



Industrial Bank of Korea

(incorporated with limited liability under the laws of the Republic of Korea)

**Issue of U.S.\$500,000,000 4.375 per cent. SME Empowerment and Relief Themed Social Bonds due 2030
(the 2030 Notes)**

**Issue of U.S.\$500,000,000 Floating Rate SME Empowerment and Relief Themed Social Bonds due 2028
(the Floating Rate Notes and, together with the 2030 Notes, the Notes)
under the U.S.\$8,000,000,000
Global Medium Term Note Programme**

THE NOTES TO WHICH THIS PRICING SUPPLEMENT RELATES (THE **NOTES**) HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE **SECURITIES ACT**), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, UNLESS SO REGISTERED, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE NOTES WILL BE OFFERED AND SOLD ONLY (I) OUTSIDE THE UNITED STATES TO NON-U.S. PERSONS IN RELIANCE ON REGULATION S UNDER THE SECURITIES ACT AND (II) WITHIN THE UNITED STATES IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT (**RULE 144A**) TO QUALIFIED INSTITUTIONAL BUYERS (AS DEFINED UNDER RULE 144A).

IN CONNECTION WITH THIS OFFERING, TO THE EXTENT PERMITTED BY, AND IN ACCORDANCE WITH, APPLICABLE LAWS AND REGULATIONS, ANY OF AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, CITIGROUP GLOBAL MARKETS INC., CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, J.P. MORGAN SECURITIES PLC AND STANDARD CHARTERED BANK (APPOINTED AND ACTING IN THEIR CAPACITY AS STABILISING MANAGERS) (THE **STABILISING MANAGERS**) (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGERS) MAY OVER-ALLOT OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGERS (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGERS) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE NOTES.

Joint Bookrunners and Lead Managers

**ANZ
Crédit Agricole CIB
J.P. Morgan**

**Citigroup
HSBC
Standard Chartered Bank**

The date of this Pricing Supplement is 16 June 2025.

Industrial Bank of Korea

**Issue of U.S.\$500,000,000 Floating Rate SME Empowerment and Relief Themed Social Bonds due 2028
(the Floating Rate Notes)
under the U.S.\$8,000,000,000
Global Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of the Floating Rate Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 9 May 2025 (the **Offering Circular**). This Pricing Supplement contains the final terms of the Floating Rate Notes and must be read in conjunction with the Offering Circular.

The Pricing Supplement is based on information provided by the Issuer and by other sources the Issuer believes are reasonable. Accordingly, no representation, warranty or undertaking, express or implied, is made and, to the fullest extent permitted by law, no responsibility or liability is accepted by the Managers, the Agents or the Trustee or any director, officer, agent or affiliate of any such person or any of them as to the accuracy or completeness of the information contained or incorporated in this Pricing Supplement, any other information provided by the Issuer in connection with the Programme or for any other statement made or purported to be made by any Manager, the Agents or the Trustee or any director, officer, agent or affiliate of any such person or any of them or on its behalf in connection with the Issuer, the Programme or the issue and offering of the Floating Rate Notes. The Managers, the Agents and the Trustee accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Pricing Supplement or any such statement.

Notice to investors in Singapore: By accepting this Pricing Supplement, if you are an investor in Singapore, you: (I) represent and warrant that you are either (1) an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (the **SFA**)) pursuant to Section 274 of the SFA; or (2) an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA, and (II) agree to be bound by the limitations and restrictions described in the Offering Circular.

A REGISTRATION STATEMENT FOR THE OFFERING AND SALE OF THE FLOATING RATE NOTES HAS NOT BEEN FILED WITH THE FINANCIAL SERVICES COMMISSION OF KOREA. ACCORDINGLY, THE FLOATING RATE NOTES MAY NOT BE OFFERED, SOLD OR DELIVERED, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA (AS SUCH TERM IS DEFINED UNDER THE FOREIGN EXCHANGE TRANSACTION ACT OF KOREA AND ITS ENFORCEMENT DECREE AND REGULATIONS THEREUNDER), EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS. FURTHERMORE, A HOLDER OF THE FLOATING RATE NOTES SHALL BE PROHIBITED FROM OFFERING, DELIVERING OR SELLING ANY NOTES, DIRECTLY OR INDIRECTLY, IN KOREA OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY RESIDENT OF KOREA, EXCEPT AS OTHERWISE PERMITTED BY APPLICABLE KOREAN LAWS AND REGULATIONS.

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| 1. | Issuer: | Industrial Bank of Korea |
| 2. | (i) Series Number: | 229 |
| | (ii) Tranche Number: | 1 |

3.	Specified Currency or Currencies:	United States Dollars (U.S.\$)
4.	Aggregate Nominal Amount:	
	(i) Series:	U.S.\$500,000,000
	(ii) Tranche:	U.S.\$500,000,000
5.	(i) Issue Price:	100.000 per cent. of the Aggregate Nominal Amount
	(ii) Net Proceeds (after deducting underwriting discounts but not estimated expenses):	U.S.\$498,500,000
6.	(i) Specified Denominations:	U.S.\$200,000 and integral multiples of U.S.\$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.\$1,000
7.	(i) Issue Date:	24 June 2025
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	24 June 2028
9.	Interest Basis:	Compounded Daily SOFR + 0.58 per cent. per annum Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	(i) Status of the Notes:	Senior Unsecured
	(ii) Date of Board approval for issuance of Notes obtained:	26 December 2024
14.	Listing:	Singapore Exchange Securities Trading Limited
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	Not Applicable
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17. Floating Rate Note Provisions:	Applicable
(i) Specified Period(s)/Specified Interest Payment Dates:	From (and including) the Issue Date up to (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date up to the Maturity Date, in each case, subject to adjustment in accordance with the Business Day Convention specified below. Interest will be paid quarterly in arrears on 24 March, 24 June, 24 September and 24 December of each year, commencing on 24 September 2025, up to and including the Maturity Date, in accordance with the Business Day Convention.
(ii) Business Day Convention:	Modified Following Business Day Convention
(iii) Additional Business Centre(s):	New York City, London and Seoul
(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent):	Deutsche Bank AG, Hong Kong Branch
(vi) Screen Rate Determination:	
– Reference Rate:	SOFR Benchmark
– Interest Determination Date(s):	Fifth U.S. Government Securities Business Day prior to the Interest Payment Date
– Relevant Screen Page:	Not Applicable
– SOFR Benchmark:	Compounded Daily SOFR
– Compounded Daily SOFR:	SOFR Lag
– Lookback Days:	Five U.S. Government Securities Business Days
– SOFR Observation Shift Days:	Not Applicable
– SOFR Index _{Start} :	Not Applicable
– SOFR Index _{End} :	Not Applicable
(vii) ISDA Determination:	
– Floating Rate Option:	Not Applicable
– Designated Maturity:	Not Applicable

– Reset Date:	Not Applicable
(viii) Margin(s):	Plus 0.58 per cent. per annum
(ix) Minimum Rate of Interest:	Not Applicable
(x) Maximum Rate of Interest:	Not Applicable
(xi) Day Count Fraction:	Actual/360, Adjusted
(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
18. Zero Coupon Note Provisions:	Not Applicable
19. Index Linked Interest Note Provisions:	Not Applicable
20. Dual Currency Interest Note Provisions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21. Issuer Call:	Not Applicable
22. Investor Put:	Not Applicable
23. Final Redemption Amount:	Par
24. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:	Registered Notes
26. Additional Financial Centre(s) or other special provisions relating to Payment Dates:	Seoul For the avoidance of doubt, Financial Centre(s) are New York City, London and Seoul
27. Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	No

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: Not Applicable
29. Details relating to Instalment Notes:
- (i) Instalment Amount(s): Not Applicable
- (ii) Instalment Date(s): Not Applicable
30. Redenomination applicable: Redenomination not applicable
31. Other terms or special conditions: Not Applicable

DISTRIBUTION

32. (i) If syndicated, names of Managers: Joint Bookrunners and Lead Managers:
Australia and New Zealand Banking Group Limited
Citigroup Global Markets Inc.
Crédit Agricole Corporate and Investment Bank
The Hongkong and Shanghai Banking Corporation Limited
J.P. Morgan Securities plc
Standard Chartered Bank
- (ii) Stabilising Manager(s) (if any): Any of the Joint Bookrunners and Lead Managers (appointed and acting in its capacity as stabilising manager)
33. If non-syndicated, name of relevant Dealer: Not Applicable
34. U.S. Selling Restrictions: Rule 144A / Reg. S (Category 2) / TEFRA not applicable
35. Prohibition of Sales to EEA Retail Investors: Applicable
36. Prohibition of Sales to UK Retail Investors: Applicable
37. Additional selling restrictions: Not Applicable
38. RMB Currency Event: Not Applicable
39. Alternate Settlement Rate (if different from that set out in Condition 6(f)): Not Applicable
40. Party responsible for calculating the Alternate Settlement Rate: Not Applicable
41. Relevant Currency (if different from that set out in Condition 6(f)): Not Applicable

HONG KONG SFC CODE OF CONDUCT

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| 42. Rebates: | Not Applicable |
| 43. Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent: | hkbondsyndicate@anz.com;
DCM.Omnibus@citi.com;
HKG-Syndicate@ca-cib.com;
hk_syndicate_omnibus@hsbc.com.hk;
Investor.info.hk.bond.deals@jpmorgan.com;
synhk@sc.com |
| 44. Other marketing and investor target strategies: | As indicated in the Offering Circular |

OPERATIONAL INFORMATION

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| 45. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | DTC |
| 46. Delivery: | Delivery against payment |
| 47. Additional Paying Agent(s) (if any): | Not Applicable |
| 48. Use of Proceeds: | An amount equivalent to the net proceeds from the issuance of the Floating Rate Notes will be allocated to finance and/or refinance new and/or existing loans extended to entities or projects that fall within the Employment Generation Social Eligible Category, in particular, Small- and Medium-Sized Enterprises and start-up companies that have been established for a period of less than seven years at the time of such financing and/or refinancing in accordance with the Bank's Sustainability Financing Framework. See "Use of Proceeds." |

ISIN:	Rule 144A Global Note: US45604GAT67 Regulation S Global Note: US45604HAT41
CUSIP:	Rule 144A Global Note: 45604GAT6 Regulation S Global Note: 45604HAT4
LEI:	988400RBIWE3YA18PK12

RECENT DEVELOPMENTS

The following sections provide information that supplements or replaces certain information about the Bank and the Republic under the headings corresponding to the headings below in the Offering Circular. Capitalised terms used in these sections or elsewhere in this Pricing Supplement have the meanings given to them in the Offering Circular. If the information in these sections differs from the information in the Offering Circular, you should rely on the information in these sections.

INVESTMENT CONSIDERATIONS

The administrator of SOFR or any related indices may make changes that could change the value of SOFR or any related index, or discontinue SOFR or any related index.

The Federal Reserve or the Bank of New York (or their successors) as administrators of SOFR (and the SOFR Index), may make methodological or other changes that could change the value of these risk-free rates and/or indices, including changes related to the method by which such risk-free rate is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR or any related indices. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or any related index (in which case a fallback method of determining the interest rate on the Floating Rate Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing any such risk-free rate.

