

BNK Financial Group Inc. and its subsidiaries

Interim condensed consolidated financial statements
for each of the six-month periods ended June 30, 2024 and 2023
with the independent auditor's review report

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Report on review of interim condensed consolidated financial statements

(English translation of a report originally issued in Korean)

The Stockholders and Board of Directors BNK Financial Group Inc.:

We have reviewed the accompanying interim condensed consolidated financial statements of BNK Financial Group Inc. (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the interim condensed consolidated statement of financial position as of June 30, 2024, and the related interim condensed consolidated statements of comprehensive income for each of the three-month and six-month periods ended June 30, 2024 and 2023, interim condensed consolidated statements of changes in equity and interim condensed consolidated statements of cash flows for each of the six-month periods ended June 30, 2024 and 2023 and a summary of material accounting policy information and other explanatory information.

Management’s responsibility for the interim condensed consolidated financial statements

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s responsibility

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

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

Conclusion

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

Other matters

We have reviewed the interim condensed consolidated statement of financial position of the Group as of June 30, 2023 (not presented herein), and the related interim condensed consolidated statement of comprehensive income for each of the three-month and six-month periods ended June 30, 2023, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2023, prepared in accordance with KIFRS 1034, and our review report dated August 14, 2023 expressed an unqualified review conclusion thereon. The accompanying interim condensed consolidated statement of comprehensive income for each of the three-month and six-month periods ended June 30, 2023 and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period ended June 30, 2023, presented for comparative purposes, except as described in Note 39 to the accompanying interim condensed consolidated financial statements, is not different, in all material respects, from the above reviewed interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows.

Moreover, we have audited the consolidated statement of financial position of the Group as of December 31, 2023, and the related consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended (not presented herein) in accordance with KSA, and our report dated March 13, 2024 expressed an unqualified opinion thereon. The accompanying consolidated statement of financial position as of December 31, 2023, presented for comparative purposes, is not different, in all material respects, from the above audited consolidated statement of financial position.

Ernst & Young Han Young

August 14, 2024

This review report is effective as of August 14, 2024, the independent auditor's review report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the date of the independent auditor's review report to the time this review report is used. Such events and circumstances could significantly affect the accompanying interim condensed consolidated financial statements and may result in modification to this review report.

BNK Financial Group Inc. and its subsidiaries

Interim condensed consolidated financial statements
for each of the six-month periods ended June 30, 2024 and 2023

“The accompanying interim condensed consolidated financial statements, including all footnotes and disclosures, have been prepared by, and are the responsibility of, the Group.”

Dae In Bin
Chief Executive Officer
BNK Financial Group Inc.

BNK Financial Group Inc. and its subsidiaries
Interim condensed consolidated statements of financial position
as of June 30, 2024 (unaudited) and December 31, 2023

(In millions of Korean won)

	Notes		June 30, 2024		December 31, 2023
Assets					
Cash and due from banks	4,6,7	₩	5,234,779	₩	5,359,110
Financial assets at fair value through profit or loss	4,6,8,11		8,954,012		7,223,889
Financial assets at fair value through other comprehensive income	4,6,9,11,13		8,293,397		7,187,862
Financial assets at amortized cost	4,6,10,11,13		9,161,754		9,220,251
Loans and receivables	4,6,12,13		112,035,885		110,857,874
Derivative assets	4,6,14		152,529		133,689
Investments in associates and joint venture	15		1,860,951		1,558,015
Property and equipment	16		1,268,239		1,291,369
Intangible assets	17		268,409		267,779
Investment properties	18		627,178		617,039
Net defined benefit assets	22		143,966		162,105
Other assets			2,087,786		1,904,654
Total assets		₩	150,088,885	₩	145,783,636
Liabilities					
Deposit liabilities	6	₩	107,004,916	₩	106,761,234
Financial liabilities at fair value through profit or loss	6,19		2,044,732		1,108,862
Borrowings	6,20		10,906,450		8,815,876
Debentures	6,21		13,253,789		13,035,410
Derivative liabilities	6,14		144,059		122,132
Net defined benefit liabilities	22		11,245		3,488
Provisions	23		110,335		191,746
Current tax liabilities	35		82,212		37,921
Deferred tax liabilities	35		82,509		45,508
Other liabilities	6,24		5,368,194		4,987,756
Total liabilities			139,008,441		135,109,933
Equity					
Equity attributable to owners of the Parent Company					
Share capital	25		1,629,676		1,629,676
Hybrid equity securities	25		827,394		727,636
Other paid-in capital	25		777,936		785,126
Other components of equity	25		(62,842)		(39,098)
Retained earnings	25		7,459,526		7,121,661
			10,631,690		10,225,001
Non-controlling interest			448,754		448,702
Total equity			11,080,444		10,673,703
Total liabilities and equity		₩	150,088,885	₩	145,783,636

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

BNK Financial Group Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income
for each of the three-month and six-month periods ended June 30, 2024 and 2023 (unaudited)

		Period ended June 30			
		2024		2023	
(In millions of Korean won, except per share amounts)	Notes	Three months	Six months	Three months	Six months
Net interest income	26				
Interest income					
Financial assets at fair value through profit or loss	W	52,945	99,755	29,703	57,655
Financial asset at fair value through other comprehensive income		52,573	98,770	31,940	57,650
Financial assets at amortized cost		1,641,758	3,305,152	1,570,047	3,113,704
		1,747,276	3,503,677	1,631,690	3,229,009
Interest expenses		(1,008,232)	(2,024,599)	(914,543)	(1,780,992)
		739,044	1,479,078	717,147	1,448,017
Net fee and commission income	27				
Commission income		91,324	203,350	102,481	214,668
Commission expenses		(40,810)	(84,500)	(35,296)	(79,910)
		50,514	118,850	67,185	134,758
Gain on financial assets at fair value through profit or loss, net	28	97,900	193,636	7,713	93,774
Gain on financial assets at fair value through other comprehensive income, net	29	12,164	49,851	1,001	5,263
Gain (loss) on financial assets at amortized cost, net	30	211	1,338	(129)	(139)
Contribution to provision for credit loss and others	31				
Contribution to provision for credit loss		(201,639)	(368,227)	(165,299)	(287,886)
Gain on disposal of loans		59,513	76,701	45,634	53,549
General and administrative expenses	32	(384,272)	(764,458)	(357,105)	(750,008)
Other operating income	33				
Gain on foreign currency transaction, net		5,835	4,140	8,946	7,872
Gain (loss) from derivatives, net		(32,753)	2,298	18,009	61,550
Other operating income		200,805	389,944	153,095	294,987
Other operating expenses		(253,015)	(577,366)	(217,185)	(461,483)
Operating profit		294,307	605,785	279,012	600,254
Non-operating income	34				
Share of profit of associates		23,084	45,049	623	20,970
Other income		11,861	30,157	13,092	26,629
Other expenses		(8,798)	(18,428)	(12,909)	(19,534)
		26,147	56,778	806	28,065
Profit before income tax expense		320,454	662,563	279,818	628,319
Income tax expense	35	(72,224)	(159,697)	(64,827)	(145,063)
Profit for the period		W 248,230	W 502,866	W 214,991	W 483,256
Profit for the period is attributable to:					
Owners of the Parent Company	W	242,790	W 492,313	W 203,457	W 460,211
Non-controlling interest		5,443	10,555	11,534	23,043

(continued)

BNK Financial Group Inc. and its subsidiaries
Interim condensed consolidated statements of comprehensive income, continued
for each of the three-month and six-month periods ended June 30, 2024 and 2023 (unaudited)

	Notes	Period ended June 30			
		2024		2023	
		Three months	Six months	Three months	Six months
<i>(In millions of Korean won, except per share amounts)</i>					
Other comprehensive loss, net of tax					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of net defined benefit liabilities	W	(7,501)	W (10,413)	W 19,839	W (12,239)
Gain (loss) on valuation of equity instruments at fair value through other comprehensive income		(5,393)	(19,323)	516	863
Changes in the own credit risk of financial liabilities at fair value through profit or loss		(36)	(979)	91	(413)
<i>Items that may be subsequently reclassified to profit or loss</i>					
Gain (loss) on valuation of debt instruments at fair value through other comprehensive income		23,427	(422)	(18,655)	41,785
Exchange differences on translation of foreign operations		10,069	25,789	(211)	11,052
Gain (loss) on valuation of hedges of net investments in foreign operations		(9,763)	(23,417)	148	(7,421)
Share of other comprehensive income of associates		2,326	5,897	(1,674)	(563)
(Reversal of) impairment loss of debt instruments at fair value through other comprehensive income		(96)	(876)	71	280
Other comprehensive gain (loss) for the period, net of tax		13,033	(23,744)	125	33,344
Total comprehensive income for the period	W	261,263	W 479,122	W 215,116	W 516,600
Total comprehensive income for the period attributable to:					
Owners of the Parent Company	W	255,824	W 468,570	W 203,582	W 493,554
Non-controlling interests		5,443	10,555	11,534	23,043
Earnings per share (in Korean won)					
36					
Basic and diluted earnings per share	W	730	W 1,484	W 616	W 1,384

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

BNK Financial Group Inc. and its subsidiaries
Interim condensed consolidated statements of changes in equity
for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)

	Attributable to owners of the Parent Company							Total equity
	Share capital	Hybrid equity securities	Other paid-in capital	Other components of equity	Retained earnings	Total	Non-controlling interests	
<i>(In millions of Korean won)</i>								
Balance as of January 1, 2023	W 1,629,676	W 827,392	W 778,904	W (160,374)	W 6,766,697	W 9,842,295	W 947,587	W 10,789,882
Dividends	-	-	-	-	(202,770)	(202,770)	-	(202,770)
Repayment of hybrid equity securities	-	(249,244)	(1,570)	-	-	(250,814)	(299,185)	(649,999)
Dividends on hybrid equity securities	-	-	-	-	(13,453)	(13,453)	(23,043)	(36,496)
Acquisition of treasury shares	-	-	(16,000)	-	-	(16,000)	-	(16,000)
Changes in capital adjustments	-	-	1,095	-	(1,095)	-	-	-
Total comprehensive income	-	-	-	-	460,211	460,211	23,043	483,254
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Remeasurements of net defined benefit liabilities	-	-	-	(12,239)	-	(12,239)	-	(12,239)
Gain on valuation of financial assets at fair value through other comprehensive income	-	-	-	42,648	-	42,648	-	42,648
Gain on disposal of equity instruments at fair value through other comprehensive income	-	-	-	(1)	1	-	-	-
Gain on overseas operations translation	-	-	-	11,052	-	11,052	-	11,052
Loss on valuation of hedges of net investments in foreign operations	-	-	-	(7,421)	-	(7,421)	-	(7,421)
Share of other comprehensive income of associates	-	-	-	(563)	-	(563)	-	(563)
Reversal of impairment loss of debt instruments at fair value through other comprehensive income	-	-	-	280	-	280	-	280
Changes in the own credit risk of financial liabilities at fair value through profit or loss	-	-	-	(413)	-	(413)	-	(413)
Balance as of June 30, 2023 (unaudited)	W 1,629,676	W 578,148	W 762,429	W (127,031)	W 7,009,591	W 9,862,813	W 648,402	W 10,501,215
Balance as of January 1, 2024	W 1,629,676	W 727,636	W 785,126	W (39,098)	W 7,121,661	W 10,225,001	W 448,702	W 10,673,703
Dividends	-	-	-	-	(132,056)	(132,056)	-	(132,056)
Issuance of hybrid equity securities	-	199,420	-	-	-	199,420	99,719	299,139
Repayment of hybrid equity securities	-	(99,662)	(670)	-	-	(100,332)	(99,667)	(199,999)
Dividends on hybrid equity securities	-	-	-	-	(15,913)	(15,913)	(10,555)	(26,468)
Acquisition of treasury shares	-	-	(12,999)	-	-	(12,999)	-	(12,999)
Changes in non-controlling interests	-	-	1,871	-	(1,871)	-	-	-
Changes in capital adjustments	-	-	4,608	-	(4,608)	-	-	-
Total comprehensive income	-	-	-	-	492,313	492,313	10,555	502,868
Profit for the period	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	-	-	-	-	-
Remeasurements of net defined benefit liabilities	-	-	-	(10,413)	-	(10,413)	-	(10,413)
Loss on valuation of financial assets at fair value through other comprehensive income	-	-	-	(19,745)	-	(19,745)	-	(19,745)
Gain on disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	-	-
Gain on overseas operations translation	-	-	-	25,789	-	25,789	-	25,789
Loss on valuation of hedges of net investments in foreign operations	-	-	-	(23,417)	-	(23,417)	-	(23,417)
Share of other comprehensive income of associates	-	-	-	5,897	-	5,897	-	5,897
Contribution to impairment loss of debt instruments at fair value through other comprehensive income	-	-	-	(876)	-	(876)	-	(876)
Changes in the own credit risk of financial liabilities at fair value through profit or loss	-	-	-	(979)	-	(979)	-	(979)
Balance as of June 30, 2024 (unaudited)	W 1,629,676	W 827,394	W 777,936	W (62,842)	W 7,459,526	W 10,631,690	W 448,754	W 11,080,444

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

BNK Financial Group Inc. and its subsidiaries
Interim condensed consolidated statements of cash flows
for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)

