RAND Bio Science Co., Ltd.	Unused lines of credit for credit card	24	25
Big Dipper Co., Ltd.	Unused lines of credit for credit card	32	27
Gomi corporation Inc.	Unused lines of credit for credit card	15	16
COSES GT Co., Ltd.	Unused lines of credit for credit card	26	24
Spark Biopharma Inc.	Unused lines of credit for credit card	35	33
Mantisco Co., Ltd.	Unused lines of credit for credit card	11	15
IMBiologics Corp.	Unused lines of credit for credit card	20	18
SuperNGine Co., Ltd.	Unused lines of credit for credit card	20	14
IGGYMOB Co., Ltd.	Unused lines of credit for credit card	37	35
Pin Therapeutics Inc.	Unused lines of credit for credit card	10	37
Grinergy	Unused lines of credit for credit card	9	10
S&E Bio Co., Ltd.	Unused lines of credit for credit card	43	40

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

<i>(In millions of Korean won or in a US Dollar or Malaysian ringgit)</i>		March 31, 2023	December 31, 2022
Wemade Connect Co., Ltd.	Unused lines of credit for credit card	₩ 168	₩ 148
TMAP Mobility Co., Ltd.	Unused lines of credit for credit card	871	-
Contents First Inc.	Unused lines of credit for credit card	50	-
KB-TS Technology Venture Private Equity Fund	Purchase of securities	110	110
KB SPROTT Renewable Private Equity Fund No.1	Purchase of securities	5,140	5,140
KB-Stonebridge Secondary Private Equity Fund	Purchase of securities	864	864
KB-NAU Special Situation Corporate Restructuring Private Equity Fund	Purchase of securities	15,288	15,288
All Together Korea Fund No.2	Purchase of securities	990,000	990,000
KB-KTB Technology Venture Fund	Purchase of securities	11,200	11,200
KB-SOLIDUS Healthcare Investment Fund	Purchase of securities	70,200	70,200
KB Co-Investment Private Equity Fund No.1	Purchase of securities	15,732	15,732
KB-Badgers Future Mobility ESG Fund No.1	Purchase of securities	40,568	42,863
KB-NP Green ESG New Technology Venture Capital Fund	Purchase of securities	36,300	40,650
FineKB Private Equity Fund No.1	Purchase of securities	9,125	9,125
KB-Solidus Global Healthcare Fund	Purchase of securities	2,120	2,120
	Commitments on loss absorption priority	4,500	4,500
Paramark KB Fund No.1	Purchase of securities	17,832	17,832
Smart Korea KB Future9-Sejong Venture Fund	Purchase of securities	3,000	3,000
RMGP Bio-Pharma Investment Fund, L.P.	Purchase of securities	USD 4,094,487	USD 4,094,487
RMGP Bio-Pharma Investment, L.P.	Purchase of securities	USD 10,731	USD 10,731
KB-MDI Centauri Fund LP	Purchase of securities	USD 1,744,518	USD 1,744,518
Hibiscus Fund LP	Purchase of securities	MYR 16,666,667	MYR 16,666,667

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

<i>(In millions of Korean won or in a US Dollar or Malaysian ringgit)</i>		March 31, 2023	December 31, 2022
RMG-KB BP Management Ltd.	Purchase of securities	USD 698,979	USD 699,733
RMG-KB BioAccess Fund L.P.	Purchase of securities	USD 27,399,354	USD 27,428,899
Key management personnel	Loan commitments in Korean won	2,689	2,354

34.7 Details of compensation to key management personnel for the three-month periods ended March 31, 2023 and 2022, are as follows:

<i>(In millions of Korean won)</i>		2023			
	Short-term employee benefits	Post- employment benefits	Share-based payments	Total	
Registered directors (executive)	₩ 2,139	₩ 261	₩ 1,103	₩	3,503
Registered directors (non-executive)	290	-	-		290
Non-registered directors	3,994	182	2,751		6,927
	₩ 6,423	₩ 443	₩ 3,854	₩	10,720

<i>(In millions of Korean won)</i>		2022			
	Short-term employee benefits	Post- employment benefits	Share-based payments	Total	
Registered directors (executive)	₩ 2,153	₩ 255	₩ 3,008	₩	5,416
Registered directors (non-executive)	270	-	-		270
Non-registered directors	3,719	129	5,112		8,960
	₩ 6,142	₩ 384	₩ 8,120	₩	14,646

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

<i>(In millions of Korean won)</i>	Assets held as collateral	March 31, 2023	December 31, 2022
Key management personnel	Time deposits and others	₩ 581	₩ 457
	Real estate	9,034	7,483

As of March 31, 2023, Incheon Bridge Co., Ltd. a related party, provides fund management account, civil engineering works insurance, and management and operations rights as senior collateral amounting to ₩ 611,000 million to the project financing group consisting of the Group and 5 other institutions, and as subordinated collateral amounting to ₩ 384,800 million to subordinated debt holders consisting of the Group and 2 other institutions. Also, it provides certificate of credit guarantee amounting to ₩ 400,000 million as collateral to the project financing group consisting of the Group and 5 other institutions.

35. Events after the reporting period

According to the resolution of the board of directors on April 27, 2023, the quarterly dividend per share of ₩ 510 (total dividend: ₩ 195,966 million) with dividend record date of March 31, 2023 were paid on May 11, 2023. The Group's consolidated financial statements as of March 31, 2023, do not reflect this dividend payable. In addition, according to the resolution of the Board of Directors on February 7, 2023, 5,385,996 treasury shares were retired on April 4, 2023.