The Notes may not be a suitable investment for all investors seeking exposure to social assets.

The Bank will allocate an amount equivalent to the net proceeds from the issuance of the Notes to finance and/or refinance new and/or existing loans extended to entities or projects that fall within the Employment Generation Social Eligible Category, in particular, Small- and Medium-Sized Enterprises and start-up companies that have been established for a period of less than seven years at the time of such financing and/or refinancing in accordance with the Bank's Sustainability Financing Framework, which is in alignment with the Sustainability Bond Guidelines 2021, the Green Bond Principles 2021 and the Social Bond Principles 2021 published by the International Capital Markets Association as well as the Green Loan Principles 2023 and the Social Loan Principles 2023 jointly published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association. See "Use of Proceeds." The examples of Social Eligible Categories provided in "Use of Proceeds" are for illustrative purposes only and no assurance can be provided that loans to entities or projects with these specific characteristics will be made by the Bank during the term of the Notes. The Bank's Sustainability Financing Framework and the Second Party Opinion (as defined in "Use of Proceeds") are not incorporated into, and do not form a part of, this Pricing Supplement or the Offering Circular.

There is currently no market consensus on what precise attributes are required for a particular loan or series of notes to be defined as "social," and therefore no assurance can be provided to investors that selected Social Eligible Categories will meet all investor expectations regarding social impact. Although the Social Eligible Category will be selected in accordance with the categories recognised under the Bank's Sustainability Financing Framework, and will be developed in accordance with relevant legislation and standards, there can be no guarantee that the loans will deliver the social benefits as anticipated, or that adverse social impact will not occur during the term of the Notes. In addition, where any negative impact is insufficiently mitigated, any loans extended may become controversial and may be criticised by activist groups or other stakeholders.

The Second Party Opinion provides an opinion on certain environmental and related considerations but is not intended to address any credit, market or other aspects of an investment in the Notes including, without limitation, market price, marketability, investor preference or suitability of any security. The Second Party

Opinion is not a statement of fact. No representation or assurance is given by the Managers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with any issue of Notes issued as social bonds. Currently, the providers of second party opinions and providers of similar opinions, certifications and validations are not subject to any specific regulatory or other regime or oversight. The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risks discussed above and other factors that may affect the value of the Notes. The Second Party Opinion and any other such opinion is not, nor should be deemed to be, a recommendation by the Managers, or any other person to buy, sell or hold securities and is only current as of the date that the Second Party Opinion was initially issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein. The Bank's Sustainability Financing Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Pricing Supplement and/or the Offering Circular. In addition, although the Bank has agreed to certain reporting and use of proceeds obligations in connection with certain social criteria, its failure to comply with such obligations will not constitute a breach or an event of default under the Notes. A withdrawal of the Second Party Opinion or any failure by the Bank to use an amount equivalent to the net proceeds from the issuance of the Notes on Social Eligible Categories or to meet or continue to meet the investment requirements of certain socially-focused investors with respect to the Notes may affect the value of the Notes and may have consequences for certain investors with portfolio mandates to invest in social assets.

No assurance can be provided with respect to the suitability of the Second Party Opinion or that the Notes will fulfil the criteria required to qualify as social bonds. The Managers make no assurances as to (i) whether the notes will meet investor criteria and expectations with regard to social impact and social performance for any investors, (ii) whether the net proceeds will be used for Social Eligible Categories or (iii) the characteristics of the Social Eligible Categories, including their social criteria. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Pricing Supplement and the Offering Circular regarding the use of the net proceeds from the issuance of the Notes and its purchase of the Notes should be based upon such investigation as it deems necessary.

USE OF PROCEEDS

This section includes information relating to the Bank's Sustainability Financing Framework. None of the Managers is responsible for the assessment of the Bank's Sustainability Financing Framework. The Bank's Sustainability Financing Framework, the Second Party Opinion and any other similar opinion (including any content of websites or webpages references to which hyperlinks are included in this Pricing Supplement) does not form part of, nor is incorporated by reference in, this Pricing Supplement or the Offering Circular.

The net proceeds from the issuance of the Notes are expected to be U.S.\$994,515,000, after deducting a combined management and underwriting commission but not estimated expenses of the offering. The Bank will allocate an amount equivalent to the net proceeds from the issuance of the Notes (the **SME Empowerment and Relief Themed Social Bond Proceeds**) to finance and/or refinance new and/or existing loans extended to entities or projects that fall within the Employment Generation Social Eligible Category, in particular, Small- and Medium-Sized Enterprises (SMEs) and start-up companies that have been established for a period of less than seven years at the time of such financing and/or refinancing (the **Social Eligible Category**) in accordance with its Sustainability Financing Framework, which is in alignment with the Sustainability Bond Guidelines 2021, the Green Bond Principles 2021 and the Social Bond Principles 2021 published by the International Capital Markets Association as well as the Green Loan Principles 2023 and the Social Loan Principles 2023 jointly published by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association. Furthermore, SMEs are expected to face increasing challenges due to fluctuations in exchange rates, evolving U.S. tariff policies and volatile and rising raw material prices. In response, the Bank aims to support SMEs affected by high interest rates, cost pressures and currency volatility. By enhancing access to finance and delivering innovative financial solutions, the Bank seeks to mobilize capital aligned with the Social Eligible Category to help SMEs navigate external economic pressures. Through these initiatives, the Bank is committed to advancing the sustainability and long-term growth of SMEs, in furtherance of the United Nations Sustainability Development Goal No. 8, "Decent Work & Economic Growth", Goal No.9 "Industry, Innovation & Infrastructure" and Goal No.10 "Reduced Inequalities".

Examples of Social Eligible Categories under the "Employment generation" category of the Bank's Sustainability Financing Framework include: loans to (i) companies categorised as Small and Medium Enterprises under the Enforcement Decree of the Framework Act on Small and Medium Enterprises and with less than 10 employees; (ii) job creating companies with more than 50 employees that have (a) hiring programmes committed to increasing the number of employees by at least 5% compared to the previous financial year end, (b) been awarded outperforming job creation certificates from the Ministry of Employment and Labour or other local government agencies, (c) been selected for relevant awards related to job creation by government and local government agencies or (d) been certified as social enterprises by the Korean Ministry of Employment and Labour and (iii) start-up companies that have been established for a period of less than seven years in industries excluding those involving luxury sectors, child labour, adult entertainment, weapons, alcohol, tobacco, fossil fuel, nuclear power or large-scale hydro power projects with a generating capacity of more than 25 megawatts.

Project Evaluation and Selection Process

Under the Bank's project evaluation and selection process, the social eligible projects will be initially identified and proposed by the Bank's business units if they have met all lending criteria established by the Bank for lending in the ordinary course of its business. The Bank's Sustainability Financing Working Group (the **SFWG**), which is composed of representatives from the Treasury Department, Strategy Planning Department, ESG Management Team, Corporate Customer Department, Innovative Investment Department, IBK Consulting Service Department, Investment Banking Department, Project Financing Department, Infrastructure Financing Team, Corporate Social Responsibility Department, Credit Strategy Department, General Affairs Department and Risk Management Department, will review the proposed social eligible projects to determine their compliance

with the Bank's Sustainability Financing Framework. The SFWG will review the allocation of proceeds on an annual basis to determine whether any changes or updates to the existing allocations would be necessary.

Management of Proceeds

The SME Empowerment and Relief Themed Social Bond Proceeds will be deposited in the Bank's general funding accounts and earmarked for allocation to the Social Eligible Category. The allocation of the SME Empowerment and Relief Themed Social Bond Proceeds will be recorded in a register, which will contain the details of the social bonds and their use of proceeds. For the avoidance of doubt, for multi-tranche financing, the Bank will only consider tranches which are aligned with this Sustainability Financing Framework. The SME Empowerment and Relief Themed Social Bond Proceeds will be managed by the SFWG, and any balance of such proceeds not yet allocated to the Social Eligible Category will be managed in accordance with the Bank's general and prudent liquidity management policies and may be invested domestically or internationally in money market instruments with good credit ratings and market liquidity until they are allocated to such Social Eligible Category. The Bank intends to fully allocate the SME Empowerment and Relief Themed Social Bond Proceeds within 36 months after the issuance or closing of such social bonds.

Reporting

Within one year of the social bond issuance, and until full allocation of the proceeds, the Bank will publish on its website the information of allocation reporting and impact reporting on an annual basis in a Social Financing Progress Report. The allocation reporting will comprise the (i) confirmation that the use of proceeds of the social bond issuance complies with the Bank's Sustainability Financing Framework, (ii) details of the allocation of SME Empowerment and Relief Themed Social Bond Proceeds, including the net amount, (iii) list and breakdown of Social Eligible Category by geography and sector and (iv) balance of unallocated proceeds. The impact reporting will be disclosed where feasible and will comprise qualitative social impact analysis, as well as quantitative social performance indicators (if reasonably practicable), on loans extended to entities or projects that fall within the Social Eligible Category. Sustainalytics, an external consultant, issued an opinion dated 8 May 2023 regarding the suitability of the Notes as an investment in connection with certain criteria (the **Second Party Opinion**). The Second Party Opinion and the Bank's Sustainability Financing Framework are publicly available on the following website: <https://global.ibk.co.kr/en/investor/Commitment>. See "*Investment Considerations – The Notes may not be a suitable investment for all investors seeking exposure to social assets*" above.

CAPITALISATION OF THE BANK

Separate Capitalisation of the Bank

The following table sets forth the Bank's separate capitalisation as of 31 March 2025. This information has been extracted from the Bank's unaudited interim separate financial statements as of 31 March 2025 included elsewhere in this Pricing Supplement.

	<u>As of 31 March 2025</u> (in billions of Won)
Borrowings and debentures	
Borrowings	₩ 40,106
Debentures	183,555
Total borrowings and debentures	<u>₩223,661</u>
Equity	
Share capital ⁽¹⁾	₩ 4,211
Hybrid capital instruments	4,483
Capital surplus	1,162
Capital adjustment	(0)
Accumulated other comprehensive income	819
Retained earnings ⁽²⁾	20,765
Total equity	<u>₩ 31,439</u>
Total capitalisation⁽³⁾	<u>₩255,100</u>

Notes:

- (1) Authorised share capital: 2 billion shares (par value: ₩5,000); issued and outstanding ordinary shares: 797,425,869 ordinary shares.
- (2) Includes regulatory reserve for credit losses of ₩3,393 billion. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.
- (3) Represents the sum of borrowings and debentures and equity.

There has been no material change in the Bank's separate capitalisation since 31 March 2025.

Consolidated Capitalisation of the Bank

The following table sets forth the Bank's consolidated capitalisation as of 31 March 2025. This information has been extracted from the Bank's unaudited interim consolidated financial statements as of 31 March 2025 included elsewhere in this Pricing Supplement.