<i>(In millions of Korean won)</i>	2024	2023
Cash flows from operating activities		
Profit for the period	₩ 502,868	₩ 483,254
Adjustments to profit for the period:		
Interest income	(3,503,677)	(3,229,008)
Interest expense	2,024,599	1,780,992
Gain on financial assets at fair value through profit or loss, net	(168,674)	(99,683)
Gain on financial assets at fair value through other comprehensive income, net	(49,851)	(5,263)
Loss (gain) on financial assets at amortized cost, net	(1,338)	139
Loss on financial liabilities at fair value through profit or loss, net	55,990	39,178
Contribution to provision for credit loss	368,227	287,886
Loss on foreign currency translation	5,454	6,669
Gain on valuation of derivatives, net	(2,735)	(2,313)
Depreciation	60,018	56,662
Amortization	48,248	43,898
Postemployment benefits	23,073	20,103
Other operating expenses, net	170,034	143,088
Share of profit of associates	(45,049)	(20,970)
Loss on property and equipment, and intangible assets	808	94
Other non-operating expenses, net	33	13
Income tax expense	159,697	145,063
	<u>(855,143)</u>	<u>(833,452)</u>
Changes in operating assets and liabilities:		
Decrease in due from banks	30,023	27,646
Increase in financial assets at fair value through profit or loss	(1,387,748)	(1,649,204)
Increase in loans and receivables	(1,376,065)	(4,479,929)
Decrease (increase) in derivative assets and liabilities	4,102	(15,319)
Increase in other assets	(345,027)	(268,859)
Increase in deposits received	174,303	2,607,459
Increase in financial liabilities at fair value through profit or loss	878,569	558,539
Decrease in provisions	(79,147)	(10,625)
Increase in other liabilities	544,559	2,222,674
Decrease in defined benefit obligation	(9,545)	(25,137)
Decrease (increase) in plan assets	(1,211)	15,254
	<u>(1,567,187)</u>	<u>(1,017,501)</u>
Interest received	3,414,707	3,192,718
Dividend received	45,407	20,658
Interest paid	(1,878,470)	(1,251,360)
Income tax paid	(68,332)	(206,493)
Net cash inflow from (outflow for) operating activities	<u>(406,150)</u>	<u>387,824</u>

(continued)

BNK Financial Group Inc. and its subsidiaries

Interim condensed consolidated statements of cash flows, continued for each of the six-month periods ended June 30, 2024 and 2023 (unaudited)

(In millions of Korean won)

	2024	2023
Cash flows from investing activities		
Proceeds from disposal of financial assets at fair value through profit or loss	₩ 2,255,804	₩ 3,380,706
Payments for financial assets at fair value through profit or loss	(2,420,326)	(3,504,041)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,793,913	1,050,352
Payments for financial assets at fair value through other comprehensive income	(3,867,186)	(2,029,527)
Proceeds from disposal of financial assets at amortized cost	761,139	808,241
Payments for financial assets at amortized cost	(666,938)	(811,941)
Proceeds from disposal of investments in associates	491,429	304,287
Payments for investments in associates	(768,904)	(577,262)
Proceeds from disposal of property and equipment	226	3,795
Payments for property and equipment	(38,232)	(38,253)
Proceeds from disposal of intangible assets	73	29
Payments for intangible assets	(30,704)	(29,608)
Payments for investment properties	-	(1,576)
Increase in leasehold deposits provided	(8,392)	(2,351)
Net cash outflow for investing activities	(1,498,098)	(1,447,149)
Cash flows from financing activities		
Increase in borrowings	47,262,050	17,645,710
Decrease in borrowings	(45,236,576)	(17,411,923)
Issuance of debentures	4,459,607	4,118,252
Repayment of debentures	(4,280,557)	(3,778,369)
Payments of lease liabilities	(14,503)	(14,913)
Dividends paid to shareholders	(132,056)	(202,770)
Issuance of hybrid equity securities	199,420	-
Repayment of hybrid equity securities	(100,333)	(250,000)
Dividends paid on hybrid equity securities	(15,913)	(13,453)
Payments for treasury shares	(12,999)	(16,000)
Increase (decrease) in non-controlling interests	52	(300,000)
Dividends paid to non-controlling interests	(10,555)	(23,043)
Increase (decrease) in other liabilities	(318,855)	118,980
Net cash inflow from (outflow for) financing activities	1,798,782	(127,529)
Net decrease in cash and cash equivalents	(105,466)	(1,186,854)
Cash and cash equivalents at the beginning of the period	4,970,460	5,894,732
Effects of exchange rate changes on cash and cash equivalents	10,969	(6,215)
Cash and cash equivalents at the end of the period	₩ 4,875,963	₩ 4,701,663

The accompanying notes are an integral part of the interim condensed consolidated financial statements.

BNK FINANCIAL GROUP INC. and its subsidiaries
Notes to the interim condensed consolidated financial statements
June 30, 2024 and 2023 (unaudited)

1. GENERAL INFORMATION:

General information of BNK Financial Group Inc. (“BNK Financial Group” or the “Parent Company”), which is a controlling entity in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (“KIFRS”) 1110 *Consolidated Financial Statements* and its subsidiaries (collectively referred to as the “Group”), is as follows:

(a) BNK Financial Group

BNK Financial Group was incorporated on March 15, 2011, in accordance with the provisions of the *Financial Holding Companies Act*, whereby holders of the ordinary share of Busan Bank; BNK Securities Co., Ltd.; BNK Capital Co., Ltd.; and BNK Credit Information Co., Ltd. transferred all of their shares to the Parent Company, and in return received shares of the Parent Company’s ordinary share in order to control, manage and provide financial support to subsidiaries engaged in financial business or financial industry-related subsidiaries. Meanwhile, BNK Financial Group established BNK Information System Co., Ltd. and BNK Savings Bank Co., Ltd. as its subsidiaries with 100% investment in 2011. The Parent Company obtained control of Kyongnam Bank by acquiring 56.97% of its shares in October 2014 and ultimately acquired 100% of shares of Kyongnam Bank through the comprehensive exchange of shares on June 4, 2015. In July 2015, the Parent Company also obtained 51.01% of shares in BNK Asset Management Co., Ltd. and established it as its subsidiary through a paid-in capital increase and acquisition of ownership. In December 2017, the Parent Company took over the rest of BNK Asset Management Co., Ltd.’s shares; accordingly, it became a wholly owned subsidiary. In November 2019, the Parent Company also obtained 100% of shares in BNK Venture Capital Co., Ltd. and established it as a wholly owned subsidiary. The headquarters of BNK Financial Group is located at Busan Nam-gu Munhyeongeumyu-ro, 30. Meanwhile, the Parent Company’s share capital as of June 30, 2024 amounts to ₩1,629,676 million with 322,088,438 outstanding shares.

BNK FINANCIAL GROUP INC. and its subsidiaries
Notes to the interim condensed consolidated financial statements
June 30, 2024 and 2023 (unaudited)

1. GENERAL INFORMATION: (cont'd)

(b) Consolidated Subsidiaries

Details of the consolidated subsidiaries as of June 30, 2024 and December 31, 2023 are as follows:

Name of subsidiary	Industry	Location	Closing month	Ownership interests (%)	
				June 30, 2024	December 31, 2023
BNK Financial Group:					
Busan Bank Co., Ltd.	Banking	Korea	December 31	100.00	100.00
Kyongnam Bank Co., Ltd.	Banking	Korea	December 31	100.00	100.00
BNK Capital Co., Ltd.	Specialized credit financial business	Korea	December 31	100.00	100.00
BNK Securities Co., Ltd.	Investment brokerage and trading	Korea	December 31	100.00	100.00
BNK Savings Bank Co., Ltd.	Saving bank services	Korea	December 31	100.00	100.00
BNK Asset Management Co., Ltd.	Financial advisory and collective investment	Korea	December 31	100.00	100.00
BNK Credit Information Co., Ltd.	Credit investigation and collection agency	Korea	December 31	100.00	100.00
BNK System Co., Ltd.	System software developing and supply	Korea	December 31	100.00	100.00
BNK Venture Capital Co., Ltd.	Start-up venture capital advisory	Korea	December 31	100.00	100.00
BNK Capital Co., Ltd					
BNKC (Cambodia) MFI PLC	Specialized credit financial business	Cambodia	December 31	100.00	100.00
BNK Capital Myanmar Co., Ltd. ¹	Specialized credit financial business	Myanmar	March 31	99.99	99.99
BNK Capital Lao Leasing Co., Ltd. ¹	Leases	Laos	December 31	96.71	96.71
MFO BNK Finance Kazakhstan JSC	Specialized credit financial business	Kazakhstan	December 31	100.00	100.00
BNK Capital Lao NDTMFI Co., Ltd. ¹	Specialized credit financial business	Laos	December 31	99.99	99.99
MCC BNK Finance LLC	Specialized credit financial business	Kyrgyzstan	December 31	100.00	100.00

¹ The remaining shares of the subsidiary are also held by the Group.

BNK FINANCIAL GROUP INC. and its subsidiaries
Notes to the interim condensed consolidated financial statements
June 30, 2024 and 2023 (unaudited)

1. GENERAL INFORMATION: (cont'd)

(c) Consolidated structured entities

Consolidated structured entities are as follows:

Category	Consolidated structured entities	Description
Trust	Busan Bank (unspecified money trust) and 18 others	The trust is a money trust in accordance with the <i>Financial Investment Services and Capital Markets Act</i> . Although the Group owns less than 50% of ownership of the trust, the Group is considered to have control over the trust because the Group is exposed to variable returns from its involvement with the trust and has the ability to affect those returns through its power to direct the activities of the trust.
Investment Fund	BNK Luxembourg private equity and 29 others	The entity is a structured company for the purpose of marketable securities investment. The Group is considered to have control over the entity because the Group has a substantive power and is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.
Asset-Backed Securitization	BNK Jeju Global Co., Ltd. and 52 others	The company is a structured company for asset securitization. Although the Group does not own ownership of the company, the Group is considered to have control over the entity because the Group has substantive power and is exposed to variable returns from involvement and has the ability to affect those returns through its power.

BNK FINANCIAL GROUP INC. and its subsidiaries
Notes to the interim condensed consolidated financial statements
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1. GENERAL INFORMATION: (cont'd)

(d) Summarized Financial Information

The summarized financial information for consolidated subsidiaries as of June 30, 2024 and December 31, 2023 and for each of each of the six-month periods ended June 30, 2024 and 2023 is as follows:

(In millions of Korean won)

Name of subsidiary	June 30, 2024			Six months ended June 30, 2024			
	Assets	Liabilities	Equity	Operating income	Operating profit	Profit for the period	Total comprehensive income
Busan Bank Co., Ltd. and its subsidiaries	₩77,983,102	₩72,278,301	₩5,704,801	₩2,320,425	₩294,125	₩251,449	₩240,836
Kyongnam Bank Co., Ltd. and its subsidiaries	51,547,149	48,008,318	3,538,831	1,431,674	251,077	204,293	199,900
BNK Capital Co., Ltd. and its subsidiaries	9,353,132	7,987,122	1,366,010	699,306	103,688	76,885	78,871
BNK Securities Co., Ltd. and its subsidiaries	8,351,533	7,178,601	1,172,932	571,734	9,332	7,156	(4,444)
BNK Savings Bank Co., Ltd.	1,903,739	1,663,335	240,404	74,305	3,251	1,534	1,534
BNK Asset Management Co., Ltd. and its subsidiaries	215,781	44,581	171,200	24,167	6,345	5,496	5,496
BNK Venture Capital Co., Ltd.	57,875	1,479	56,396	3,575	522	1,618	1,618
BNK Credit Information Co., Ltd.	30,030	2,265	27,765	6,806	1,980	1,501	1,501
BNK System Co., Ltd.	46,102	16,765	29,337	40,102	2,264	1,887	1,887

(In millions of Korean won)

Name of subsidiary	December 31, 2023			Six months ended June 30, 2023			
	Assets	Liabilities	Equity	Operating income	Operating profit	Profit for the period	Total comprehensive income
Busan Bank Co., Ltd. and its subsidiaries	₩77,271,486	₩71,622,886	₩5,648,600	₩2,431,606	₩324,828	₩266,168	₩283,905
Kyongnam Bank Co., Ltd. and its subsidiaries	50,933,014	47,470,883	3,462,131	1,263,462	194,825	161,350	177,078
BNK Capital Co., Ltd. and its subsidiaries	8,972,818	7,663,670	1,309,148	598,995	100,763	71,176	71,319
BNK Securities Co., Ltd. and its subsidiaries	5,807,547	4,620,653	1,186,894	502,675	25,059	18,750	19,335
BNK Savings Bank Co., Ltd.	1,785,620	1,546,750	238,870	67,445	(912)	(760)	(760)
BNK Asset Management Co., Ltd. and its subsidiaries	211,719	46,015	165,704	24,566	6,038	5,752	5,752
BNK Venture Capital Co., Ltd.	56,539	1,761	54,778	4,553	2,333	1,720	1,720
BNK Credit Information Co., Ltd.	28,818	2,554	26,264	6,485	2,092	1,643	1,643
BNK System Co., Ltd.	41,507	14,058	27,449	47,708	2,929	2,293	2,293

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1. GENERAL INFORMATION: (cont'd)

(e) Changes in Scope for Consolidation

There is no newly consolidated major subsidiary included in the consolidated financial statements for each of each of the six-month periods ended June 30, 2024 and 2023. However, it excludes subsidiaries that do not perform business activities, such as trusts, beneficiary certificates, securitization companies, unions, and private equity investment companies.

(f) Risks and Financial Support for Consolidated Structured Entities

Consolidated structured entities are established for asset securitization such as non-performing loans (NPL) or investment in beneficiary securities in real estate. The Group engages with consolidated structured entities by acquiring subordinated bonds issued by them or providing agreements to acquire ABCP or bonds issued by them, thereby being exposed to the risk of not being able to recover the investment amount based on investment performance.

Meanwhile, the nature and intention of contractual agreements through which the Group provides financial support to major consolidated structured entities are as follows.

<u>Company Name</u>	<u>Contractual Agreement for Financial Support</u>	<u>Intent of Support</u>
BEM Securitization Specialty First CO.,LTD.	The Group provided an agreement to acquire bonds issued by BEM Securitization First Co., Ltd. for 100 billion Korean Won.	Credit lending
BNK Jeju First Co., Ltd.	The Group provided an agreement to acquire bonds issued by BNK Jeju First Co., Ltd. for 19.7 billion Korean Won.	Credit lending
Busan Bank Trust accounts guaranteeing a fixed rate of return and the repayment of principal	The Group provided an agreement for principal and interest protection to the consolidated trust. This principal protection agreement requires the Group to cover any shortfall if the agreed principal or interest in the trust product's operation results is insufficient.	Credit enhancement for cash management of trust accounts
Busan Bank Trust accounts guaranteeing the repayment of principal ²	The Group provided an agreement for principal and interest protection to the consolidated trust. This principal protection agreement requires the Group to cover any shortfall if the agreed principal or interest in the trust product's operation results is insufficient.	Credit enhancement for cash management of trust accounts
Busan Bank Mixed trust accounts	The Group provided an agreement for principal and interest protection to the consolidated trust. This principal protection agreement requires the Group to cover any shortfall if the agreed principal or interest in the trust product's operation results is insufficient.	Credit enhancement for cash management of trust accounts
HK Yangdong 1st Co., Ltd.	The Group provided an agreement to acquire bonds issued by HK Yangdong 1 st Co., Ltd. For 15 billion Korean Won.	Credit lending
KW Blue 1st Co., Ltd.	The Group provided an agreement to acquire bonds issued by KW Blue 1st Co., Ltd. for 14 billion Korean Won.	Credit lending

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1. GENERAL INFORMATION: (cont'd)

<u>Company Name</u>	<u>Contractual Agreement for Financial Support</u>	<u>Intent of Support</u>
TW Kwangcheon Third Co., Ltd.	The Group provided an agreement to acquire bonds issued by TW Kwangcheon Third Co., Ltd. for 15 billion Korean Won.	Credit lending
TW Seocho Third Co., Ltd.	The Group provided an agreement to acquire bonds issued by TW Seocho Third Co., Ltd. for 20 billion Korean Won.	Credit lending
Consus Hwado Co., Ltd.	The Group provided an agreement to acquire bonds issued by Consus Hwado Co., Ltd. for 10 billion Korean Won.	Credit lending
YJLF Seocho Co., Ltd.	The Group provided an agreement to acquire bonds issued by YJLF Seocho Co., Ltd. for 5 billion Korean Won.	Credit lending
BNK Geumnam B Co., Ltd.	The Group provided an agreement to acquire bonds issued by BNK Geumnam B for 15 billion Korean Won.	Credit lending
BNK Geumnam C Co., Ltd.	The Group provided an agreement to acquire bonds issued by BNK Geumnam C for 20 billion Korean Won.	Credit lending
BNK Hangdong Co., Ltd.	The Group provided an agreement to acquire bonds issued by BNK Hangdong Co., Ltd. for 5.1 billion Korean Won.	Credit lending
Emarch Brothers 4th Co., Ltd.	The Group provided an agreement to acquire bonds issued by Emarch Brothers 4th Co., Ltd. for 9.83 billion Korean Won.	Credit lending
SS DONGIN 2ND CO., LTD.	The Group provided an agreement to acquire bonds issued by SS DONGIN 2ND CO., LTD. for 14 billion Korean Won.	Credit lending
BKW first Co., Ltd.	The Group provided an agreement to acquire bonds issued by BKW first Co., Ltd. for 10 billion Korean Won.	Credit lending
Roy K Sanjeong Co., Ltd.	The Group provided an agreement to acquire bonds issued by Roy K. Sanjeong Co., Ltd. for 15 billion Korean Won.	Credit lending
Roy K Soon Chun 2nd Co., Ltd.	The Group provided an agreement to acquire bonds issued by Roy K Soon Chun No. 2 Co., Ltd. for 8 billion Korean Won.	Credit lending
Summer Rally First Co., Ltd.	The Group provided an agreement to acquire bonds issued by Summer Rally First Co., Ltd. for 30 billion Korean Won.	Credit lending
Portra 1st Co., Ltd.	The Group provided an agreement to acquire bonds issued by Portra 1st Co., Ltd. for 5 billion Korean Won.	Credit lending
Silver Star 2ND Co., Ltd.	The Group provided an agreement to acquire bonds issued by Silver Star 2ND Co., Ltd. for 5 billion Korean Won.	Credit lending
Silver Star 3RD Co., Ltd.	The Group provided an agreement to acquire bonds issued by Silver Star 3RD Co., Ltd. for 3 billion Korean Won.	Credit lending
PT Gold 1st Co., Ltd.	The Group provided an agreement to acquire bonds issued by PT Gold 1st Co., Ltd. for 30 billion Korean Won.	Credit lending
Highend House First Co., Ltd.	The Group provided an agreement to acquire bonds issued by High End House No. 1 Co., Ltd. for 22 billion Korean Won.	Credit lending

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1. GENERAL INFORMATION: (cont'd)

<u>Company Name</u>	<u>Contractual Agreement for Financial Support</u>	<u>Intent of Support</u>
Roy K Bundang Co., Ltd.	The Group provided an agreement to acquire bonds issued by Roy K Bundang Co., Ltd. for 2.7 billion Korean Won.	Credit lending
Smart Pyeongtaek Seokjeong 3rd Co., Ltd.	The Group provided an agreement to acquire bonds issued by Smart Pyeongtaek Seokjeong 3rd Co., Ltd. for 10 billion Korean Won.	Credit lending
G Tower 2nd Co., Ltd.	The Group provided an agreement to acquire bonds issued by G Tower 2nd Co., Ltd. for 20 billion Korean Won.	Credit lending
BNK Kyongnam Bank Principal and Interest reservation Trust	The Group provided an agreement for principal and interest protection to the consolidated trust. This principal protection agreement requires the Group to cover any shortfall if the agreed principal or interest in the trust product's operation results is insufficient.	Credit enhancement for cash management of trust accounts
BNK Kyongnam Bank original reservation Trust	The Group provided an agreement for principal and interest protection to the consolidated trust. This principal protection agreement requires the Group to cover any shortfall if the agreed principal or interest in the trust product's operation results is insufficient.	Credit enhancement for cash management of trust accounts
Sandcastle Co., Ltd. 1st	The Group provided an agreement to acquire bonds issued by Sandcastle Co., Ltd. 1st for 17.742 billion Korean Won.	Credit lending
Ash Blue Co. Ltd. 1st	The Group provided an agreement to acquire bonds issued by Ash Blue Co. Ltd. 1st for 16.9 billion Korean Won.	Credit lending
SL Co. Ltd. 2nd	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 2nd for 14.586 billion Korean Won.	Credit lending
SL Co. Ltd. 1st	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 1st for 14.17 billion Korean Won.	Credit lending
SL Co. Ltd. 4th	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 4 th for 22.19 billion Korean Won.	Credit lending
West Wood Co. Ltd. 1st	The Group provided an agreement to acquire bonds issued by West wood Co., Ltd. 1st for 43.66 billion Korean Won.	Credit lending
SL Co. Ltd. 3rd	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 3 rd for 40 billion Korean Won.	Credit lending
SL Co. Ltd. 6th	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 6 th for 28 billion Korean Won.	Credit lending
SL Co. Ltd. 7th	The Group provided an agreement to acquire bonds issued by SL Co. Ltd. 7 th for 15 billion Korean Won.	Credit lending
BNK Ujeong First Co., Ltd.	The Group provided an agreement to acquire bonds issued by BNK Ujeong First Co., Ltd. for 20.3 billion Korean Won.	Credit lending

2. MATERIAL ACCOUNTING POLICIES:

2.1 Basis of Consolidation

The Group prepares its statutory interim condensed consolidated financial statements in the Korean language in accordance with KIFRS 1034 *Interim Financial Reporting*, enacted by the *Act on External Audit of Stock Companies*. The accompanying interim condensed consolidated financial statements have been translated into English from Korean language. In the event of any differences in interpreting the financial statements or the independent auditor's review report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as of December 31, 2023.

(a) New and amended standards and interpretations adopted by the Group

- Amendments to KIFRS 1001 *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current*

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments do not have material impact on the interim condensed consolidated financial statements of the Group.

- Amendments to KIFRS 1001 *Presentation of Financial Statements - Non-current Liabilities with Covenants*

The amendments clarify that only covenants with which an entity must comply on or before the reporting date will affect the entity's right to defer settlement of a liability for at least twelve months after the reporting period. The right to defer settlement of a liability at the end of the reporting period is subject to such covenants, even if the entity's compliance with those covenants is assessed only after the reporting date.

The amendments also specify that covenants with which an entity must comply only after the reporting date would not affect the entity's right to defer settlement. However, if an entity's right to defer settlement is subject to its compliance with covenants within twelve months after the reporting date, the entity needs to disclose the information in the notes to the financial statements so that users understand the risk that the liabilities classified as non-current could become repayable within twelve months after the reporting date. The disclosure requirements include providing information about the covenants, such as the nature of the covenants and when compliance is applicable, and the carrying amount of related liabilities.

2. MATERIAL ACCOUNTING POLICIES: (cont'd)

Entities are also required to disclose facts and circumstances, if any, that indicate they may have difficulty complying with the covenants.

The amendments do not have material impact on the interim condensed consolidated financial statements of the Group.

- Amendments to KIFRS 1007 Statement of Cash Flows and KIFRS 1107 Financial Instruments: Disclosures- Supplier Finance Arrangements - Supplier Finance Arrangements

The amendments to KIFRS 1007 *Statement of Cash Flows* and KIFRS 1107 *Financial Instruments: Disclosures* clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments do not attempt to define arrangements that are within the scope. Instead, the amendments clarify the characteristics of supplier finance arrangements with disclosure requirements.

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- the terms and conditions of its supplier finance arrangements;
- the carrying amount of financial liabilities that are part of the arrangements, and associated line items presented in the entity's statement of financial position;
- the carrying amount and associated line items for which suppliers have already received payment from the finance providers;
- the range of payment due dates of: financial liabilities that are part of a supplier finance arrangement; and comparable trade payables that are not part of a supplier finance arrangement;
- the types and effect of non-cash changes in the carrying amount of financial liabilities that are part of a supplier finance arrangement; and
- liquidity risk information.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

- Amendments to KIFRS 1116 Leases - Lease Liability in a Sale and Leaseback

The amendments add subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements in KIFRS 1115 to be accounted for as a sale. The amendments to KIFRS 1116 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments had no impact on the Group's interim condensed consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES: (cont'd)

- Amendments to KIFRS 1001 *Presentation of Financial Statements - Disclosure of Virtual Assets*

These amendments mandate entities to disclose material information for the financial statement users such as the impact of holding and issuing virtual assets on their accounting policies and financial statements. The entities should separately disclose information related to holding virtual assets, holding them on behalf of the customers, and issuing them.

When holding a virtual asset, disclosure on the general information about virtual assets, the accounting policy applied and each virtual asset's acquisition method, cost and the fair value at the end of the reporting period are required. Also, when issuing a virtual asset, the entity's obligations and status of fulfilment of the obligation related to the issued virtual asset, the timing and amount of the recognized revenue of the sold virtual asset, the number of virtual assets held after issuance and important contract details shall be disclosed.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

(b) The KIFRS that have been published that are not mandatory for June 30, 2024, reporting periods and have not been early adopted by the Group.

- Amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rate* and KIFRS 1101 *First-time Adoption of International Financial Reporting Standards - Lack of Exchangeability*

The amendments to KIFRS 1021 *The Effects of Changes in Foreign Exchange Rates* and consequential amendments to KIFRS 1101 *First-time Adoption of IFRS* specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments require disclosure of information that enables users of financial statements to understand the risk and impact of a currency not being exchangeable.

The amendments apply to annual reporting periods beginning on or after January 1, 2025. Earlier application is permitted. The amendments to this standard have no material effect on the interim financial statements.

The Group does not anticipate that the application of the enactment and amendments will have a significant impact on its interim condensed consolidated financial statements.

2. MATERIAL ACCOUNTING POLICIES: (cont'd)

2.2 Significant Accounting Policies

Significant accounting policies and method of computation used in the preparation of the interim condensed consolidated financial statements are consistent with those of the consolidated financial statements as of and for the year ended December 31, 2023, except for the changes due to the application of amendment and enactments of standards described in Note 2.1.(a) and the one described below.