	As of 31 March 2025
	(in billions of Won)
Borrowings and debentures	
Borrowings	₩ 46,943
Debentures	192,533
Total borrowings and debentures	₩239,476
Equity	
Share capital ⁽¹⁾	₩ 4,211
Hybrid capital instruments	4,483
Capital surplus	1,173
Capital adjustment	(0)
Accumulated other comprehensive income	635
Retained earnings ⁽²⁾	23,519
Non-controlling interest	283
Total equity	₩ 34,304
Total capitalisation⁽³⁾	₩273,780

Notes:

- (1) Authorised share capital: 2 billion shares (par value: ₩5,000); issued and outstanding ordinary shares: 797,425,869 ordinary shares.
- (2) Includes regulatory reserve for credit losses of ₩3,567 billion. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.
- (3) Represents the sum of borrowings and debentures and equity.

There has been no material change in the Bank's consolidated capitalisation since 31 March 2025.

SELECTED FINANCIAL INFORMATION

Separate Financial Information of the Bank

The following tables set forth selected separate financial information of the Bank as of 31 December 2024 and 31 March 2025 and for the three-month periods ended 31 March 2024 and 2025. The selected separate financial information below has been derived from, and should be read in conjunction with, the Bank's unaudited interim separate financial statements included elsewhere in this Pricing Supplement, which have been prepared in accordance with K-IFRS 1034 *Interim Financial Reporting*. References in this section or elsewhere in this Pricing Supplement to "separate" financial statements and information are to financial statements and information prepared on a non-consolidated basis.

Any unaudited financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit nor taken as an indication of the expected financial condition and results of operations of the Bank for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Bank's financial condition and results of operations.

	For the three-month period ended 31 March	
	2024	2025
	(in billions of Won, except per share data)	
Separate Statements of Comprehensive Income		
Net interest income		
Interest income	₩ 4,339	₩ 4,120
Interest expense	(2,513)	(2,337)
	1,826	1,783
Net fee and commission income		
Fee and commission income	170	157
Fee and commission expense	(97)	(98)
	73	60
Net gains on financial instruments at fair value through profit or loss	31	250
Net gains (losses) on derivative financial instruments for hedge accounting	(15)	4
Gains on disposal of financial assets at amortised cost	32	22
Net gains on financial assets at fair value through other comprehensive income	60	78
Net gains (losses) on foreign currency transactions	66	(74)
Gross operating profit	2,073	2,123
Impairment losses on financial assets ⁽¹⁾	(345)	(304)
Net operating profit	1,728	1,819
Employee-related expenses	(337)	(360)
Other general and administrative expenses	(300)	(339)
Net other operating expenses	(136)	(159)
Operating profit	955	962
Non-operating income (expense)	(26)	14
Profit before income tax	929	975
Income tax expense	(218)	(215)
Profit for the period ⁽²⁾	711	760
Other comprehensive gains (losses) for the period, net of tax	39	(14)
Total comprehensive income for the period	750	747
Earnings per share (Korean won)		
Basic and diluted earnings per share ⁽³⁾	₩ 841	₩ 901

Notes:

- (1) Includes provision for impairment of loan receivables at amortised cost of ₩344 billion and ₩302 billion for the three-month periods ended 31 March 2024 and 2025, respectively. See Note 7 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. For the three-month periods ended 31 March 2024 and 2025, the Bank's provision of reserve for credit losses was ₩123 billion and ₩89 billion, respectively. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.
- (2) The Bank's adjusted profit for the three-month periods ended 31 March 2024 and 2025, after deducting provisions of regulatory reserve for credit losses, was ₩589 billion and ₩671 billion, respectively. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.
- (3) The Bank's adjusted earnings per share for the three-month periods ended 31 March 2024 and 2025, after deducting provisions of regulatory reserve for credit losses, were ₩688 and ₩789, respectively. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

	As of 31 December	As of 31 March
	2024	2025
	(in billions of Won)	
Separate Statements of Financial Position		
Assets:		
Cash and due from banks	₩ 15,900	₩ 17,406
Financial assets at fair value through profit or loss	15,576	16,452
Financial assets at fair value through other comprehensive income	25,277	25,145
Securities at amortised cost, net	33,487	34,668
Loan receivables at amortised cost, net ⁽¹⁾	324,892	329,037
Derivative financial assets for hedge accounting	72	79
Investments in subsidiaries and associates	3,655	3,848
Investment properties, net	67	67
Property and equipment, net	2,411	2,427
Intangible assets, net	205	214
Net defined benefit assets	23	1
Deferred tax assets	2	2
Other assets	9,711	12,175
Total assets	₩431,278	₩ 441,521
Liabilities:		
Financial liabilities at fair value through profit or loss	₩ 3,861	₩ 3,209
Deposit liabilities	151,141	154,857
Borrowings	38,130	40,106
Debentures	183,968	183,555
Derivative financial liabilities for hedge accounting	179	142
Provisions	875	864
Deferred tax liabilities	458	441
Other liabilities	21,252	26,908
Total liabilities	₩399,864	₩ 410,082
Equity:		
Share capital	₩ 4,211	₩ 4,211
Hybrid capital instruments	4,313	4,483
Capital surplus	1,162	1,162
Capital adjustment	(0)	(0)
Accumulated other comprehensive income	832	819
Retained earnings ⁽²⁾	20,896	20,765
Total equity	₩ 31,415	₩ 31,439
Total liabilities and equity	₩431,278	₩ 441,521

Notes:

- (1) After adding deferred loan origination fees and costs of ₩697 billion and ₩704 billion, and deducting provision for impairment of loan receivables at amortised cost of ₩4,812 billion and ₩4,790 billion, as of 31 December 2024 and 31 March 2025, respectively. See Note 7 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.
- (2) Includes regulatory reserve for credit losses of ₩3,156 billion and ₩3,393 billion as of 31 December 2024 and 31 March 2025, respectively. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

Consolidated Financial Information of the Bank

The following tables set forth selected consolidated financial information of the Bank as of 31 December 2024 and 31 March 2025 and for the three-month periods ended 31 March 2024 and 2025. The selected consolidated financial information below has been derived from, and should be read in conjunction with, the Bank's unaudited interim consolidated financial statements included elsewhere in this Pricing Supplement, which have been prepared in accordance with K-IFRS 1034 *Interim Financial Reporting*.

Any unaudited financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit nor taken as an indication of the expected financial condition and results of operations of the Bank for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Bank's financial condition and results of operations.

	For the three-month period ended 31 March	
	2024	2025
	(in billions of Won, except per share data)	
Consolidated Statements of Comprehensive Income		
Net interest income		
Interest income	₩ 4,753	₩ 4,544
Interest expense	(2,775)	(2,623)
	1,978	1,921
Net fee and commission income		
Fee and commission income	205	202
Fee and commission expense	(108)	(108)
	97	94
Net gains on financial instruments at fair value through profit or loss	78	301
Net losses on financial instruments designated at fair value through profit and loss	(16)	(30)
Net gains (losses) on derivative financial instruments for hedge accounting	(60)	3
Gains on disposal of financial assets at amortised cost	36	22
Net gains from financial assets at fair value through other comprehensive income	63	81
Insurance gains	6	10
Net gains (losses) on foreign currency transactions	133	(66)
Gross operating profit	2,315	2,335
Impairment losses on financial assets ⁽¹⁾	(383)	(319)
Net operating profit	1,932	2,016
Employee-related expenses	(398)	(412)
Other general and administrative expenses	(299)	(335)
Net other operating expenses	(205)	(244)
Operating profit	1,030	1,024
Non-operating income (expense)	(3)	25
Profit before income tax	1,027	1,049
Income tax expense	(243)	(235)
Profit for the period ⁽²⁾	784	814
Other comprehensive gains (losses) for the period, net of tax	37	(25)
Total comprehensive income for the period	821	789
Earnings per share (Korean won)		
Basic and diluted earnings per share ⁽³⁾	₩ 929	₩ 961

Notes:

- (1) Includes provision for impairment of loan receivables at amortised cost of ₩381 billion and ₩316 billion for the three-month periods ended 31 March 2024 and 2025, respectively. See Note 7 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. For the three-month periods ended 31 March 2024 and 2025, the Bank's provision of reserve for credit losses was ₩126 billion and ₩92 billion, respectively. See Note 25 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.
- (2) The Bank's adjusted profit for the three-month periods ended 31 March 2024 and 2025, after deducting provisions of regulatory reserve for credit losses, was ₩659 billion and ₩722 billion, respectively. See Note 25 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.
- (3) The Bank's adjusted earnings per share for the three-month periods ended 31 March 2024 and 2025, after deducting provisions of regulatory reserve for credit losses, were ₩771 and ₩846, respectively. See Note 25 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.

	As of 31 December 2024	As of 31 March 2025
	(in billions of Won)	
Consolidated Statements of Financial Position		
Assets:		
Cash and due from banks	₩ 18,083	₩ 19,505
Financial assets at fair value through profit or loss	26,358	28,150
Financial assets at fair value through other comprehensive income	32,924	33,160
Securities at amortised cost, net	35,424	36,674
Loan receivables at amortised cost, net ⁽¹⁾	343,900	347,464
Derivative financial assets for hedge accounting	72	79
Investments in associates	2,052	2,138
Investment properties, net	86	86
Property and equipment, net	2,480	2,493
Intangible assets, net	348	359
Net defined benefit assets	33	9
Deferred tax assets	102	107
Other assets	10,358	13,174
Total assets	₩472,220	₩483,397
Liabilities:		
Financial liabilities at fair value through profit or loss	₩ 5,455	₩ 5,000
Financial liabilities designated at fair value through profit or loss	1,492	1,594
Deposit liabilities	158,256	161,935
Borrowings	44,777	46,943
Debentures	193,151	192,533
Derivative financial liabilities for hedge accounting	295	240
Insurance contract liabilities	7,853	8,024
Provisions	902	891
Deferred tax liabilities	456	436
Other liabilities	25,352	31,496
Total liabilities	₩437,989	₩449,093
Equity:		
Issued capital	₩ 4,211	₩ 4,211
Hybrid capital instruments	4,313	4,483
Capital surplus	1,170	1,173
Capital adjustment	(0)	(0)
Accumulated other comprehensive income (loss)	659	635
Retained earnings ⁽²⁾	23,593	23,519
Non-controlling interest	284	283
Total equity	₩ 34,231	₩ 34,304
Total liabilities and equity	₩472,220	₩483,397

Notes:

- (1) After adding deferred loan origination fees and costs of ₩692 billion and ₩703 billion, and deducting provision for impairment of loan receivables at amortised cost of ₩5,081 billion and ₩5,065 billion, as of 31 December 2024 and 31 March 2025, respectively. See Note 7 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.
- (2) Includes regulatory reserve for credit losses of ₩3,344 billion and ₩3,567 billion as of 31 December 2024 and 31 March 2025, respectively. Pursuant to the guidelines of the FSS, if the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank compensates for the difference by recording a regulatory reserve for credit losses and segregating such reserve within retained earnings. See Note 25 of the notes to the Bank's unaudited interim consolidated financial statements appearing elsewhere in this Pricing Supplement.

Selected Financial Ratios

Except as otherwise indicated, the following ratios are calculated based on the Bank's separate financial statements as of the dates or for the periods indicated.

	As of 31 December or 31 March, or for the three- month period ended 31 March	
	2024	2025
Average return on assets ⁽¹⁾	0.7%	0.7%
Average return on equity ⁽²⁾	10.0	9.7
Cost-to-income ratio ⁽³⁾	30.7	32.9
Cost-to-average-assets ratio ⁽⁴⁾	0.6	0.7
Net interest margin ⁽⁵⁾	2.0	1.9
Equity/total assets ⁽⁶⁾	7.3	7.1
Provision for impairment/total loans ⁽⁷⁾	1.5	1.4

Notes:

- (1) Defined as annualised profit for the period divided by the daily average balance of total assets (calculated in accordance with FSS reporting guidelines) for the three-month periods ended 31 March 2024 and 2025.
- (2) Defined as annualised profit for the period divided by the daily average balance of total equity (calculated in accordance with FSS reporting guidelines) for the three-month periods ended 31 March 2024 and 2025.
- (3) Defined as the sum of employee-related expenses (₩337 billion and ₩360 billion, for the three-month periods ended 31 March 2024 and 2025, respectively) and other general and administrative expenses (₩300 billion and ₩339 billion for the three-month periods ended 31 March 2024 and 2025, respectively) divided by gross operating profit (₩2,073 billion and ₩2,123 billion for the three-month periods ended 31 March 2024 and 2025, respectively).
- (4) Defined as the annualised sum of employee-related expenses and other general and administrative expenses divided by the daily average balance of total assets (calculated in accordance with FSS reporting guidelines) for the three-month periods ended 31 March 2024 and 2025.
- (5) Defined as annualised net interest income divided by the daily average balance of interest-earning assets for the three-month periods ended 31 March 2024 and 2025.
- (6) Represents the ratio of total equity (₩31,415 billion and ₩31,439 billion as of 31 December 2024 and 31 March 2025, respectively) to total assets (₩431,278 billion and ₩441,521 billion as of 31 December 2024 and 31 March 2025, respectively).
- (7) Represents the ratio of provision for impairment to total loans (calculated in accordance with FSS reporting guidelines) as of 31 December 2024 and 31 March 2025.

Capital Adequacy Ratios

The following table sets forth the capital adequacy ratios of the Bank on a consolidated basis as of 31 March 2025.

	As of 31 March 2025
Common equity Tier I capital adequacy ratio ⁽¹⁾	11.40%
Tier I capital adequacy ratio ⁽²⁾	13.16
Tier II capital adequacy ratio ⁽³⁾	1.62
Total risk-based capital adequacy ratio ⁽⁴⁾	14.78

Notes:

- (1) Represents the ratio of common equity Tier I capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).
- (2) Represents the ratio of Tier I capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).
- (3) Represents the ratio of Tier II capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).
- (4) Represents the ratio of the sum of Tier I and Tier II capital to risk-weighted assets on a consolidated basis (calculated in accordance with FSS reporting guidelines).

SELECTED STATISTICAL DATA

Average Balances, Interest and Rates

The following table sets forth, on a separate basis, the Bank's average balances of assets and liabilities for the three-month periods ended 31 March 2024 and 2025 and, for interest-earning assets and interest-bearing liabilities, provides the amount of interest earned or paid and the average yield or cost, in each case on a separate basis under K-IFRS. For the purposes of this table, average balances have been determined based upon daily average balances. The average yield on interest-earning assets is the ratio of annualised interest income to average interest-earning assets and the average cost on interest-bearing liabilities is the ratio of annualised interest expense to average interest-bearing liabilities.

	For the three-month period ended 31 March					
	2024			2025		
	Average balance	Interest income	Average yield	Average balance	Interest income	Average yield
		(in billions of Won, except percentages)				
Assets:						
Cash and due from banks	₩ 5,469	₩ 40	2.94%	₩ 6,586	₩ 45	2.77%
Securities						
Financial assets at fair value through profit or loss ⁽¹⁾	3,598	34	3.80	3,984	32	3.26
Financial assets at fair value through other comprehensive income	22,781	184	3.25	23,522	199	3.43
Securities at amortised cost	35,083	243	2.79	33,857	241	2.89
Total securities	61,462	461	3.02	61,363	472	3.12
Loan receivables						
Won	280,740	3,443	4.93	296,931	3,258	4.45
Foreign currency	4,451	70	6.33	5,015	68	5.50
Inter-bank loans	5,760	83	5.80	2,274	29	5.17
Credit card accounts	3,345	126	15.15	3,457	125	14.66
Others	8,210	62	3.04	9,913	71	2.90
Total loan receivables ⁽²⁾	302,506	3,784	5.03	317,590	3,551	4.53
Other assets						
Other assets	594	54	36.56	612	52	34.46
Total average interest-earning assets	370,031	4,339	4.72	386,151	4,120	4.33
Total average non-interest-earning assets	36,640	—	—	42,507	—	—
Total average assets	₩406,671	₩4,339	4.29%	₩428,658	₩4,120	3.90%

For the three-month period ended 31 March

	2024		2025	
	Average balance	Interest expense (in billions of Won, except percentages)	Average balance	Average cost
Liabilities and Equity:				
Deposit liabilities				
Won	₩124,700	₩ 406	₩128,165	₩ 362
Foreign currency	16,743	97	17,266	86
Total deposit liabilities	141,443	503	145,431	448
Borrowings and debentures				
Borrowings				
Borrowings from Korean government and the BOK	31,523	188	32,543	160
Foreign currency	4,102	38	5,311	48
Other	1,850	18	2,209	20
Debentures				
SMIF Bonds in Won	168,916	1,628	179,419	1,534
Foreign currency	5,455	73	5,178	69
Total borrowings and debentures	211,846	1,945	224,660	1,831
Other liabilities	6,625	65	7,211	58
Total average interest-bearing liabilities	359,914	2,513	377,302	2,337
Total average non-interest-bearing liabilities	18,104	—	19,490	—
Total average liabilities	378,018	2,513	396,792	2,337
Total equity	28,653	—	31,866	—
Total average liabilities and equity	₩406,671	₩2,513	₩428,658	₩2,337

Notes:

- (1) Includes loan receivables at fair value through profit or loss.
(2) Includes provision for impairment and loan origination fees and costs.

Analysis of Changes in Interest Income and Interest Expense – Volume and Rate Analysis

The following table provides, on a separate basis, an analysis of changes in interest income, interest expense and net interest income under K-IFRS based on changes in volume and changes in rates for the three-month period ended 31 March 2025 compared to the three-month period ended 31 March 2024. Volume and rate variances have been calculated on the movement in average balances and the change in the interest rates on average interest-earning assets and average interest-bearing liabilities in proportion to absolute volume and rate change. The variance caused by the change in both volume and rate has been allocated in proportion to absolute volume and rate change.

	Three-month period ended 31 March 2025 vs. Three-month period ended 31 March 2024 Increase/(Decrease) Due to		
	Change in Average Volume	Change in Average Rate	Net Change
Interest income from:			
Cash and due from banks	₩ 18	₩ (13)	₩ 5
Securities			
Financial assets at fair value through profit or loss ⁽¹⁾	16	(18)	(2)
Financial assets at fair value through other comprehensive income	6	9	15
Securities at amortised cost	(36)	34	(2)
Total securities	(14)	25	11
Loan receivables			
Won	934	(1,119)	(185)
Foreign currency	35	(37)	(2)
Inter-bank loans	(46)	(8)	(54)
Credit card accounts	16	(17)	(1)
Others	26	(17)	9
Total loan receivables ⁽²⁾	965	(1,198)	(233)
Other assets	8	(10)	(2)
Total interest income	977	(1,196)	(219)
Interest expense on:			
Deposit liabilities			
Won	66	(110)	(44)
Foreign currency	18	(29)	(11)
Total deposit liabilities	84	(139)	(55)
Borrowings and debentures			
Borrowings			
Borrowings from Government and the BOK	37	(65)	(28)
Foreign currency	14	(4)	10
Other	8	(6)	2
Debentures			
SMIF Bonds in Won	478	(572)	(94)
Foreign currency	(6)	2	(4)
Total borrowings and debentures	531	(645)	(114)
Other liabilities	28	(35)	(7)
Total interest expense	643	(819)	(176)
Net interest income	₩334	₩ (377)	₩ (43)

Notes:

- (1) Includes loan receivables at fair value through profit or loss.
- (2) Includes provision for impairment and loan origination fees and costs.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based on the Bank's unaudited interim separate financial statements as of 31 March 2025 and for the three-month periods ended 31 March 2024 and 2025. This discussion and analysis of the Bank's financial condition and results of operations should be read in conjunction with the Bank's unaudited interim separate financial statements and accompanying notes that appear elsewhere in this Pricing Supplement. This discussion contains forward-looking statements that involve risks and uncertainties and reflects the Bank's current plans, estimates and beliefs with respect to future events and financial performance. Actual results may differ materially from those discussed in these forward-looking statements due to a number of factors, including those discussed in "Investment Considerations" and elsewhere in this Pricing Supplement and the Offering Circular.

The Bank's separate financial statements and accompanying notes have been prepared in accordance with K-IFRS 1034 Interim Financial Reporting. Any unaudited financial statements should not be relied upon to provide the same quality of information associated with information that has been subject to an audit nor taken as an indication of the expected financial condition and results of operations of the Bank for the relevant full financial year. Potential investors must exercise caution when using such data to evaluate the Bank's financial condition and results of operations.

All financial information set forth herein, unless stated otherwise, is presented on a separate basis.

Factors Affecting the Bank's Financial Condition and Results of Operations

Changes in Securities Values, Exchange Rates and Interest Rates

Fluctuations of exchange rates, interest rates and stock prices affect, among other things, the demand for the Bank's products and services, the value of and rate of return on the Bank's assets, the availability and cost of funding and the financial condition of the Bank's customers. The following table shows, for the date indicated, the stock price index of all equities listed on the KRX KOSPI Market (formerly known as the Stock Market Division of the Korea Exchange) as published in KOSPI, the Won to U.S. dollar exchange rates and benchmark Won borrowing interest rates.

	31 March 2025
KOSPI	2,481.1
₩/U.S.\$ exchange rate ⁽¹⁾	₩1,466.5
Corporate bond rate ⁽²⁾	3.1%
Treasury bond rate ⁽³⁾	2.6%

Notes:

- (1) Represents the Market Average Exchange Rate in effect on such date.
- (2) Measured by the yield on three-year Korean corporate bonds rated as AA- by the Korean credit rating agencies.
- (3) Measured by the yield on three-year treasury bonds issued by the Ministry of Economy and Finance.

Results of Operations

Net Interest Income

The following table sets forth the principal components of the Bank's interest income and expense for the three-month periods ended 31 March 2024 and 2025, as well as changes in these components between such periods in percentage terms.