2.2.1 Income Tax Expense

Income tax expense for the interim period is recognized based on management's best estimate of the weighted-average annual income tax rate expected for the full financial year. The estimated average annual tax rate is applied to the pre-tax income.

The Group has applied KIFRS 1012 *Income Taxes* to the income taxes (i.e., global minimum tax) arising from the tax legislation enacted to implement the OECD's International Tax Reform Pillar Two Model Rules. The amendment to KIFRS 1012 includes a mandatory temporary exemption from deferred tax accounting for the global minimum tax and requires disclosure of the effects on current income tax related thereto.

The Group has been applying the mandatory exception to recognize and disclose deferred taxes related to the Pillar Two income tax effective for the reporting periods beginning on or after January 1, 2024.

2.2.2 Reform of Interest Rate Index

In relation to the reform of interest rate index, the amendments provide exceptions, including adjusting effective interest rate instead of book amounts when interest rate index of financial instruments at amortized costs is replaced, and applying hedge accounting without discontinuance, although the interest rate index is replaced in hedging relationship.

As of June 30, 2024, the conversion to a replaced interest rate benchmark has been completed for currencies other than USD, and the ISDA protocol was adopted for derivatives. The financial instruments that have not been converted to replaced interest rate benchmark among the London InterBank Offered Rate ("LIBOR") interest rates as of June 30, 2024 are as follows:

Non-derivative financial instruments are in book value, while the derivatives and commitments and guarantee contracts are in nominal amount.

(In millions of Korean won)

Non-derivative financial liabilities

Financial liabilities at amortized costs	₩	24,311
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3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS:

The preparation of interim condensed consolidated financial statements requires the management to make estimates and assumptions concerning the amount recognized in the interim condensed consolidated financial statements (except for estimates) and an executive requires judgement about book amount of assets and liabilities that are not identified easily from other sources. Estimates and assumptions are based on historical experience and other factors. In addition, actual results can differ from those estimates based on such definitions.

Material accounting estimates and assumptions applied in the preparation of these interim condensed consolidated financial statements are the same as those applied to the consolidated financial statements as of and for the year ended December 31, 2023, except for the following:

(a) Fair value of financial instruments

As described in Note 6, the Group uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 6 provides detailed information about key assumptions used in the determination of the fair value of financial instruments as well as the detailed sensitivity analysis for these assumptions. The directors believe that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

(b) Expected credit losses for financial instruments

The Group measures expected credit losses for debt securities at fair value through other comprehensive income, financial assets at amortized cost, acceptances and guarantees and loan commitments and other comprehensive income and debt securities measured at fair value. For debt securities at fair value through other comprehensive income are recognized as accumulated other comprehensive income, financial assets at amortized cost are recognized for allowance for losses, and provisions are recognized for confirmed acceptances and guarantees and loan commitments. The accuracy of allowance for losses on credit is determined by assumptions and variables, used in the model to estimate expected cash flows by individual borrowers for individual assessment and estimation of allowance for losses on credit by collective method and guarantees/unused credit limit liabilities.

The Group measures the expected credit losses using forward-looking information. The Group assumes that the risk component is correlated with changes in market conditions and uses statistical methods to estimate the relationship between modeling macroeconomic variables, expected credit loss and risk components.

The Group derived correlations between the long-term data over the past 10 years, major macroeconomic variables and then reflected future forecast information through regression estimation. The major macroeconomic variables identified by the Group are GDP growth rate, interest rate spread (National Treasury Bond-CD, Distribution Yield), producer price index, Busan and Kyungnam default rate of bills, composite stock price index, unemployment rate, consumer price index, Busan apartment sales index, etc.

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3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS:(cont'd)

Forward looking information used to measure expected credit losses is calculated by comprehensively reviewing the possibility of occurrence of each scenario of the economic outlook based on forecasts from the government and public institutions such as the Bank of Korea and the Korea Development Institute.

4. FINANCIAL RISK MANAGEMENT:

(a) General

The Group is exposed to various financial risks, such as credit, liquidity, market and operational, associated with financial instruments. There has not been a significant change in the Group's purpose of financial risk management and risk management policy since December 31, 2023.

(b) Credit Risk

1) Maximum exposure to credit risk

The maximum exposure of the Group's financial instruments, except for equity securities, to credit risk that does not consider value of collateral as of June 30, 2024 and December 31, 2023 is as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
On balance:		
Cash and due from banks	₩ 409,517	₩ 388,650
Financial assets at fair value through profit or loss ("FVTPL")	8,536,573	6,867,900
Financial assets at fair value through other comprehensive income ("FVOCI")	8,143,103	7,028,690
Financial assets at amortized cost	9,161,754	9,220,251
Loans	110,070,195	109,382,964
Receivables	1,965,690	1,474,910
Derivative assets	152,529	133,689
	<u>138,439,361</u>	<u>134,497,054</u>
Off balance:		
Guarantees and acceptances	1,491,933	1,359,921
Loan commitments	23,860,862	23,553,296
	<u>25,352,795</u>	<u>24,913,217</u>
	<u>₩ 163,792,156</u>	<u>₩ 159,410,271</u>

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4. FINANCIAL RISK MANAGEMENT: (cont'd)

2) Analysis of credit quality of financial assets

Credit quality is classified based on internal credit grades as follows:

	<u>Household</u>	<u>Corporates, public sector and other</u>
Grade 1	1-5	AAA, AA, AA-, A
Grade 2	6	A-, BBB+, BBB
Grade 3	7-8	BBB-, BB, BB-
Grade 4	9-10	B, B-, C, D

The gross carrying amount of loans, receivables and debt securities by credit risk grade as of June 30, 2024 is as follows:

(In millions of Korean won)

		June 30, 2024									
		<u>Loans and receivables</u>						<u>Debt securities</u>			
		<u>Loans</u>			<u>Receivables</u>			<u>Fair value through other comprehensive income</u>		<u>Amortized cost</u>	
		<u>Lifetime expected credit losses</u>			<u>Lifetime expected credit losses</u>			<u>Twelve months expected credit losses</u>		<u>Twelve months expected credit losses</u>	
		Twelve months expected credit losses	Unrecognized impairment	Recognized impairment	Twelve months expected credit losses	Unrecognized impairment	Recognized impairment	Subtotal	losses	credit losses	Subtotal
Grade 1	₩	48,893,810	₩ 2,250,187	₩ -	₩ 508,880	₩ 4,451	₩ -	₩ 51,657,328	₩ 8,143,102	₩ 9,153,708	₩ 17,296,810
Grade 2		28,006,753	7,519,371	-	138,299	18,450	-	35,682,873	-	9,996	9,996
Grade 3		7,447,380	9,602,952	19,796	42,867	32,457	-	17,145,452	-	-	-
Grade 4		213,042	3,521,668	939,937	2,004	25,481	16,220	4,718,352	-	-	-
Non-graded		2,383,580	673,473	121,154	1,170,975	12,857	66,108	4,428,147	-	-	-
	₩	<u>86,944,565</u>	<u>₩ 23,567,651</u>	<u>₩ 1,080,887</u>	<u>₩ 1,863,025</u>	<u>₩ 93,696</u>	<u>₩ 82,328</u>	<u>₩ 113,632,152</u>	<u>₩ 8,143,102</u>	<u>₩ 9,163,704</u>	<u>₩ 17,306,806</u>

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4. FINANCIAL RISK MANAGEMENT: (cont'd)

Exposure to credit risk for loan commitments and guarantees and acceptances by credit risk grade as of June 30, 2024 is as follows:

	June 30, 2024									
	Loan commitments					Guarantees and acceptances				
	Twelve months expected credit losses	Lifetime expected credit losses		Subtotal	twelve months expected credit losses	Lifetime expected credit losses		Subtotal		
		Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment			
Grade 1	₩ 16,305,081	₩ 188,620	₩ -	₩ 16,493,701	₩ 278,243	₩ 1,380	₩ -	₩ 279,623		
Grade 2	4,155,441	665,580	-	4,821,021	509,440	451,972	-	961,412		
Grade 3	892,883	620,545	-	1,513,428	158,338	53,961	-	212,299		
Grade 4	16,585	120,670	994	138,249	-	37,268	1,332	38,600		
Non-graded	143,746	19,253	47	163,046	-	-	-	-		
	₩ 21,513,736	₩ 1,614,668	₩ 1,041	₩ 23,129,445	₩ 946,021	₩ 544,581	₩ 1,332	₩ 1,491,934		

The gross carrying amount of loans, receivables and debt securities by credit risk grade as of December 31, 2023 is as follows:

	December 31, 2023										
	Loans and receivables							Debt securities			
	Loans			Receivables				Fair value through other comprehensive income		Amortized cost	
	Twelve months expected credit losses	Lifetime expected credit losses		Twelve months expected credit losses	Lifetime expected credit losses		Subtotal	Twelve months expected credit losses	Twelve months expected credit losses		Subtotal
		Unrecognized impairment	Recognized impairment		Unrecognized impairment	Recognized impairment			losses	credit losses	
Grade 1	₩ 49,224,082	₩ 2,433,691	₩ -	₩ 195,396	₩ 10,720	₩ -	₩ 51,863,889	₩ 7,028,690	₩ 9,218,538	₩ 16,247,228	
Grade 2	27,847,506	7,800,955	-	143,404	17,614	-	35,809,479	-	5,000	5,000	
Grade 3	7,267,729	8,363,627	5,000	44,287	28,847	-	15,709,490	-	-	-	
Grade 4	248,798	3,781,167	728,658	2,225	27,746	5,996	4,794,590	-	-	-	
Non-graded	2,377,910	657,755	66,403	993,578	4,691	65,866	4,166,203	-	-	-	
	₩ 86,966,025	₩ 23,037,195	₩ 800,061	₩ 1,378,890	₩ 89,618	₩ 71,862	₩ 112,343,651	₩ 7,028,690	₩ 9,223,538	₩ 16,252,228	

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4. FINANCIAL RISK MANAGEMENT: (cont'd)

Exposure to credit risk for loan commitments and guarantees and acceptances by credit risk grade as of December 31, 2023 is as follows:

	December 31, 2023							
	Loan commitments				Guarantees and acceptances			
	Twelve months expected credit losses	Lifetime expected credit losses		Subtotal	twelve months expected credit losses	Lifetime expected credit losses		Subtotal
	Unrecognized impairment	Recognized impairment			Unrecognized impairment	Recognized impairment		
Grade 1	₩ 15,917,762	₩ 194,641	₩ -	₩ 16,112,403	₩ 308,134	₩ 1,360	₩ -	₩ 309,494
Grade 2	4,301,921	692,076	-	4,993,997	483,993	239,730	-	723,723
Grade 3	802,625	575,937	-	1,378,562	115,380	160,956	-	276,336
Grade 4	15,600	152,379	291	168,270	96	45,710	4,562	50,368
Non-graded	142,385	28,186	-	170,571	-	-	-	-
	<u>₩ 21,180,293</u>	<u>₩ 1,643,219</u>	<u>₩ 291</u>	<u>₩ 22,823,803</u>	<u>₩ 907,603</u>	<u>₩ 447,756</u>	<u>₩ 4,562</u>	<u>₩ 1,359,921</u>

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5. OPERATING SEGMENT INFORMATION:

(a) Segment report and information

The segment information indicates details of the Group's business segments. Main segments of business are based on the Group's internal report. The Group consists of six business segments: two segments of bank, securities, capital, savings bank and other. Such business segments are divided by products, characteristics of services, customers and organization of the Group. Based on these categories, the main information by segments is disclosed as follows:

Operations by segments for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024						Total	Adjustment	Consolidated financial statements
	Busan Bank	Kyongnam Bank	BNK Capital Co., Ltd.	BNK Securities Co., Ltd.	BNK Savings Bank	Others			
Net interest income (expenses)	₩ 766,682	₩ 514,760	₩ 153,234	₩ 39,493	₩ 33,098	₩ (14,384)	₩ 1,492,883	₩ (13,804)	₩ 1,479,079
Net commission income	22,301	26,099	17,870	34,593	4,386	14,820	120,069	(1,219)	118,850
Net gain on financial assets at FVTPL	28,473	46,479	5,869	111,717	898	12,340	205,776	(12,140)	193,636
Net gain on financial assets at FVOCI	20,326	15,970	-	13,555	-	-	49,851	-	49,851
Net gain on financial assets at amortized cost	103	1,235	-	-	-	-	1,338	-	1,338
Contribution to (reversal of) provision for credit loss and others	(106,328)	(48,809)	(50,740)	(72,518)	(17,481)	4,382	(291,494)	(32)	(291,526)
General and administrative expenses	(363,521)	(248,226)	(53,598)	(44,118)	(12,553)	(55,599)	(777,615)	13,157	(764,458)
Other operating income (expenses), net	(73,911)	(56,431)	31,053	(73,389)	(5,097)	336,715	158,940	(339,924)	(180,984)
Operating profit	294,125	251,077	103,688	9,333	3,251	298,274	959,748	(353,962)	605,786
Non-operating income (expenses), net	28,965	12,530	(2,072)	(75)	390	20,041	59,779	(3,000)	56,779
Profit before income tax	323,090	263,607	101,616	9,258	3,641	318,315	1,019,527	(356,962)	662,565
Income tax expense	(71,641)	(59,314)	(24,731)	(2,102)	(2,107)	(2,412)	(162,307)	2,610	(159,697)
Profit for the period	₩ 251,449	₩ 204,293	₩ 76,885	₩ 7,156	₩ 1,534	₩ 315,903	₩ 857,220	₩ (354,352)	₩ 502,868
Total assets	₩ 77,983,102	₩ 51,547,149	₩ 9,353,132	₩ 8,351,533	₩ 1,903,739	₩ 9,013,014	₩ 158,151,669	₩ (8,062,783)	₩ 150,088,886
Total liabilities	₩ 72,278,301	₩ 48,008,318	₩ 7,987,122	₩ 7,178,601	₩ 1,663,335	₩ 2,182,587	₩ 139,298,264	₩ (289,823)	₩ 139,008,441