	Three-month period ended 31 March		Percentage Change
	2024	2025	2024 1Q/2025 1Q
	(in billions of Won)		(per cent.)
Interest income			
Cash and due from banks	₩ 40	₩ 45	12.5%
Securities:			
Financial assets at fair value through profit or loss	34	31	(8.8)
Financial assets at fair value through other comprehensive income	184	199	8.2
Securities at amortised cost	243	241	(0.8)
Securities	461	471	2.2
Loan receivables at amortised cost	3,784	3,552	(6.1)
Others	54	52	(3.7)
Total interest income	4,339	4,120	(5.0)
Interest expense			
Deposit liabilities	503	448	(10.9)
Borrowings	244	228	(6.6)
Debentures	1,701	1,603	(5.8)
Others	65	58	(10.8)
Total interest expense	2,513	2,337	(7.0)
Net interest income	<u>₩1,826</u>	<u>₩1,783</u>	(2.4)

Comparison of the Three-Month Period Ended 31 March 2025 to the Three-Month Period Ended 31 March 2024

Interest Income

Interest income decreased 5.0 per cent. from ₩4,339 billion in the three-month period ended 31 March 2024 to ₩4,120 billion in the three-month period ended 31 March 2025, primarily due to a 6.1 per cent. decrease in interest on loan receivables at amortised cost, which was slightly offset by a 2.2 per cent. increase in interest on securities, which include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and securities at amortised cost. The annualised average yield on the Bank's interest-earning assets decreased by 39 basis points from 4.72 per cent. in the three-month period ended 31 March 2024 to 4.33 per cent. in the three-month period ended 31 March 2025, which was driven mainly by a decrease in the annualised average yield on loan receivables at amortised cost. The effect of this decrease was significantly offset by a 4.4 per cent. increase in the average balance of interest-earning assets from ₩370,031 billion in the three-month period ended 31 March 2024 to ₩386,151 billion in the three-month period ended 31 March 2025, principally due to growth in the Bank's loan portfolio.

The 6.1 per cent. decrease in interest on loan receivables at amortised cost from ₩3,784 billion in the three-month period ended 31 March 2024 to ₩3,552 billion in the three-month period ended 31 March 2025 was

primarily due to a 48 basis point decrease in the annualised average yield on loans in Won from 4.93 per cent. in the three-month period ended 31 March 2024 to 4.45 per cent. in the three-month period ended 31 March 2025. The effect of this decrease was partially offset by a 5.8 per cent. increase in the average balance of such loans, which by far comprised the largest portion of the Bank's loan receivables at amortised cost, from ₩280,740 billion in the three-month period ended 31 March 2024 to ₩296,931 billion in the three-month period ended 31 March 2025. The decrease in the annualised average yield on loans in Won mainly reflected a decrease in the general level of interest rates in Korea in the first three months of 2025 compared to the first three months of 2024. The increase in the average balance of loans in Won mainly reflected continued efforts by the Bank to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises.

The 2.2 per cent. increase in interest on securities from ₩461 billion in the three-month period ended 31 March 2024 to ₩471 billion in the three-month period ended 31 March 2025 was primarily due to a 10 basis point increase in the annualised average yield on securities from 3.02 per cent. in the three-month period ended 31 March 2024 to 3.12 per cent. in the three-month period ended 31 March 2025. The effect of this increase was partially offset by a 0.2 per cent. decrease in the average balance of securities from ₩61,462 billion in the three-month period ended 31 March 2024 to ₩61,363 billion in the three-month period ended 31 March 2025. The increase in the annualised average yield on securities was due to increases in the annualised average yields on financial assets at fair value through other comprehensive income and securities at amortised cost, which were offset in part by a decrease in the annualised average yield on financial assets at fair value through profit or loss. The decrease in the average balance of securities mainly reflected a decrease in securities at amortised cost, which was partially offset by increases in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

Interest Expense

Interest expense decreased 7.0 per cent. from ₩2,513 billion in the three-month period ended 31 March 2024 to ₩2,337 billion in the three-month period ended 31 March 2025, primarily due to a 5.8 per cent. decrease in interest expense on debentures, a 10.9 per cent. decrease in interest expense on deposit liabilities and a 6.6 per cent. decrease in interest expense on borrowings. The annualised average cost of interest-bearing liabilities decreased by 30 basis points from 2.81 per cent. in the three-month period ended 31 March 2024 to 2.51 per cent. in the three-month period ended 31 March 2025, which was driven mainly by decreases in the annualised average costs of debentures, deposit liabilities and borrowings. The effect of this decrease was significantly offset by a 4.8 per cent. increase in the average balance of interest-bearing liabilities from ₩359,914 billion in the three-month period ended 31 March 2024 to ₩377,302 billion in the three-month period ended 31 March 2025, due to increases in the average balances of debentures, deposit liabilities and borrowings.

The 5.8 per cent. decrease in interest expense on debentures from ₩1,701 billion in the three-month period ended 31 March 2024 to ₩1,603 billion in the three-month period ended 31 March 2025 resulted primarily from a 5.8 per cent. decrease in interest expense on SMIF Bonds in Won from ₩1,628 billion in the three-month period ended 31 March 2024 to ₩1,534 billion in the three-month period ended 31 March 2025. The decrease in interest expense on SMIF Bonds in Won was due to a 41 basis point decrease in the annualised average cost of such bonds from 3.88 per cent. in the three-month period ended 31 March 2024 to 3.47 per cent. in the three-month period ended 31 March 2025, which was significantly offset by a 6.2 per cent. increase in the average balance of such bonds from ₩168,916 billion in the three-month period ended 31 March 2024 to ₩179,419 billion in the three-month period ended 31 March 2025. The decrease in the annualised average cost of SMIF Bonds in Won mainly reflected a decrease in the general level of interest rates in Korea in the first three months of 2025 compared to the first three months of 2024, while the increase in the average balance of such bonds mainly reflected an increase in the Bank's funding needs, which arose from the Bank's efforts to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises.

The 10.9 per cent. decrease in interest expense on deposit liabilities from ₩503 billion in the three-month period ended 31 March 2024 to ₩448 billion in the three-month period ended 31 March 2025 resulted primarily from a 10.8 per cent. decrease in interest expense on deposit liabilities in Won from ₩406 billion in the three-month period ended 31 March 2024 to ₩362 billion in the three-month period ended 31 March 2025. Such decrease in interest expense on deposit liabilities in Won was due to a 16 basis point decrease in the annualised average cost of such deposit liabilities from 1.31 per cent. in the three-month period ended 31 March 2024 to 1.15 per cent. in the three-month period ended 31 March 2025, which was partially offset by a 2.8 per cent. increase in the average balance of such deposit liabilities from ₩124,700 billion in the three-month period ended 31 March 2024 to ₩128,165 billion in the three-month period ended 31 March 2025. The decrease in the annualised average cost of deposit liabilities in Won was primarily due to a decrease in the general level of interest rates in Korea in the first three months of 2025 compared to the first three months of 2024, while the increase in the average balance of such deposits was primarily due to an increase in the Bank's demand deposits, which in turn mainly reflected customers' continuing preference for low-risk products and institutions in Korea in light of the continuing uncertainty in financial markets.

The 6.6 per cent. decrease in interest expense on borrowings from ₩244 billion in the three-month period ended 31 March 2024 to ₩228 billion in the three-month period ended 31 March 2025 was primarily due to a 14.9 per cent. decrease in interest expense on borrowings from the Government and the BOK from ₩188 billion in the three-month period ended 31 March 2024 to ₩160 billion in the three-month period ended 31 March 2025. The decrease in interest expense on borrowings from the Government and the BOK was due to a 41 basis point decrease in the annualised average cost of such borrowings from 2.40 per cent. in the three-month period ended 31 March 2024 to 1.99 per cent. in the three-month period ended 31 March 2025, which was partially offset by a 3.2 per cent. increase in the average balance of such borrowings from ₩31,523 billion in the three-month period ended 31 March 2024 to ₩32,543 billion in the three-month period ended 31 March 2025. The decrease in the annualised average cost of borrowings from the Government and the BOK mainly reflected a decrease in the general level of interest rates in Korea in the first three months of 2025 compared to the first three months of 2024, while the increase in the average balance of such borrowings mainly reflected an increase in the Bank's funding needs, which arose from the Bank's efforts to increase loans to small- and medium-sized enterprises pursuant to the Government's policy of supporting such enterprises as discussed above.

Net Interest Margin

Net interest margin represents the ratio of net interest income (annualised, for interim periods) to average interest-earning assets. The Bank's overall net interest margin decreased from 1.98 per cent. in the three-month period ended 31 March 2024 to 1.87 per cent. in the three-month period ended 31 March 2025, as the 2.4 per cent. decrease in the Bank's net interest income from ₩1,826 billion in the three-month period ended 31 March 2024 to ₩1,783 billion in the three-month period ended 31 March 2025 was enhanced by a 4.4 per cent. increase in the average balance of its interest-earning assets from ₩370,031 billion in the three-month period ended 31 March 2024 to ₩386,151 billion in the three-month period ended 31 March 2025. The growth in average interest-earning assets was accompanied by a 4.8 per cent. increase in average interest-bearing liabilities from ₩359,914 billion in the three-month period ended 31 March 2024 to ₩377,302 billion in the three-month period ended 31 March 2025, while the amount of decrease in interest income outpaced the amount of decrease in interest expense, resulting in the decrease in net interest income. Moreover, the Bank's net interest spread, which represents the difference between the annualised average yield on the Bank's interest-earning assets and the annualised average cost of its interest-bearing liabilities, decreased from 1.91 per cent. in the three-month period ended 31 March 2024 to 1.82 per cent. in the three-month period ended 31 March 2025. The decrease in net interest spread resulted from a larger decrease in the average yield on interest-earning assets compared to the decrease in the average cost of interest-bearing liabilities between the two periods.

Impairment Losses on Financial Assets

Impairment losses on financial assets include impairment losses on loan receivables at amortised cost, impairment losses on financial assets at fair value through other comprehensive income, impairment losses on securities at amortised cost and impairment losses on other financial assets.

If the Bank's provisions for credit losses are deemed insufficient for regulatory purposes, the Bank is required to compensate for the difference by recording a regulatory reserve for credit losses, which is segregated within the Bank's retained earnings.

Comparison of the Three-Month Period Ended 31 March 2025 to the Three-Month Period Ended 31 March 2024

Impairment losses on financial assets decreased by 11.9 per cent. from ₩345 billion in the three-month period ended 31 March 2024 to ₩304 billion in the three-month period ended 31 March 2025, primarily due to a decrease in impairment loss for loan receivables at amortised cost from ₩344 billion in the three-month period ended 31 March 2024 to ₩302 billion in the three-month period ended 31 March 2025. See Note 7 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

The Bank's loan write-offs, net of recoveries, increased by 46.5 per cent. from ₩172 billion in the three-month period ended 31 March 2024 to ₩252 billion in the three-month period ended 31 March 2025, primarily due to an increase in the amount of loans to small- and medium-sized enterprises that were written-off. See Note 7 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

The Bank's provision of reserve for credit losses decreased by 27.6 per cent. from ₩123 billion in the three-month period ended 31 March 2024 to ₩89 billion in the three-month period ended 31 March 2025. See Note 25 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

Net Non-Interest Expense

The following table sets forth the components of the Bank's net non-interest expense for the three-month periods ended 31 March 2024 and 2025, as well as changes in these components between such periods in percentage terms.