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5. OPERATING SEGMENT INFORMATION: (cont'd)

(In millions of Korean won)	2023								
	Busan Bank	Kyongnam Bank	BNK Capital Co., Ltd.	BNK Securities Co., Ltd.	BNK Savings Bank	Others	Total	Adjustment	Consolidate d financial statements
Net interest income (expenses)	₩ 747,743	₩ 490,404	₩ 166,936	₩ 37,073	₩ 24,988	₩ (14,701)	₩ 1,452,443	₩ (4,427)	₩ 1,448,016
Net commission income	34,856	20,115	11,743	48,190	5,796	15,279	135,979	(1,221)	134,758
Net gain(loss) on financial assets at FVTPL	35,619	35,725	3,653	16,814	(559)	11,213	102,465	(8,691)	93,774
Net gain(loss) on financial assets at FVOCI	3,041	1,819	-	403	-	-	5,263	-	5,263
Net gain on financial assets at amortized cost	17	(156)	-	-	-	-	(139)	-	(139)
Contribution to (reversal of) provision for credit loss and others	(88,890)	(49,646)	(53,881)	(28,059)	(16,074)	2,173	(234,377)	40	(234,337)
General and administrative expenses	(342,554)	(248,350)	(49,971)	(56,720)	(11,274)	(51,901)	(760,770)	10,763	(750,007)
Other operating income (expenses), net	(65,004)	(55,086)	22,283	7,358	(3,789)	405,542	311,304	(408,379)	(97,075)
Operating profit(loss)	324,828	194,825	100,763	25,059	(912)	367,605	1,012,168	(411,915)	600,253
Non-operating income (expenses), net	15,379	11,692	(8,071)	(168)	344	17,199	36,375	(8,310)	28,065
Profit(loss) before income tax	340,207	206,517	92,692	24,891	(568)	384,804	1,048,543	(420,225)	628,318
Income tax expense	(74,039)	(45,167)	(21,516)	(6,141)	(192)	(2,541)	(149,596)	4,533	(145,063)
Profit(loss) for the period	₩ 266,168	₩ 161,350	₩ 71,176	₩ 18,750	₩ (760)	₩ 382,263	₩ 898,947	₩ (415,692)	₩ 483,255
Total assets	₩ 77,408,649	₩ 49,566,345	₩ 8,629,409	₩ 4,809,595	₩ 1,751,717	₩ 8,954,434	₩ 151,120,149	₩ (7,893,957)	₩ 143,226,192
Total liabilities	₩ 71,811,533	₩ 46,123,216	₩ 7,358,845	₩ 3,725,917	₩ 1,516,741	₩ 2,474,672	₩ 133,010,924	₩ (285,946)	₩ 132,724,978

(b) Information on financial services and geographical areas

As the financial products of the Group are categorized as interest bearing, non-interest bearing and others, and the categorization is already reflected in the composition of the reportable segments above, revenue from external customers is not separately disclosed. Revenue by geographical areas is not separately disclosed as the Group operates its business domestically.

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5. OPERATING SEGMENT INFORMATION: (cont'd)

(c) Information on main customers

The information regarding the revenue and non-current assets of the Group by geographical areas as of June 30, 2024 and December 31, 2023 and for each of each of the six-month periods ended June 30, 2024 and 2023 is as follows.

<i>(In millions of Korean won)</i>	Revenue		Non-current assets	
	2024	2023	June 30, 2024	December 31, 2023
Domestic portion	₩ 5,092,566 ₩	4,852,249 ₩	2,153,807 ₩	2,165,954
Foreign portion	<u>42,050</u>	<u>36,793</u>	<u>10,020</u>	<u>10,232</u>
	₩ <u>5,134,616 ₩</u>	<u>4,889,042 ₩</u>	<u>2,163,827 ₩</u>	<u>2,176,186</u>

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6. FAIR VALUE:

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

(a) Fair value of financial instruments by category

The carrying amounts and fair value of financial assets and financial liabilities by each category as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024		December 31, 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:				
Cash and due from bank	₩ 5,234,779₩	5,234,779₩	5,359,110₩	5,359,110
Financial assets at FVTPL	8,954,012	8,954,012	7,223,889	7,223,889
Financial assets at FVOCI	8,293,397	8,293,397	7,187,862	7,187,862
Financial assets at amortized cost	9,161,754	9,052,977	9,220,251	9,056,373
Loans and receivables	112,035,885	113,646,037	110,857,874	112,829,785
Derivative assets	152,529	152,529	133,689	133,689
	₩ <u>143,832,356₩</u>	<u>145,333,731₩</u>	₩ <u>139,982,675₩</u>	<u>141,790,708</u>
Financial liabilities:				
Deposit liabilities	₩ 107,004,916	107,074,810	106,761,234	106,808,602
Financial liabilities at FVTPL	2,044,732₩	2,044,732₩	1,108,862₩	1,108,862
Borrowings	10,906,450	10,871,678	8,815,876	8,771,491
Debentures	13,253,789	13,331,904	13,035,410	13,026,872
Derivative liabilities	144,059	144,059	122,132	122,132
Other financial liabilities ¹	<u>5,142,862</u>	<u>5,142,850</u>	<u>4,742,453</u>	<u>4,744,441</u>
	₩ <u>138,496,808</u>	<u>138,610,033</u>	<u>134,585,967</u>	<u>134,582,400</u>

¹ Other financial liabilities consist of accounts payables, accrued expenses and others.

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6. FAIR VALUE: (cont'd)

(b) Fair value measurement method and assumptions by financial instruments

Fair value assessment method and assumptions are as follows:

Classification	Fair value measurement technique
Cash and due from banks	The carrying amounts of cash are assumed to be, and demand due from banks and payment due from banks are reasonable approximations of fair values. These financial instruments do not have a fixed maturity and are receivable on demand. Fair value of ordinary due from banks is measured using DCF Model. However, if the contractual maturity and the interest resetting period from the settlement date are within three months, the carrying amounts are assumed to be the fair value.
Securities	The fair value of financial instruments that are quoted in active markets is determined using the quoted prices. Fair value is determined by independent third-party pricing services when quoted prices are not available. Pricing services use one or more of the valuation techniques, including DCF Model, Imputed Market Value Model, Free Cash Flow to Equity Model, Dividend Discount Model, Risk-Adjusted Discount Rate Method and Net Asset Value Method.
Derivatives	For exchange-traded derivatives, a quoted price in an active market is used to determine fair value, and for over-the-counter ("OTC") derivatives, fair value is determined using valuation techniques. The consolidated entity uses internally developed valuation models that are widely used by market participants to determine the fair value of plain OTC derivatives, including options, IRSs and currency swaps, based on observable market parameters. However, some complex financial instruments are valued using an advanced internal valuation model or the results of independent pricing services, where part or all of the inputs are not observable in the market. OTC derivatives with closed-form solutions in its valuation are valued using the appropriate model. Complex derivative instruments whose valuation method cannot be defined by closed-form solution are valued using techniques, including Finite Difference Method and Monte Carlo Simulation.
Loans and receivables	DCF is used to determine the fair value of loans and receivables. When DCF Model is applied, the expected cash flow is calculated by applying the early redemption risk rate to the contractual cash flow calculated according to the contract terms and discounted at an appropriate discount rate to calculate fair value. For those loans and receivables with residual maturities of less than three months as of the closing date and the ones with a reset period of less than three months, the carrying amount is regarded as fair value.
Deposit liabilities	The carrying amount of demand deposit is regarded as fair value as it does not have the maturity and the amount approximates the fair value. Fair value of time deposit is determined using DCF. Fair value is determined using appropriate discount rate and the expected cash flows by contractual cash flows with the prepayment rate taken into account. For those deposits with residual maturities of less than three months as of the closing date and the ones with a reset period of less than three months, the carrying amount is regarded as fair value.
Borrowings	Fair value is determined using DCF discounting contractual future cash flows by an appropriate discount rate. However, for those borrowings with residual maturities of less than three months as of the closing date and the ones with a reset period of less than three months, the carrying amount is regarded as fair value.
Debentures	Fair value is determined by using the valuation of independent third-party pricing services in accordance with the market prices that are quoted in active markets.
Other financial liabilities	Other financial liabilities mainly consist of financial liabilities with residual maturities of less than three months as of the closing date, and the carrying amount of those is regarded as fair value.

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6. FAIR VALUE: (cont'd)

(c) *Fair Value Hierarchy Classifications of the Financial Instruments that are Subsequently Measured at Fair Value*

Fair value hierarchy classifications of the financial instruments that are subsequently measured at fair value as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ 1,346,620	₩ 5,783,494	₩ 1,823,898	₩ 8,954,012
Financial assets at FVOCI	3,432,432	4,722,471	138,494	8,293,397
Loans receivables at FVTPL	-	-	32,500	32,500
Derivative assets	4	151,192	1,333	152,529
	<u>₩ 4,779,056</u>	<u>₩ 10,657,157</u>	<u>₩ 1,996,225</u>	<u>₩ 17,432,438</u>
Financial liabilities:				
Financial liabilities at FVTPL	₩ 912,149	-	₩ 1,132,583	₩ 2,044,732
Derivative liabilities	12	108,248	35,799	144,059
	<u>₩ 912,161</u>	<u>₩ 108,248</u>	<u>₩ 1,168,382</u>	<u>₩ 2,188,791</u>

(In millions of Korean won)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL	₩ 343,910	₩ 5,436,502	₩ 1,443,477	₩ 7,223,889
Financial assets at FVOCI	3,497,596	3,541,810	148,456	7,187,862
Loans receivables at FVTPL	-	-	51,250	51,250
Derivative assets	-	123,843	9,846	133,689
	<u>₩ 3,841,506</u>	<u>₩ 9,102,155</u>	<u>₩ 1,653,029</u>	<u>₩ 14,596,690</u>
Financial liabilities:				
Financial liabilities at FVTPL	₩ 178,149	-	₩ 930,713	₩ 1,108,862
Derivative liabilities	-	83,798	38,334	122,132
	<u>₩ 178,149</u>	<u>₩ 83,798</u>	<u>₩ 969,047</u>	<u>₩ 1,230,994</u>

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6. FAIR VALUE: (cont'd)

The valuation techniques and input variables of Level 2 financial instruments, subsequently measured at fair value, as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024		
	Fair value	Valuation techniques	Input variables
Financial assets:			
Financial assets at FVTPL			
Equity securities	₩ 55,575	DCF Model	Discount rate
Debt securities	4,755,405	DCF Model	Discount rate
Other securities	972,514	DCF Model, Net Asset Value Method	Discount rate, value of underlying assets, volatility
Financial assets at FVOCI			
Debt securities	4,722,471	DCF Model	Discount rate
Derivative assets	151,192	DCF Model and 1-factor Gaussian Copular model	Interest rate, discount rate, exchange rate, credit spread of reference entity, etc.
Financial liabilities:			
Derivative liabilities	₩ 108,248	DCF Model and 1-factor Gaussian Copular model	Interest rate, discount rate, exchange rate, credit spread of reference entity, etc.

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6. FAIR VALUE: (cont'd)

<i>(In millions of Korean won)</i>	December 31, 2023		
	Fair value	Valuation techniques	Input variables
Financial assets:			
Financial assets at FVTPL			
Debt securities	₩ 4,522,848	DCF Model	Discount rate
Other securities	913,654	DCF Model, Net Asset Value Method and Monte Carlo Simulation	Discount rate, value of underlying assets, volatility
Financial assets at FVOCI			
Debt securities	3,541,810	DCF Model	Discount rate
Derivative assets	123,843	DCF Model and 1-factor Gaussian Copular model	Interest rate, discount rate, exchange rate, credit spread of reference entity, etc.
Financial liabilities:			
Derivative liabilities	₩ 83,798	DCF Model and 1-factor Gaussian Copular model	Interest rate, discount rate, exchange rate, credit spread of reference entity, etc.