	Three-month period ended 31 March		Percentage Change
	2024	2025	2024 1Q/2025 1Q
	(in billions of Won)		(per cent.)
Net fee and commission income	₩ 73	₩ 60	(17.8)%
Net gain on financial instruments at fair value through profit or loss . .	31	250	706.5
Net gain (loss) on derivative financial instruments for hedge accounting	(15)	4	N/A ⁽¹⁾
Gains on disposal of financial assets at amortised cost	32	22	(31.3)
Net gains on financial assets at fair value through other comprehensive income	60	78	30.0
Net gain (loss) on foreign currency transactions	66	(74)	N/A ⁽¹⁾
Employee-related expenses	(337)	(360)	6.8
Other general and administrative expenses	(300)	(339)	13.0
Net other operating expenses	(136)	(159)	16.9
Non-operating income (expense)	(26)	14	N/A ⁽¹⁾
Total net non-interest expenses ⁽²⁾	<u>₩(552)</u>	<u>₩(504)</u>	(8.7)

Notes:

- (1) N/A means not applicable.
- (2) Excludes impairment losses on financial assets.

Comparison of the Three-Month Period Ended 31 March 2025 to the Three-Month Period Ended 31 March 2024

Net non-interest expense decreased 8.7 per cent. from ₩552 billion in the three-month period ended 31 March 2024 to ₩504 billion in the three-month period ended 31 March 2025. This decrease was mainly attributable to a 706.5 per cent. increase in net gain on financial instruments at fair value through profit or loss from ₩31 billion in the three-month period ended 31 March 2024 to ₩250 billion in the three-month period ended 31 March 2025, as well as a change in non-operating income (expense) from net expense of ₩26 billion to net income of ₩14 billion during the same periods. Such impacts were in large part offset by a change in net gain (loss) on foreign currency transactions from net gain of ₩66 billion in the three-month period ended 31 March 2024 to net loss of ₩74 billion in the three-month period ended 31 March 2025, as well as a 13.0 per cent. increase in other general and administrative expenses from ₩300 billion in the three-month period ended 31 March 2024 to ₩339 billion in the three-month period ended 31 March 2025.

The increase in net gain on financial instruments at fair value through profit or loss from ₩31 billion in the three-month period ended 31 March 2024 to ₩250 billion in the three-month period ended 31 March 2025 was primarily due to net gain realised on derivative instruments held by the Bank in 2025 compared to net loss realised on derivative instruments held by the Bank in 2024 as well as an increase in net gain realised on securities held by the Bank. Such impact was partially offset by a change in net gain (loss) on foreign currency transactions from a net gain of ₩66 billion in the three-month period ended 31 March 2024 to a net loss of ₩74 billion in the three-month period ended 31 March 2025, which was primarily due to foreign exchange volatility. The Bank uses derivative instruments to hedge its foreign currency exposure.

The change in non-operating income (expense) from net expense of ₩26 billion in the three-month period ended 31 March 2024 to net income of ₩14 billion in the three-month period ended 31 March 2025 was primarily due to a decrease in donation as well as an increase in dividend income from investments in subsidiaries and associates.

The increase in other general and administrative expenses from ₩300 billion in the three-month period ended 31 March 2024 to ₩339 billion in the three-month period ended 31 March 2025 mainly reflected an increase in depreciation on property and equipment.

Income Tax Expense

The Bank's income tax expense is calculated by adding or subtracting changes in deferred income tax liabilities and assets to tax amounts actually paid or accrued for the relevant period. The Bank recognises deferred income tax assets for all deductible temporary differences as of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, to the extent that taxable income is expected to be available against which the deductible temporary differences can be utilised.

Comparison of the Three-Month Period Ended 31 March 2025 to the Three-Month Period Ended 31 March 2024

Income tax expense decreased by 1.4 per cent. from ₩218 billion in the three-month period ended 31 March 2024 to ₩215 billion in the three-month period ended 31 March 2025. The decrease in income tax expense resulted primarily from increases in tax refunds as well as unrecognized temporary differences and others. Such decreases were offset in large part by an increase in the Bank's profit before income tax expense.

The Bank's effective tax rate was 23.5 per cent. in the three-month period ended 31 March 2024 and 22.0 per cent. in the three-month period ended 31 March 2025. See Note 13 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

Profit for the period

Comparison of the Three-Month Period Ended 31 March 2025 to the Three-Month Period Ended 31 March 2024

Due to the factors described above, the Bank's profit for the period increased 6.9 per cent. from ₩711 billion in the three-month period ended 31 March 2024 to ₩760 billion in the three-month period ended 31 March 2025.

Financial Condition

Assets

The following table sets forth the principal components of the Bank's assets as of 31 December 2024 and 31 March 2025, as well as changes in these components between such dates in percentage terms.

	As of 31 December 2024	As of 31 March 2025	Percentage Change 31 December 2024/ 31 March 2025
	(in billions of Won)		(per cent.)
Cash and due from banks	₩ 15,900	₩ 17,406	9.5%
Financial assets at fair value through profit or loss	15,576	16,452	5.6
Financial assets at fair value through other comprehensive income	25,277	25,145	(0.5)
Securities at amortised cost	33,487	34,668	3.5
Loan receivables at amortised cost, net:			
Loans in Won	298,704	305,325	2.2
Loans in foreign currencies	5,073	5,461	7.6
Bills bought in Won	5	4	(20.0)
Bills bought in foreign currencies	1,017	1,301	27.9
Bonds purchased under repurchase agreements	13,473	8,660	(35.7)
Interbank loans	2,419	2,600	7.5
Domestic import usance bills	2,951	2,994	1.5
Payment on guarantees	23	21	(8.7)
Credit card receivables	3,307	3,198	(3.3)
Call loans	1,078	2,740	154.2
Privately placed bonds	966	825	(14.6)
	329,015	333,129	1.3
Plus (less):			
Deferred loan origination fees and costs	697	704	1.0
Present value discount	(8)	(6)	(25.0)
Provision for impairment	(4,812)	(4,790)	(0.5)
Total loan receivables at amortised cost, net	324,892	329,037	1.3
Investments in subsidiaries and associates	3,655	3,848	5.3
Property and equipment	2,411	2,427	0.7
Others	10,080	12,539	24.4
Total assets	₩431,278	₩441,521	2.4

Comparison of 31 March 2025 to 31 December 2024

The Bank's assets increased by 2.4 per cent. from ₩431,278 billion as of 31 December 2024 to ₩441,521 billion as of 31 March 2025, principally due to a 2.2 per cent. increase in loans in Won from ₩298,704 billion as of 31 December 2024 to ₩305,325 billion as of 31 March 2025, which in turn was primarily attributable to an increase in loans to small- and medium-sized enterprises. Such increase was further enhanced by a 24.4 per cent. increase in other assets from ₩10,080 billion as of 31 December 2024 to ₩12,539 billion as of 31 March 2025, which in turn primarily reflected increases in unsettled spot exchange receivables and unsettled accounts receivable, a 154.2 per cent. increase in call loans from ₩1,078 billion as of 31 December 2024 to ₩2,740 billion as of 31 March 2025, which in turn primarily reflected the Bank's efforts to rebalance its asset portfolio and increase profitability by increasing call loans and reducing the use of other

instruments, a 9.5 per cent. increase in cash and due from banks from ₩15,900 billion as of 31 December 2024 to ₩17,406 billion as of 31 March 2025, which in turn was primarily due to an increase in reserve deposits, as well as a 3.5 per cent. increase in securities at amortised cost from ₩33,487 billion as of 31 December 2024 to ₩34,668 billion as of 31 March 2025, which in turn mainly reflected an increase in government and public bonds held by the Bank. The effect of such increases were offset in part by a 35.7 per cent. decrease in bonds purchased under repurchase agreements from ₩13,473 billion as of 31 December 2024 to ₩8,660 billion as of 31 March 2025, as bonds purchased under repurchase agreements had temporarily increased at year-end in 2024 due to relatively higher margins offered at the time.

Liabilities and Equity

The following table sets forth the principal components of the Bank's liabilities as well as the Bank's equity as of 31 December 2024 and 31 March 2025, as well as changes in these components between such dates in percentage terms.

	As of 31 December 2024	As of 31 March 2025	Percentage Change 31 December 2024/ 31 March 2025
	(in billions of Won)		(per cent.)
Liabilities:			
Deposit liabilities	₩151,141	₩154,857	2.5%
Borrowings	38,130	40,106	5.2
Debentures	183,968	183,555	(0.2)
Others	26,625	31,564	18.6
Total liabilities	399,864	410,082	2.6
Equity:			
Issued capital	4,211	4,211	0.0
Hybrid capital instruments	4,313	4,483	3.9
Capital surplus	1,162	1,162	0.0
Capital adjustment	(0)	(0)	N/A ⁽¹⁾
Accumulated other comprehensive income	832	819	(1.6)
Retained earnings	20,896	20,765	(0.6)
Total equity	31,415	31,439	0.1
Total liabilities and equity	₩431,278	₩441,521	2.4

Note:

(1) N/A means not applicable.

Comparison of 31 March 2025 to 31 December 2024

The Bank's total liabilities increased by 2.6 per cent. from ₩399,864 billion as of 31 December 2024 to ₩410,082 billion as of 31 March 2025, primarily as a result of an 18.6 per cent. increase in other liabilities from ₩26,625 billion as of 31 December 2024 to ₩31,564 billion as of 31 March 2025. Such increase in other liabilities was primarily attributable to increases in agencies, unsettled inter-office account in foreign currencies and unsettled spot exchange. This increase was further amplified by a 2.5 per cent. increase in deposit liabilities from ₩151,141 billion as of 31 December 2024 to ₩154,857 billion as of 31 March 2025 and a 5.2 per cent. increase in borrowings from ₩38,130 billion as of 31 December 2024 to ₩40,106 billion as of 31 March 2025. The increase in deposit liabilities was primarily attributable to an increase in demand deposits in Won, while the increase in borrowings was primarily attributable to an increase in borrowings in Won.

The Bank's total equity increased slightly by 0.1 per cent. from ₩31,415 billion as of 31 December 2024 to ₩31,439 billion as of 31 March 2025. This increase resulted primarily from a 3.9 per cent. increase in hybrid capital instruments from ₩4,313 billion as of 31 December 2024 to ₩4,483 billion as of 31 March 2025, which was attributable mainly to the issuance of hybrid capital instruments in Won in the aggregate amount of ₩590 billion in March 2025.

Cash Flows

The following table sets forth the Bank's cash flows for the three-month periods ended 31 March 2024 and 2025:

	Three-month period ended 31 March	
	2024	2025
	(in billions of Won)	
Net cash flows provided by (used in) operating activities	₩ (8,293)	₩ 1,464
Net cash flows used in investing activities	(3,702)	(1,680)
Net cash flows provided by financing activities	3,461	1,525
Effects of exchange rate changes on cash and cash equivalents	116	48
Net increase (decrease) in cash and cash equivalents	(8,418)	1,356
Cash and cash equivalents at the beginning of the period	24,901	14,944
Cash and cash equivalents at the end of the period	16,483	16,300

Net Cash Flows from Operating Activities

The Bank recorded net cash flows provided by operating activities of ₩1,464 billion for the three-month period ended 31 March 2025. The Bank's net cash flows provided by operating activities during the period primarily reflects ₩4,093 billion due to interests received, ₩760 billion due to profit for the period and ₩722 billion due to changes in operating assets and liabilities. These impacts were offset in large part by cash used in interests paid, which amounted to ₩2,619 billion, and adjustments to reconcile profit to net cash flows used in operating activities, which amounted to ₩1,467 billion.