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6. FAIR VALUE: (cont'd)

The valuation techniques, input variables and range of significant unobservable input variables of Level 3 financial instruments, which are subsequently measured at fair value, as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>Fair value</u>	Valuation techniques	Range of significant unobservable inputs	Relationship between significant unobservable inputs and fair value
	<u>June 30, 2024</u>			
Financial assets:				
Financial assets at FVTPL	₩ 1,823,898			
Equity securities	263,107	Net Asset Value Method, DCF Model, Binomial Trees, Hull & White / G2++ , LSMC(Least-Square s Monte Carlo) and Comparable Company Analysis	Value of underlying assets Discount rate: 16.47%-16.68% Volatility: 0.57%-36.20% Growth rate: 0.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), growth rate increases (decreases) or volatility increases (decreases)
Debt securities	39,284	Monte Carlo Simulation	Volatility: 13.58%-35.65%	Fair value increases (decreases) when volatility increases (decreases)
Other securities	1,521,507	Net Asset Value Method, Binomial Trees, Monte Carlo Simulation, DCF Model, Dividend Discount Model and Market Value Approach	Value of underlying assets Discount rate: 3.32%-126.11% Volatility: 0.69%-30.70% Growth rate: 0.50%-1.00% Liquidation value: -1.00%-1.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), volatility increases (decreases), growth rate increases (decreases) or liquidation value increases (decreases)
Financial assets at FVOCI	138,494			
Equity securities	138,494	Net Asset Value Method, Free Cash Flow Equity Model, DCF Model and Comparable Company Analysis	Value of underlying assets Discount rate: 9.00%-23.39% Growth rate: 0.00%-1.00% Liquidation value: 0.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), volatility increases (decreases), growth rate increases (decreases) or liquidation value increases (decreases)
Loans receivables at FVTPL	32,500			

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<i>(In millions of Korean won)</i>	Fair value		Valuation techniques	Range of significant unobservable inputs	Relationship between significant unobservable inputs and fair value
		June 30, 2024			
Hybrid (combined) instruments		32,500	Binomial Trees	Volatility: 28.68%-39.92% Discount rate: 3.38%-7.27%	Fair value increases (decreases) when volatility increases (decreases) or discount rate decreases (increases)
Derivative assets		1,333	Binomial Trees, Monte Carlo Simulation and 1-factor Gaussian Copular model	Volatility: 0.50%-26.26% Discount rate : 3.00%-3.10% Credit Spread: 5.00%	Fair value increases (decreases) when volatility increases (decreases), discount rate decreases (increases) or credit spread narrows
Financial liabilities:					
Financial liabilities designated at FVTPL		1,132,583	Hull & White Model and Monte Carlo Simulation	Volatility: 0.00%-99.00% Correlation coefficient: -0.99-0.99	Fair value increases (decreases) when volatility increases (decreases) or correlation coefficient increases (decreases)
Derivative liabilities		35,799	Binomial Trees and Monte Carlo Simulation	Volatility: 0.50%-0.53% Discount rate: 3.00%-3.10%	Fair value increases (decreases) when volatility increases (decreases) or discount rate decreases (increases)
<i>(In millions of Korean won)</i>	Fair value		Valuation techniques	Range of significant unobservable inputs	Relationship between significant unobservable inputs and fair value
		December 31, 2023			
Financial assets:					
Financial assets at FVTPL	₩	1,443,477			
Equity securities		217,781	Net Asset Value Method, DCF Model, Binomial Trees, Hull & White / G2++ and Least Square Monte Carlo Simulation ("LSMC")	Value of underlying assets Discount rate: 16.17% Volatility: 0.61%-76.22% Growth rate: 0.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), growth rate increases (decreases) or volatility increases (decreases)
Debt securities		114,761	LSMC	Volatility: 14.23%-53.75%	Fair value increases (decreases) when volatility increases (decreases)
Other securities		1,110,935	Net Asset Value Method, Dividend Discount Model, Free Cash Flow Equity Model,	Value of underlying assets Discount rate: 3.07%-125.11% Volatility: 0.54%-52.74% Growth rate: 1.00% Liquidation value: 0.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), volatility increases

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<i>(In millions of Korean won)</i>	<u>Fair value</u>	Valuation techniques	Range of significant unobservable inputs	Relationship between significant unobservable inputs and fair value
	<u>December 31, 2023</u>			
Financial assets at FVOCI	148,456	Binomial Trees, Market Value Approach and LSMC		(decreases), growth rate increases (decreases) or liquidation value increases (decreases)
Equity securities	148,456	Net Asset Value Method, Free Cash Flow Equity Model, Dividend Discount Model, Comparable Company Analysis and DCF Model	Value of underlying assets Discount rate: 9.25%-17.54% Growth rate: 0.00%-1.00%	Fair value increases (decreases) when value of underlying assets increases (decreases), discount rate decreases (increases), volatility increases (decreases), growth rate increases (decreases) or liquidation value increases (decreases)
Loans receivables at FVTPL	51,250			
Hybrid (combined) instruments	51,250	Binomial Trees	Volatility: 19.99%-61.28% Discount rate: 5.33%-21.21%	Fair value increases (decreases) when volatility increases (decreases) or discount rate decreases (increases)
Derivative assets	9,846	Binomial Trees and LSMC	Volatility: 0.00%-99.00% Discount rate : 3.70%-3.80% Correlation coefficient:-0.99-0.99	Fair value increases (decreases) when volatility increases (decreases) or correlation coefficient increases (decreases)
Financial liabilities:				
Financial liabilities designated at FVTPL	930,713	Hull & White Model and LSMC	Volatility: 0.00%-99.00% Correlation coefficient: -0.99-0.99	Fair value increases (decreases) when volatility increases (decreases) or correlation coefficient increases (decreases)
Derivative liabilities	38,334	Binomial Trees and LSMC	Volatility: 0.00%-99.00% Discount rate: 3.70%-3.80% Correlation coefficient: -0.99-0.99	Fair value increases (decreases) when volatility increases (decreases), discount rate decreases (increases) or correlation coefficient increases (decreases)

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6. FAIR VALUE: (cont'd)

The following table shows the sensitivity analysis to disclose the effect of reasonably possible alternative assumptions on the fair value of Level 3 financial instruments as of June 30, 2024 and December 31, 2023:

(In millions of Korean won)

	June 30, 2024			
	Profit (loss) for the year		Other comprehensive income	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Financial assets:				
Financial assets at FVTPL ^{1,5}	₩ 2,843	₩ (2,841)	₩ -	₩ -
Financial assets at FVOCI ¹	-	-	3,892	(2,257)
Loans receivables at FVTPL ²	190	(193)	-	-
Derivative assets ³	25	63	-	-
Financial liabilities:				
Financial liabilities designated at FVTPL ⁴	-	-	-	-
Derivative liabilities ³	6,522	(6,522)	-	-
	<u>₩ 9,580</u>	<u>₩ (9,493)</u>	<u>₩ 3,892</u>	<u>₩ (2,257)</u>

¹ Fair value changes of securities are calculated by increasing or decreasing growth rate (0% - 1%) and discount rate (-1% - 1%) or liquidation value (-1% - 1%) and discount rate (-1% - 1%). The growth rate, discount rate and liquidation value are major unobservable inputs.

² For convertible private bonds, changes in their fair value are calculated by decreasing the stock price (-20% - 20%), product price and others (-20% - 20%), and increasing or decreasing the interest rate (-2%p - 2%p), value of Korean won (-10% - 10%) and credit premium (additional interest rate) (-5%p - 5%p).

³ Changes in the fair value are calculated by increasing or decreasing 10% of KRW Swaption volatility that is a significant unobservable input variable related to Callable IRS.

⁴ Fair value changes of financial liabilities designated as at FVTPL are calculated by increasing or decreasing volatility (-10% - 10%) and discount rate (-1% - 1%), which are unobservable input variables.

⁵ Beneficiary certificates and some contributions were excluded because it was practically impossible to calculate sensitivity due to changes in input variables.

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6. FAIR VALUE: (cont'd)

(In millions of Korean won)

	December 31, 2023			
	Profit (loss) for the year		Other comprehensive income	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
Financial assets:				
Financial assets at FVTPL ^{1,5}	₩ 4,842	₩ (3,974)	₩ -	₩ -
Financial assets at FVOCI ¹	-	-	3,334	(1,928)
Loans receivables at FVTPL ²	351	(347)	-	-
Derivative assets ³	39	(53)	-	-
Financial liabilities:				
Financial liabilities designated at FVTPL ⁴	(144)	202	-	-
Derivative liabilities ³	6,872	(6,917)	-	-
	<u>₩ 11,960</u>	<u>₩ (11,089)</u>	<u>₩ 3,334</u>	<u>₩ (1,928)</u>

¹ Fair value changes of securities are calculated by increasing or decreasing growth rate (0% - 1%) and discount rate (-1% - 1%) or liquidation value (-1% - 1%) and discount rate (-1% - 1%). The growth rate, discount rate and liquidation value are major unobservable inputs.

² For convertible private bonds, changes in their fair value are calculated by decreasing the stock price (-20% - 20%), product price and others (-20% - 20%), and increasing or decreasing the interest rate (-2%p - 2%p), value of Korean won (-10% - 10%) and credit premium (additional interest rate) (-5%p - 5%p).

³ Changes in the fair value are calculated by increasing or decreasing 10% of KRW Swaption volatility that is a significant unobservable input variable related to Callable IRS.

⁴ Fair value changes of financial liabilities designated as at FVTPL are calculated by increasing or decreasing volatility (-10% - 10%) and discount rate (-1% - 1%), which are unobservable input variables.

⁵ Beneficiary certificates and some contributions were excluded because it was practically impossible to calculate sensitivity due to changes in input variables.

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6. FAIR VALUE: (cont'd)

Changes in Level 3 financial instruments subsequently measured at fair value for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

	2024					
	<i>(In millions of Korean won)</i>					
	Financial assets at FVTPL	Financial assets at FVOCI	Loans receivables at FVTPL	Derivative assets	Derivative liabilities	Financial liabilities designated at FVTPL
Beginning balance	₩ 1,443,477	₩ 148,455	₩ 51,250	₩ 9,846	₩ 38,334	₩ 930,713
Total profit or loss:						
Amount recognized in profit or loss ¹	18,093	-	4,496	1,354	3,236	18,723
Amount recognized in other comprehensive income	-	(9,961)	-	-	-	1,575
Purchases	364,571	-	-	-	-	863,204
Sales	(161,544)	-	(23,246)	(9,867)	(5,771)	(681,632)
Reclassification	159,301	-	-	-	-	-
Ending balance	<u>₩ 1,823,898</u>	<u>₩ 138,494</u>	<u>₩ 32,500</u>	<u>₩ 1,333</u>	<u>₩ 35,799</u>	<u>₩ 1,132,583</u>

¹ In relation to changes in Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the year and total gains or losses for the period included in profit or loss for financial instruments held at the end of the reporting period in the consolidated statement of comprehensive income for the six-month period ended June 30, 2024 are as follows:

	<i>(In millions of Korean won)</i>					
	Financial assets at FVTPL	Loans receivables at FVTPL	Derivatives	Financial liabilities designated at FVTPL	Total	
Profit (loss) for the period	₩ 18,093	₩ 4,496	₩ (1,882)	₩ (18,723)	₩	1,984
Change in unrealized gain (loss)	30,303	1,068	(8,361)	(18,415)	₩	4,595

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6. FAIR VALUE: (cont'd)

(In millions of Korean won)

2023

	Financial assets at FVTPL	Financial assets at FVOCI	Loans receivables at FVTPL	Derivative assets	Derivative liabilities	Financial liabilities designated at FVTPL
Beginning balance	₩ 1,514,228	₩ 157,313	₩ 62,105	₩ 955	₩ 45,855	₩ 584,160
Total profit or loss:						
Amount recognized in profit or loss ¹	31,252	-	2,472	(120)	1,338	16,921
Amount recognized in other comprehensive income	-	(2,046)	-	-	-	538
Purchases	209,639	-	-	773	1,048	752,349
Sales	(128,474)	(1)	(2,029)	(31)	(684)	(662,048)
Other changes:						
Transfer into other levels ²	(8,535)	-	-	-	-	-
Reclassification	(17,115)	-	-	-	-	-
Ending balance	₩ 1,600,995	₩ 155,266	₩ 62,548	₩ 1,577	₩ 47,557	₩ 691,920

¹ In relation to changes in Level 3 of the fair value hierarchy, total gains or losses recognized in profit or loss for the year and total gains or losses for the period included in profit or loss for financial instruments held at the end of the reporting period in the consolidated statement of comprehensive income for the six-month period ended June 30, 2023 are as follows:

² It moved from Level 3 to Level 1 due to listing of equity securities during the six-month period ended June 30, 2023.

(In millions of Korean won)	Financial assets at FVTPL	Loans receivables at FVTPL	Derivatives	Financial liabilities designated at FVTPL	Total
Profit(loss) for the period	₩ 31,252	₩ 2,472	₩ (1,458)	₩ (16,921)	₩ 15,345
Change in unrealized gain(loss)	27,206	1,219	(281)	(10,886)	17,258

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6. FAIR VALUE: (cont'd)

(d) *Fair Value Hierarchy Classifications of the Financial Instruments that are not Subsequently Measured at Fair Value*

Fair value hierarchy classifications of the financial instruments that are subsequently not measured at fair value as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and deposits	₩ 473,222	₩ 4,761,557	₩ -	₩ 5,234,779
Loans and receivables	-	126,916	113,486,621	113,613,537
Financial assets at amortized cost	397,739	8,639,240	15,998	9,052,977
	<u>₩ 870,961</u>	<u>₩ 13,527,713</u>	<u>₩ 113,502,619</u>	<u>₩ 127,901,293</u>
Financial liabilities:				
Deposit liabilities	₩ -	₩ 18,170,015	₩ 88,904,795	₩ 107,074,810
Borrowings	-	4,821,284	6,050,394	10,871,678
Debentures	-	7,015,147	6,316,757	13,331,904
Other financial liabilities	-	-	5,142,850	5,142,850
	<u>₩ -</u>	<u>₩ 30,006,446</u>	<u>₩ 106,414,796</u>	<u>₩ 136,421,242</u>

(In millions of Korean won)

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash and deposits	₩ 512,895	₩ 4,846,215	₩ -	₩ 5,359,110
Loans and receivables	-	124,561	112,653,974	112,778,535
Financial assets at amortized cost	1,115,554	7,940,819	-	9,056,373
	<u>₩ 1,628,449</u>	<u>₩ 12,911,595</u>	<u>₩ 112,653,974</u>	<u>₩ 127,194,018</u>
Financial liabilities:				
Deposit liabilities	₩ -	₩ 17,605,094	₩ 89,203,508	₩ 106,808,602
Borrowings	1,465,285	1,732,782	5,573,424	8,771,491
Debentures	-	13,026,872	-	13,026,872
Other financial liabilities	-	-	4,744,441	4,744,441
	<u>₩ 1,465,285</u>	<u>₩ 32,364,748</u>	<u>₩ 99,521,373</u>	<u>₩ 133,351,406</u>

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6. FAIR VALUE: (cont'd)

The valuation techniques and input variables of Level 2 financial instruments, subsequently not measured at fair value, as of June 30, 2024 and December 31, 2023 are as follows. The valuation techniques and inputs variables are not disclosed for the items that the carrying amounts are disclosed at fair value as the carrying amounts are considered to be the reasonable approximation of the fair value.

<i>(In millions of Korean won)</i>	Fair value		Valuation techniques	Input variables
	June 30, 2024	December 31, 2023		
Financial assets:				
Debt securities	₩ 8,639,240	₩ 7,940,819	DCF Model	Discount rate
Financial liabilities:				
Deposit received	₩ 18,170,015	₩ 17,605,094	DCF Model	Discount rate
Borrowings	4,821,284	1,732,782	DCF Model	Discount rate
Debentures	7,015,147	13,026,872	DCF Model	Discount rate

The valuation techniques and input variables of Level 3 financial instruments, subsequently not measured at fair value, as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	Fair value		Valuation techniques	Input variables
	June 30, 2024	December 31, 2023		
Financial assets:				
Loans and receivables	₩ 113,486,621	₩ 112,653,974	DCF Model	Discount rate and early repayment rate
Financial assets at amortized cost	15,998	-	DCF Model	Discount rate and early repayment rate
Financial liabilities:				
Deposit received	₩ 88,904,795	₩ 89,203,508	DCF Model	Discount rate
Borrowings	6,050,394	5,573,424	DCF Model	Discount rate
Other financial liabilities	5,142,850	4,744,441	DCF Model	Discount rate

(e) Transfer of Financial Assets

The Group holds securities sold under repurchase and securities lending arrangements, and such transactions have resulted in transfer of financial assets. However, they have been recorded in the financial statements since the assets did not meet the removal criteria. In case of securities sold under repurchase agreements, the Group sells the assets to another party with a commitment to buy the assets back at a specified price. Loaned securities will be returned at the end of security lending agreement. Hence, the Group retains substantially all the risks and rewards of ownership

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6. FAIR VALUE: (cont'd)

of the financial assets.

Details of book amounts of transferred assets and relevant liabilities as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024		December 31, 2023	
	Book amount of transferred assets	Book amount of related liabilities	Book amount of transferred assets	Book amount of related liabilities
Securities sold under repurchase agreement	₩ 3,956,278	₩ 3,426,269	₩ 2,352,065	₩ 2,468,344
Loaned securities	1,044,444	-	1,520,342	-
Liquidated financial assets	625,289	633,271	642,590	683,434
	<u>₩ 5,626,011</u>	<u>₩ 4,059,540</u>	<u>₩ 4,514,997</u>	<u>₩ 3,151,778</u>

(f) *Financial instruments by category*

All financial instruments (financial assets and financial liabilities) are measured at fair value or at amortized cost. The carrying amounts of financial assets and financial liabilities by each category as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024				
	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortized cost	Risk hedging derivative assets	Net amount
Financial Assets:					
Cash and deposits	₩ -	₩ -	₩ 5,234,779	₩ -	₩ 5,234,779
Financial assets at FVTPL	8,954,012	-	-	-	8,954,012
Derivatives assets	-	-	-	152,529	152,529
Loans receivables at FVTPL	32,500	-	-	-	32,500
Loans receivables at amortized cost	-	-	112,003,386	-	112,003,386
Financial assets at FVOCI	-	8,293,397	-	-	8,293,397
Financial assets at amortized cost	-	-	9,161,754	-	9,161,754
	<u>₩ 8,986,512</u>	<u>₩ 8,293,397</u>	<u>₩ 126,399,919</u>	<u>₩ 152,529</u>	<u>₩ 143,832,357</u>

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6. FAIR VALUE: (cont'd)

(In millions of Korean won)

	June 30, 2024				
	Financial liabilities at FVTPL	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Risk hedging derivative liabilities	Net amount
Financial Liabilities:					
Deposit liabilities	₩ -	₩ -	₩107,004,916	₩ -	₩107,004,916
Financial liabilities at FVTPL	912,149	1,132,583	-	-	2,044,732
Borrowings	-	-	10,906,450	-	10,906,450
Debentures	-	-	13,253,789	-	13,253,789
Derivative liabilities	-	-	-	144,059	144,059
Others ¹	-	-	5,181,910	-	5,181,910
	<u>₩ 912,149</u>	<u>₩ 1,132,583</u>	<u>₩136,347,065</u>	<u>₩ 144,059</u>	<u>₩138,535,856</u>

1 Other financial liabilities consist of accounts payables, accrued expenses and others.

(In millions of Korean won)

	December 31, 2023				
	Financial assets at FVTPL	Financial assets at FVOCI	Financial assets at amortized cost	Risk hedging derivative assets	Net amount
Financial Assets:					
Cash and deposits	₩ -	₩ -	₩ 5,359,110	₩ -	₩ 5,359,110
Financial assets at FVTPL	7,223,889	-	-	-	7,223,889
Derivatives assets	-	-	-	133,689	133,689
Loans receivables at FVTPL	51,250	-	-	-	51,250
Loans receivables at amortized cost	-	-	110,806,624	-	110,806,624
Financial assets at FVOCI	-	7,187,862	-	-	7,187,862
Financial assets at amortized cost	-	-	9,220,251	-	9,220,251
	<u>₩ 7,275,139</u>	<u>₩ 7,187,862</u>	<u>₩ 125,385,985</u>	<u>₩ 133,689</u>	<u>₩139,982,675</u>

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6. FAIR VALUE: (cont'd)

(In millions of Korean won)

	December 31, 2023				
	Financial liabilities at FVTPL	Financial liabilities at FVTPL	Financial liabilities at amortized cost	Risk hedging derivative liabilities	Net amount
Financial Liabilities:					
Deposit liabilities	₩ -	₩ -	₩ 106,761,234	₩ -	₩106,761,234
Financial liabilities at FVTPL	178,149	930,713	-	-	1,108,862
Borrowings	-	-	8,815,876	-	8,815,876
Debentures	-	-	13,035,410	-	13,035,410
Derivative liabilities	-	-	-	122,132	122,132
Others ¹	-	-	4,742,453	-	4,742,453
	<u>₩ 178,149</u>	<u>₩ 930,713</u>	<u>₩ 133,354,973</u>	<u>₩ 122,132</u>	<u>₩134,585,967</u>

1 Other financial liabilities consist of accounts payables, accrued expenses and others.

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7. CASH AND DUE FROM BANKS:

Details of cash and due from banks with restriction on use as of June 30, 2024 and December 31, 2023 consist of the following:

<i>(In millions of Korean won)</i>	Financial institution	June 30, 2024	December 31, 2023	Reason for restriction
Cash and cash equivalents:				
Reserve deposits in Korean won	The BOK	₩ 3,360,960	₩ 3,514,050	Article 55 of the Bank of Korea Act
Reserve deposits in foreign currencies	The BOK	46,389	82,881	Article 55 of the Bank of Korea Act
Demand deposits in foreign currencies	The State Bank of Vietnam	1,468	8,724	Payment reserves
Other deposits in Foreign Currencies	The State Bank of Vietnam	1,723	517	Payment reserves
		<u>3,410,540</u>	<u>3,606,172</u>	
Due from banks:				
Due from banks in Korean won	The Korea Securities Finance Corporation	76,430	157,463	Deposits from investors and others
	Korea Federation of Savings Banks	56,207	55,696	Reserve deposits and others
	Korea Securities Depository and others	135	140	Deposits to performance guarantees and others
	KRX and others	71,391	56,192	Collective fund for default losses and others
	Seoul Guarantee Insurance Company	-	66	Collateral for Provisional Seizure
		<u>204,163</u>	<u>269,557</u>	
Due from banks in foreign currencies	KRX	7,517	8,617	Reserve deposits and others
	The People's Bank of China and others	7,193	6,169	Reserve deposits for overseas affiliates and others
	Standard Chartered Bank	13,892	-	Article 85 of the <i>Enforcement Rules of the Foreign Currency Bank Management Ordinance</i>
		<u>28,602</u>	<u>14,786</u>	
		<u>₩ 3,643,305</u>	<u>₩ 3,890,515</u>	

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8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS:

Financial assets at fair value through profit or loss as of June 30, 2024 and December 31, 2023 consist of the following:

<i>(In millions of Korean won)</i>	June 30, 2024		December 31, 2023	
Equity securities	₩	417,439	₩	355,989
Government and public bonds		680,614		405,953
Finance bonds		923,198		747,157
Corporate bonds		2,904,634		3,060,065
Other debt securities		721,308		553,250
Beneficiary certificates		2,326,422		1,322,524
Others		980,397		778,951
	₩	<u>8,954,012</u>	₩	<u>7,223,889</u>

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

Financial assets at fair value through other comprehensive income as of June 30, 2024 and December 31, 2023 consist of the following:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
Equity securities ¹:		
Stock	₩ 149,314	₩ 158,192
Investment and others	980	980
	<u>150,294</u>	<u>159,172</u>
Debt securities:		
Government and public bonds	2,823,066	2,219,638
Finance bonds	1,465,614	942,839
Corporate bonds	2,858,438	2,442,873
Loans in securities	995,985	1,423,340
	<u>8,143,103</u>	<u>7,028,690</u>
	<u>₩ 8,293,397</u>	<u>₩ 7,187,862</u>

¹ The equity securities held for strategic purposes rather than short-term trading, are designated as financial assets at fair value through other comprehensive income.

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10. FINANCIAL ASSETS AT AMORTIZED COST:

Financial assets at amortized cost as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024		December 31, 2023
Debt securities:			
Government and public bonds	₩ 4,357,155	₩	4,073,102
Finance bonds	913,250		977,143
Corporate bonds	3,844,840		4,076,291
Loans in securities	48,459		97,003
Provision for impairment	(1,950)		(3,288)
	<u>₩ 9,161,754</u>	<u>₩</u>	<u>9,220,251</u>

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11. ASSETS PROVIDED AS COLLATERAL:

The investments in financial assets provided as collateral as of June 30, 2024 and December 31, 2023 consist of the following:

<i>(In millions of Korean won)</i>		<u>Face value</u>	
	Provided to	June 30, 2024	Reason
Financial assets at FVTPL	Korea Securities Depository and others	₩ 3,382,294	Sold under repurchase agreements
	Korea Securities Finance Corp and others	1,049,602	Lending transaction
	Korea Securities Finance Corp	88	Margin loans
	Korea Investment & Securities and others	65,427	OTC derivatives transaction
Financial assets at FVOCI	Korea Securities Depository	276,169	Sold under repurchase agreements
	KRX	14,619	Substitute securities
	Nomura Finance Investment and others	27,898	Sold under repurchase agreements
	Bank of Korea	603,997	Borrowing collateral and overdraft and settlement
	Standard Chartered Bank and others	59,485	Collateral for OTC derivatives
	Bank of America and others	48,793	Collateral for Credit Support Annex
Financial assets at amortized cost	Korea Securities Depository	269,917	Sold under repurchase agreements
	Bank of Korea	2,228,388	Borrowing collateral and overdraft and settlement
	Korea Securities Depository	101	Collective fund for default losses
	KB Securities and others	73,655	Foreign borrowings, Collateral for Credit Support Annex and others
	Eugene Investment & Futures Co., Ltd. and others	6,687	Margin for futures and others
		₩	<u>8,107,120</u>

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11. ASSETS PROVIDED AS COLLATERAL: (cont'd)

<i>(In millions of Korean won)</i>		<u>Face value</u>	
	Provided to	December 31, 2023	Reason
Financial assets at FVTPL	Korea Securities Depository	₩ 1,841,540	Sold under repurchase agreements
	Korea Securities Finance Corp and others	478,253	Lending transaction
	Korea Securities Finance Corp	86	Margin loans
	Korea Investment & Securities and others	52,361	OTC derivatives transaction
Financial assets at FVOCI	Korea Securities Depository	164,731	Sold under repurchase agreements
	KRX	14,548	Substitute securities
	Nomura Finance Investment and others	27,785	Sold under repurchase agreements
	Bank of Korea	619,607	
	Standard Chartered Bank and others	38,241	Collateral for OTC derivatives
	Societe Generale Bank	19,186	Collateral for Credit Support Annex
Financial assets at amortized cost	Korea Securities Depository	318,009	Sold under repurchase agreements
	Bank of Korea	2,156,085	Borrowing collateral and overdraft and settlement
	Korea Securities Depository	101	Collective fund for default losses
	Standard Chartered Bank and others	73,769	Foreign borrowings, Collateral for Credit Support Annex and others
	Eugene Investment & Futures Co., Ltd. and others	8,721	Margin for futures and others
	₩	<u>5,813,023</u>	