The Bank recorded net cash flows used in operating activities of ₩8,293 billion for the three-month period ended 31 March 2024. The Bank's net cash flows used in operating activities during the period primarily reflects ₩9,784 billion due to changes in operating assets and liabilities, ₩2,361 billion due to interests paid and ₩1,174 billion due to adjustments to reconcile profit to net cash flows used in operating activities. These impacts were offset in part by cash provided from interests received, which amounted to ₩4,297 billion, and profit for the period, which amounted to ₩711 billion.

Net Cash Flows from Investing Activities

The Bank recorded net cash flows used in investing activities of ₩1,680 billion for the three-month period ended 31 March 2025. The Bank's net cash flows used in investing activities during the period primarily reflects ₩1,182 billion from net increase in securities at amortised cost and ₩419 billion from net increase in financial assets at fair value through profit or loss.

The Bank recorded net cash flows used in investing activities of ₩3,702 billion for the three-month period ended 31 March 2024. The Bank's net cash flows used in investing activities during the period primarily reflects ₩2,088 billion from net increase in financial assets at fair value through other comprehensive income and ₩1,277 billion from net increase in securities at amortised cost.

Net Cash Flows from Financing Activities

The Bank recorded net cash flows provided by financing activities of ₩1,525 billion for the three-month period ended 31 March 2025. The Bank's net cash flows provided by financing activities during the period primarily reflects ₩1,977 billion due to net increase in borrowings and ₩589 billion due to proceeds in hybrid capital instruments. These impacts were partially offset by ₩561 billion due to net decrease in debentures and ₩420 billion due to repayment of hybrid capital instruments.

The Bank recorded net cash flows provided by financing activities of ₩3,461 billion for the three-month period ended 31 March 2024. The Bank's net cash flows provided by financing activities during the period primarily reflects ₩1,815 billion due to a net increase in debentures and ₩1,523 billion due to net increase in borrowings.

Liquidity

The Bank's primary sources of funding have historically been and continue to be deposits and issuances of debentures, particularly SMIF Bonds. Deposits amounted to ₩151,141 billion as of 31 December 2024 and ₩154,857 billion as of 31 March 2025, which represented 40.5 per cent. and 40.9 per cent. of the Bank's total funding (which is the sum of deposits, borrowings and debentures), respectively. Although the majority of deposits are short-term, it has been the Bank's experience that the majority of its depositors generally roll over their deposits at maturity, thus providing the Bank with a stable source of funding. Debentures in Won and foreign currencies amounted to ₩183,968 billion as of 31 December 2024 and ₩183,555 billion as of 31 March 2025, which represented 49.3 per cent. and 48.5 per cent. of the Bank's total funding, respectively.

The Bank also obtains funding through borrowings, particularly borrowings in Won and foreign currencies, to meet a portion of its liquidity needs. Borrowings amounted to ₩38,130 billion as of 31 December 2024 and ₩40,106 billion as of 31 March 2025, which represented 10.2 per cent. and 10.6 per cent. of the Bank's total funding, respectively.

The Bank's liquidity risks arise from maturities of its debentures and borrowings and withdrawals of deposits, as well as the Bank's need to fund its lending, trading and investment activities and to manage its trading positions. The Bank's goal in managing its liquidity is to be able, even under adverse conditions, to meet all of its liability repayments on time and to fund all investment opportunities. For a discussion of how the Bank manages its liquidity risk, see "*Description of Assets and Liabilities of the Bank — Asset and Liability Management — Liquidity Management*" and Note 43 of the notes to the Bank's audited separate financial statements as of and for the years ended 31 December 2024 and 2023 in the Offering Circular.

The FSC requires each Korean bank to maintain specific Won and foreign currency liquidity ratios. These ratios require the Bank to keep its ratio of liquid assets to liquid liabilities above certain minimum levels. For a description of these requirements, see "*Description of Assets and Liabilities of the Bank — Asset and Liability Management — Liquidity Management*" in the Offering Circular.

Credit-related Commitments and Other Off-Balance Sheet Arrangements

The Bank has various credit-related commitments that are not reflected on its balance sheet, which primarily consist of confirmed and unconfirmed payment guarantees, secured endorsed bills and commitments. Payment guarantees include financial guarantee contracts, letters of guarantees for importers and customer's liability on letters of credit. Commitments include those for loans, purchases of securities and credit lines.

The following table sets forth the Bank's credit-related commitments as of 31 March 2025.

	As of 31 March 2025
	(in billions of Won)
Confirmed payment guarantees	
Won	
Financial guarantee contracts	₩ 1,884
Others	579
	₩ 2,463
Foreign currencies	
Financial guarantee contracts	890
Letters of guarantees for importers	108
Others	3,338
	₩ 4,336
Unconfirmed payment guarantees	
Customer's liability on letters of credit	1,736
	₩ 1,736
Commitments	
Commitments on loans in Won	₩52,775
Commitments on loans in foreign currencies	14,848
Others	12,341
	₩79,965

The Bank analyses its off-balance sheet legally binding credit-related commitments for possible losses associated with such commitments, and establishes provisions in a manner similar to provisions that the Bank would establish with respect to a loan granted under the terms of the applicable commitment. See Note 22 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement. These provisions include provisions for payment guarantees and unused loan commitments, which are reflected as part of "provisions" in the Bank's balance sheet. As of 31 March 2025, the Bank had established provisions of ₩317 billion with respect to its credit-related commitments (which is the sum of provision for unused loan commitments and payment guarantees outstanding). See Note 19 of the notes to the Bank's unaudited interim separate financial statements appearing elsewhere in this Pricing Supplement.

Capital Adequacy

The Bank's capital management policies are to diversify its sources of capital, to allocate capital efficiently and to maintain a prudent relationship between its capital and the risks of its underlying business. In determining its capital requirements, the Bank projects business growth, capital investment plans, earnings and reserve requirements.

The FSC's capital adequacy guidelines derive from standards established by the Bank for International Settlements (the **BIS**). In May 2013, the FSC announced that major Asian countries have already implemented Basel III in the first quarter of 2013 and that the proposed Basel III measures relating to stricter minimum capital ratio requirements would be implemented in Korea starting from 1 December 2013. See "*Investment Considerations — Other risks relating to the Bank's business — The Bank may be required to raise additional capital if its capital adequacy ratio deteriorates or the applicable capital requirements change in the future, but it may not be able to do so on favourable terms or at all*" in the Offering Circular.

Commencing in July 2013, the FSC promulgated a series of amended regulations implementing Basel III, which went into effect from 1 December 2013, pursuant to which Korean banks were required to maintain a

minimum ratio of common equity Tier I capital (which principally includes (i) capital from the issuance of common stock (and similar equity securities), (ii) capital surplus from the issuance of common stock, (iii) other capital surplus (excluding capital surplus from the issuance of equity securities other than common stock), (iv) earned surplus and (v) other accumulated comprehensive income) to risk-weighted assets of 3.5 per cent. and Tier I capital to risk-weighted assets of 4.5 per cent. from 1 December 2013, which minimum ratios were increased to 4.0 per cent. and 5.5 per cent., respectively, from 1 January 2014 and increased further to 4.5 per cent. and 6.0 per cent., respectively, from 1 January 2015. Such requirements are in addition to the pre-existing requirement for a minimum ratio of Tier I and Tier II capital (less any capital deductions) to risk-weighted assets of 8.0 per cent., which remains unchanged. The amended regulations have also required an additional capital conservation buffer of 2.5 per cent., as well as a potential counter-cyclical capital buffer of up to 2.5 per cent., which is determined on a quarterly basis by the FSC and is set at 1.0 per cent. as of the date of this Pricing Supplement. The implementation of Basel III in Korea may have a significant effect on the capital requirements of Korean financial institutions, including the Bank. Furthermore, since 2016, certain Korean banks have been designated on an annual basis as domestic systemically important banks for the subsequent year by the FSC, which subjects those banks to an additional capital requirement of 1.0% from 1 January 2019. However, the Bank has not been designated as a domestic systemically important bank mainly because the Government is legally obligated to provide funds to cover any deficit of the Bank that may not be covered by the Bank's reserves under Article 43 of the IBK Act. Accordingly, pursuant to Article 43 of the IBK Act and Paragraph 1, Article 93 of the Regulation on Supervision of Banking Business, the Bank will not be subject to such additional capital requirements. See *“Investment Considerations — Risks relating to Government regulations — The Bank cannot assure investors that the Government will not cease to support any losses the Bank may incur by enacting changes to Article 43 of the IBK Act or adopt other amendments to the IBK Act that may adversely affect the Bank's financial condition”* in the Offering Circular. As of 31 March 2025, the Bank's common equity Tier I capital and Tier I capital adequacy ratios, on a consolidated basis, were 11.40 per cent. and 13.16 per cent., respectively, and its combined Tier I and Tier II capital adequacy ratio was 14.78 per cent.

Under the FSC's guidelines, the capital adequacy ratio of a bank is the ratio, in percentage, of its equity capital constituted by its total Tier I and Tier II capital (less any capital deductions), calculated on a consolidated basis, to its risk weighted assets. Tier I capital includes common equity Tier I capital and other Tier I capital (which principally includes (i) capital and capital surplus from the issuance of other Tier I capital and (ii) hybrid bonds and other capital securities which meet standards prescribed by the Governor of the FSS under Article 26(2) of the FSC's guidelines). Tier II capital includes, among other items, (i) capital and capital surplus from issuance of Tier II capital, (ii) provisions for credit losses on credits classified as “normal” or “precautionary” and (iii) subordinated debt and other capital securities which meet standards prescribed by the Governor of the FSS under Article 26(2) of the FSC's guidelines.

The following table sets out a summary of the Bank's consolidated capital base and its capital adequacy ratios as of 31 March 2025.

	<i>As of 31 March 2025</i>
	<i>(in billions of Won, except percentages)</i>
Tier I capital	
Common equity Tier I capital	
Share capital	₩ 3,987
Reserves	1,173
Capital adjustment of common equity	224
Retained earnings	23,519
Other comprehensive income	635
Non-controlling interest equity	10
Deductions	(333)
Total common equity Tier I capital	29,215
Additional Tier I capital	
Hybrid capital instruments	4,483
Non-controlling interest equity	27
Others	—
Total additional Tier I capital	4,510
Total Tier I capital	33,725
Tier II capital	
Subordinated bond with maturity	2,820
Provision for impairment	301
Excess provision for expected loss	1,042
Non-controlling interest equity	9
Total Tier II capital	4,172
Total equity capital	₩ 37,897
Credit risk-weighted assets	₩233,692
Market risk-weighted assets	7,391
Operational risk-weighted assets	15,239
Total risk-weighted assets	₩256,322
Capital adequacy ratios	
Common equity Tier I capital	11.40%
Tier I capital	13.16%
Tier II capital	1.62%
Tier I and Tier II capital adequacy ratio	14.78%

THE REPUBLIC OF KOREA

This section provides information that updates or supplements the information about the Republic included under the headings corresponding to the headings below in the Offering Circular dated 9 May 2025. Defined terms used in this section have the meanings given to them in the Offering Circular. If the information in this section differs from the information in the Offering Circular, you should rely on the information in this section.

Land and History

Political History

On June 3, 2025, the country elected Lee Jae-myung as the new President of the Republic for a five-year term, following the impeachment and subsequent removal of former President Yoon Suk-yeol in April 2025. President Lee's term commenced immediately following the confirmation of the election results by the National Assembly, which took place on June 4, 2025.

The Economy

Gross Domestic Product

Based on preliminary data, GDP in the first quarter of 2025 contracted by 0.1% at chained 2020 year prices, primarily due to a 4.1% decrease in gross domestic fixed capital formation and a 1.2% increase in imports of goods and services, the effects of which were offset in part by a 0.9% increase in aggregate private and general government consumption expenditures and a 0.6% increase in exports of goods and services, each compared with the corresponding period of 2024.

Principal Sectors of the Economy

Prices, Wages and Employment

Based on preliminary data, the inflation rate was 2.1% and the unemployment rate was 3.4% in the first quarter of 2025.

The Financial System

Securities Markets

The Korea Composite Stock Price Index was 2,556.6 on April 30, 2025, 2,697.7 on May 30, 2025 and 2,946.7 on June 16, 2025.

Monetary Policy

Interest Rates

The Bank of Korea lowered its policy rate from 2.75% to 2.50% on May 29, 2025.

Foreign Exchange

The market average exchange rate between the Won and the U.S. Dollar (in Won per one U.S. Dollar) as announced by the Seoul Money Brokerage Service Ltd. was Won 1,438.5 to US\$1.00 on April 30, 2025, Won 1,381.4 to US\$1.00 on May 30, 2025 and Won 1,366.8 to US\$1.00 on June 16, 2025.

Balance of Payments and Foreign Trade

Balance of Payments

Based on preliminary data, the Republic's current account surplus in the first quarter of 2025 increased to US\$19.3 billion from the current account surplus of US\$16.5 billion in the corresponding period of 2024, primarily due to an increase in surplus from the income account, which was offset in small part by a decrease in surplus from the goods account.

Trade Balance

Based on preliminary data, the Republic recorded a trade surplus of US\$7.3 billion in the first quarter of 2025. Exports decreased by 2.1% to US\$159.8 billion in the first quarter of 2025 from US\$163.3 billion in the corresponding period of 2024, primarily due to a deterioration in the domestic economic conditions of the Republic's major trading partners. Imports decreased by 1.4% to US\$152.6 billion in the first quarter of 2025 from US\$154.8 billion in the corresponding period of 2024, primarily due to a decrease in energy and commodity prices, which also led to decreased unit prices of other major raw materials.

Foreign Currency Reserves

The amount of the Government's foreign currency reserves was US\$404.7 billion as of April 30, 2025.

Debt

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of December 31, 2023 amounted to approximately ₩1,102.1 trillion, an increase of 5.6% over the previous year.

The Government estimates that the total outstanding debt of the Government (including guarantees by the Government) as of December 31, 2024 amounted to approximately ₩1,150.9 trillion, an increase of 4.4% over the previous year.

The Ministry of Economy and Finance administers the national debt of the Republic.

External and Internal Debt of the Government

The following table sets out, by currency and the equivalent amount in U.S. dollars, the estimated outstanding direct external debt of the Government as of December 31, 2024:

Direct External Debt of the Government

	Amount in Original Currency	Equivalent Amount in U.S. Dollars⁽¹⁾
		(millions)
US\$	US\$ 6,525.0	US\$6,525.0
Euro (EUR)	EUR1,400.0	1,455.9
Total		<u>US\$7,980.9</u>

(1) Amounts expressed in currencies other than US\$ are converted to US\$ at the arbitrage rate announced by the Seoul Money Brokerage Services, Ltd. in effect on December 31, 2024.

The following table summarizes, as of December 31 of the years indicated, the outstanding direct internal debt of the Republic:

Direct Internal Debt of the Government

	(billions of Won)
2020	808,941.0
2021	927,865.2
2022	1,021,574.4
2023	1,080,844.4
2024	1,128,191.5

The following table sets out all guarantees by the Government of indebtedness of others:

Guarantees by the Government

	December 31,				
	2020	2021	2022	2023	2024
	(billions of Won)				
Domestic	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0
External ⁽¹⁾	—	—	—	—	—
Total	12,490.0	10,930.0	10,620.0	10,460.0	10,960.0

(1) Converted to Won at foreign exchange banks' telegraphed transfer selling rates to customers or the market average exchange rates in effect on December 31 of each year.

For further information on the outstanding indebtedness, including guarantees, of the Republic, see “—Tables and Supplementary Information”.

Tables and Supplementary Information

A. External Debt of the Government

(1) External Bonds of the Government

Series	Issue Date	Maturity Date	Interest Rate (%)	Currency	Original Principal Amount	Principal Amount Outstanding as of December 31, 2024
2005-001	November 2, 2005	November 3, 2025	5.625	USD	400,000,000	400,000,000
2014-001	June 10, 2014	June 10, 2044	4.125	USD	1,000,000,000	1,000,000,000
2017-001	January 19, 2017	January 19, 2027	2.750	USD	1,000,000,000	1,000,000,000
2018-001	September 20, 2018	September 20, 2028	3.500	USD	500,000,000	500,000,000
2018-002	September 20, 2018	September 20, 2048	3.875	USD	500,000,000	500,000,000
2019-001	June 19, 2019	June 19, 2029	2.500	USD	1,000,000,000	1,000,000,000
2020-001	September 16, 2020	September 16, 2030	1.000	USD	625,000,000	625,000,000
2020-002	September 16, 2020	September 16, 2025	0.000	EUR	700,000,000	700,000,000
2021-001	October 15, 2021	October 15, 2026	0.000	EUR	700,000,000	700,000,000
2021-002	October 15, 2021	October 15, 2031	1.750	USD	500,000,000	500,000,000
2024-001	July 3, 2024	July 3, 2029	4.500	USD	1,000,000,000	1,000,000,000
Total External Bonds in Original Currencies						USD 6,525,000,000
						EUR 1,400,000,000
Total External Bonds in Equivalent Amount of Won ⁽¹⁾						₩ 11,731,930,000,000

- (1) U.S. dollar amounts are converted to Won amounts at the rate of US\$1.00 to ₩1,470.0, the market average exchange rate in effect on December 31, 2024, as announced by Seoul Money Brokerage Services, Ltd. Euro amounts are converted to Won amounts at the rate of EUR 1.00 to ₩1,528.7, the market average exchange rate in effect on December 31, 2024, as announced by Seoul Money Brokerage Services, Ltd.

(2) External Borrowings of the Government

None.

B. External Guaranteed Debt of the Government

None.

C. Internal Debt of the Government

Title	Range of Interest Rates (%)	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2024 (billions of Won)
1. Bonds				
Interest-Bearing Treasury Bond for Treasury Bond Management Fund	0.750-5.750	2006-2024	2025-2074	1,047,874.2
Interest-Bearing Treasury Bond for National Housing I	1.000-1.750	2015-2024	2020-2029	79,100.9
Interest-Bearing Treasury Bond for National Housing II	0.0	2009-2017	2019-2029	1.9
Interest-Bearing Treasury Bond for National Housing III	—	—	—	0
Non-interest-Bearing Treasury Bond for Contribution to International Organizations ⁽¹⁾	0	1967-1985	—	9.4
Total Bonds				<u>1,126,986.5</u>

Title	Range of Interest Rates (%)	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2024 (billions of Won)
2. Borrowings				
Borrowings from The Bank of Korea	—	—	—	0
Borrowings from the Sports Promotion Fund	2.875-3.665	2023-2024	2025-2029	960.0
Borrowings from The Korea Foundation Fund	—	—	—	0
Borrowings from the Labor Welfare Promotion Fund	2.920- 2.935	2024	2025	50.0
Borrowings from Korea Technology Finance Corporation	2.870-3.100	2024	2026	195.0
Borrowings from the Credit Guarantee Fund for Agriculture, Forestry and Fisheries Suppliers	—	—	—	0
Borrowings from the Government Employees' Pension Fund	—	—	—	0
Borrowings from the Film Industry Development Fund	—	—	—	0
Borrowings from the Korea Credit Guarantee Fund	—	—	—	0
Borrowings from the Housing Finance Credit Guarantee Fund	—	—	—	0
Borrowings from the Korea Infrastructure Credit Guarantee Fund	—	—	—	0
Total Borrowings				1,205.0
Total Internal Funded Debt				1,128,191.5

(1) Interest Rates and Years of Original Maturity not applicable.

D. Internal Guaranteed Debt of the Government

Title	Range of Interest Rates (%)	Range of Years of Issue	Range of Years of Original Maturity	Principal Amounts Outstanding as of December 31, 2024 (billions of Won)
1. Bonds of Government-Affiliated Corporations				
Korea Deposit Insurance Corporation	—	—	—	0
Korea Student Aid Foundation	1.230-5.480	2011-2024	2025-2044	10,350.0
Supply Chain Resilience Fund	2.820-2.960	2024	2026-2027	400.0
Key Industry Stabilization Fund	1.450-2.190	2020-2021	2025	210.0
Total Internal Guaranteed Debt				10,960.0

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

Important Notice to CMIs (including Private Banks): This notice to CMIs (including Private Banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the Issuer, the CMI or the relevant group company (as the case may be). CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Managers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, corporates, private banks/broking companies, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should inquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, Private Banks should disclose, at the same time, whether such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private Banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Managers (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including Private Banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;

- a unique identification number for each investor;
- whether an underlying investor has any “Associations” (as used in the SFC Code);
- whether any underlying investor order is a “Proprietary Order” (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to the Managers named in the final terms of the Notes.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the offering. The Managers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Manager with such evidence within the timeline requested.

Selling Restrictions

Prohibition of Sales to UK Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the United Kingdom. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the **EUWA**); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

This pricing supplement is only being distributed to and is only directed at: (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or (iii) high net worth companies, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as **relevant persons**). The Notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

Prohibition of Sales to EEA Retail Investors

Each Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision, the expression “retail investor” means a person who is one (or more) of the

following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of the Notes described herein pursuant to the U.S.\$8,000,000,000 Global Medium Term Note Programme of Industrial Bank of Korea. The Singapore Exchange Securities Trading Limited (the **Singapore Stock Exchange**) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and the listing and quotation of the Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

Application will be made for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on the Singapore Stock Exchange. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the Singapore Stock Exchange may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the Singapore Stock Exchange's website.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:



By:
Duly authorised

[Signature Page to the Pricing Supplement]