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11. ASSETS PROVIDED AS COLLATERAL: (cont'd)

Details of the land and building provided by the Group as collateral for the leasehold deposits as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

		June 30, 2024		
	Secured assets	Carrying amount		Maximum amount
Property and equipment	Land	₩ 15,293		
	Building	10,644		
		<u>₩ 25,937</u>	₩	66,960
Investment properties	Land	₩ 25,070		
	Building	3,838		
		<u>₩ 28,908</u>		

(In millions of Korean won)

		December 31, 2023		
	Secured assets	Carrying amount		Maximum amount
Property and equipment	Land	₩ 15,293		
	Building	10,853		
		<u>₩ 26,146</u>	₩	1,460
Investment properties	Land	₩ 25,069		
	Building	3,933		
		<u>₩ 29,002</u>		

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11. ASSETS PROVIDED AS COLLATERAL: (cont'd)

Details of the land and building provided by the Group as collateral for the loans as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

		June 30, 2024			
	Secured assets	Carrying amount		Maximum amount	
Property and equipment	Land	₩ 111,718			
	Building	42,029			
		<u>₩ 153,747</u>			
Investment properties	Land	₩ 358,734		₩ 482,760	
	Building	123,723			
		<u>₩ 482,457</u>			

(In millions of Korean won)

		December 31, 2023			
	Secured assets	Carrying amount		Maximum amount	
Property and equipment	Land	₩ 104,608			
	Building	39,509			
		<u>₩ 144,117</u>			
Investment properties	Land	₩ 365,844		₩ 482,760	
	Building	129,384			
		<u>₩ 495,228</u>			

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12. LOANS AND RECEIVABLES:

Loans and receivables as of June 30, 2024 and December 31, 2023 consist of the following:

(In millions of Korean won)

	June 30, 2024			December 31, 2023		
	Amortized cost	Fair value	Total	Amortized cost	Fair value	Total
Loans receivable:						
Loans in Korean won:						
Corporates	₩ 68,452,093	₩ -	₩ 68,452,093	₩ 68,761,025	₩ -	₩ 68,761,025
Household	35,666,962	-	35,666,962	34,983,108	-	34,983,108
Public sector and others	2,107,027	-	2,107,027	2,211,975	-	2,211,975
Interbank loans	93,028	-	93,028	96,170	-	96,170
	<u>106,319,110</u>	<u>-</u>	<u>106,319,110</u>	<u>106,052,278</u>	<u>-</u>	<u>106,052,278</u>
Loans in foreign currencies	1,815,573	-	1,815,573	1,550,754	-	1,550,754
Call loans	276,851	-	276,851	486,142	-	486,142
Bills bought in local currency	23,665	-	23,665	980	-	980
Bills bought in foreign currencies	182,760	-	182,760	153,661	-	153,661
Advances for customers	1,152	-	1,152	1,834	-	1,834
Credit card receivables	782,628	-	782,628	846,549	-	846,549
Bonds purchased under repurchase agreement	518,300	-	518,300	30,000	-	30,000
Privately placed bonds	583,677	32,500	616,177	609,540	51,250	660,790
Finance lease receivables	464,158	-	464,158	461,909	-	461,909
Installment financing receivables	452,894	-	452,894	441,129	-	441,129
	<u>111,420,768</u>	<u>32,500</u>	<u>111,453,268</u>	<u>110,634,776</u>	<u>51,250</u>	<u>110,686,026</u>
Provision for impairment of loans receivable ¹	(1,555,408)	-	(1,555,408)	(1,471,567)	-	(1,471,567)
Deferred loan origination fees	(12,306)	-	(12,306)	(12,677)	-	(12,677)
Deferred loan origination costs	184,641	-	184,641	181,182	-	181,182
	<u>110,037,695</u>	<u>32,500</u>	<u>110,070,195</u>	<u>109,331,714</u>	<u>51,250</u>	<u>109,382,964</u>
Receivables:						
Suspense payments	3,276	-	3,276	2,466	-	2,466
Non-trade receivable ²	793,789	-	793,789	496,492	-	496,492
Domestic exchange settlement debits	348,864	-	348,864	194,996	-	194,996
Guarantee deposits provided	255,513	-	255,513	252,111	-	252,111
Accrued income	643,735	-	643,735	601,327	-	601,327
Deposits under regulation	3,159	-	3,159	2,556	-	2,556
Interbank receivables	200	-	200	-	-	-
Bills unsettled	52	-	52	812	-	812
Other	912	-	912	173	-	173

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	2,049,500	-	2,049,500	1,550,933	-	1,550,933
Provision for impairment of receivables ²	(73,359)	-	(73,359)	(65,460)	-	(65,460)
Present value discounts (leasehold deposits provided)	(10,451)	-	(10,451)	(10,563)	-	(10,563)
	1,965,690	-	1,965,690	1,474,910	-	1,474,910
Loans and receivables	₩ 112,003,385	₩ 32,500	₩ 112,035,885	₩ 110,806,624	₩ 51,250	₩ 110,857,874

1 Present value discounts of ₩12 million and ₩1,077 million are included as of June 30, 2024, and present value discounts of ₩352 million and ₩1,424 million are included as of December 31, 2023.

2 Due to an employee embezzlement incident that occurred prior to the current year, the Group recognized illegal act receivables of ₩65,651 million as of June 30, 2024 and ₩65,651 million as of December 31, 2023. Additionally, the Group established provisions for bad debts of ₩52,621 million as of June 30, 2024 and ₩65,651 million as of December 31, 2023.

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13. PROVISION FOR IMPAIRMENT:

Changes in provision for impairment of loans and receivables for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 447,950	₩ 679,960	₩ 409,118	₩ 1,537,028
Transfer to 12 months' expected credit losses of financial assets	60,297	(59,329)	(968)	-
Transfer to expected lifetime credit losses	(48,337)	60,281	(11,944)	-
Transfer to credit-impaired financial assets	(25,076)	(124,619)	149,695	-
Written off during the year as uncollectible	-	-	(179,481)	(179,481)
Decrease in provision due to sales of loans	-	-	(112,597)	(112,597)
Financial assets issued or acquired	-	-	19,904	19,904
Changes from adjustments to receivables and payables	-	-	(982)	(982)
Exchange differences	406	112	1,090	1,608
Other	(347)	-	(8,841)	(9,188)
	<u>434,893</u>	<u>556,405</u>	<u>264,994</u>	<u>1,256,292</u>
Additional provision for impaired receivables during the period	20,830	32,383	319,262	372,475
Ending balance	<u>₩ 455,723</u>	<u>₩ 588,788</u>	<u>₩ 584,256</u>	<u>₩ 1,628,767</u>

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13. PROVISION FOR IMPAIRMENT: (cont'd)

(In millions of Korean won)

	2023			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 337,822	₩ 456,511	₩ 321,980	₩ 1,116,313
Transfer to 12 months' expected credit losses of financial assets	39,690	(38,200)	(1,490)	-
Transfer to expected lifetime credit losses	(43,707)	49,687	(5,980)	-
Transfer to credit-impaired financial assets	(8,389)	(38,409)	46,798	-
Written off during the year as uncollectible	-	-	(174,319)	(174,319)
Decrease in provision due to sales of loans	-	-	(59,556)	(59,556)
Financial assets issued or acquired	-	-	39,898	39,898
Changes from adjustments to receivables and payables	-	-	(80)	(80)
Exchange differences	106	44	325	475
Other	21	-	(5,556)	(5,535)
	<u>325,543</u>	<u>429,633</u>	<u>162,020</u>	<u>917,196</u>
Additional provision for impaired receivables during the period	47,914	52,889	188,327	289,130
Ending balance	<u>₩ 373,457</u>	<u>₩ 482,522</u>	<u>₩ 350,347</u>	<u>₩ 1,206,326</u>

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13. PROVISION FOR IMPAIRMENT: (cont'd)

Changes in provision for impairment for financial assets at fair value through other comprehensive income for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 2,679	₩ -	₩ -	₩ 2,679
Decrease in provision from sales	(797)	-	-	(797)
Reversal of provision for impairment	(375)	-	-	(375)
Ending balance	<u>₩ 1,507</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 1,507</u>

(In millions of Korean won)

	2023			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 1,476	₩ -	₩ -	₩ 1,476
Decrease in provision from sales	-	-	-	-
Contribution to provision for impairment	377	-	-	377
Ending balance	<u>₩ 1,853</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 1,853</u>

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13. PROVISION FOR IMPAIRMENT: (cont'd)

Changes in provision for impairment for securities at amortized cost for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 3,288	₩ -	₩ -	₩ 3,288
Reversal of provision for impairment	(1,338)	-	-	(1,338)
Ending balance	<u>₩ 1,950</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 1,950</u>

(In millions of Korean won)

	2023			
	Twelve months' expected credit losses	Lifetime expected credit losses		Total
		Unrecognized impairment	Recognized impairment	
Beginning balance	₩ 3,042	₩ -	₩ -	₩ 3,042
Contribution to provision for impairment	139	-	-	139
Ending balance	<u>₩ 3,181</u>	<u>₩ -</u>	<u>₩ -</u>	<u>₩ 3,181</u>

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING:

(a) The valuation of derivatives for trading as of June 30, 2024 and December 31, 2023 is as follows:

(In millions of Korean won)

	June 30, 2024			
	Valuation gain	Valuation loss	Assets	Liabilities
Currency:				
Currency forwards	₩ 99,448	₩ 96,239	₩ 86,096	₩ 73,605
Currency swaps	3,896	1,349	2,990	78
Currency options	13,279	9,825	9,722	9,606
	<u>116,623</u>	<u>107,413</u>	<u>98,808</u>	<u>83,289</u>
Interest rate:				
Interest rate forwards	93	3,354	664	2,741
Interest rate swaps	8,473	6,192	16,453	15,130
Interest rate futures	4	12	4	12
	<u>8,570</u>	<u>9,558</u>	<u>17,121</u>	<u>17,883</u>
Stock:				
Stock options	1,964	1,570	1,436	1,271
Stock swaps	22	-	911	-
	<u>1,986</u>	<u>1,570</u>	<u>2,347</u>	<u>1,271</u>
Credit:				
Credit swaps	982	5,373	34,095	5,817
	<u>982</u>	<u>5,373</u>	<u>34,095</u>	<u>5,817</u>
Other derivative assets:				
Other derivative instrument options	-	-	158	-
	<u>-</u>	<u>-</u>	<u>158</u>	<u>-</u>
	<u>₩ 128,161</u>	<u>₩ 123,914</u>	<u>₩ 152,529</u>	<u>₩ 108,260</u>

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

(In millions of Korean won)

	December 31, 2023			
	Valuation gain	Valuation loss	Assets	Liabilities
Currency:				
Currency forwards	₩ 40,912	₩ 38,239	₩ 50,774	₩ 43,176
Currency options	6,231	4,764	3,520	4,125
	<u>47,143</u>	<u>43,003</u>	<u>54,294</u>	<u>47,301</u>
Interest rate:				
Interest rate forwards	3	1	153	-
Interest rate swaps	9,331	8,713	33,746	31,272
	<u>9,334</u>	<u>8,714</u>	<u>33,899</u>	<u>31,272</u>
Stock:				
Stock options	2,878	1,160	10,302	6,201
Stock swaps	25	-	890	-
	<u>2,903</u>	<u>1,160</u>	<u>11,192</u>	<u>6,201</u>
Credit:				
Credit swaps	16,611	19,173	34,147	4,779
	<u>16,611</u>	<u>19,173</u>	<u>34,147</u>	<u>4,779</u>
Other derivative assets:				
Other derivative instrument options	-	1	157	-
	<u>-</u>	<u>1</u>	<u>157</u>	<u>-</u>
	<u>₩ 75,991</u>	<u>₩ 72,051</u>	<u>₩ 133,689</u>	<u>₩ 89,553</u>

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

(b) Hedge

In order to hedge fluctuation risks of fair value due to changes in interest rate of structured deposits and issued financial bonds, a hedge accounting of fair value risk is applied that interest rate swaps are designated as a hedging instrument. In order to hedge currency fluctuation risks of net investments in foreign operations, a hedge accounting of net investments in foreign operations is applied that non-derivative financial instruments are designated as a hedging instrument.

The valuation of derivatives designated as a hedging instrument as of June 30, 2024 and December 31, 2023 is as follows:

<i>(In millions of Korean won)</i>	June 30, 2024			
	Valuation gain	Valuation loss	Assets	Liabilities
Interest rate:				
Interest rate swaps	₩ -	₩ 1,512	₩ -	₩ 35,799

<i>(In millions of Korean won)</i>	December 31, 2023			
	Valuation gain	Valuation loss	Assets	Liabilities
Interest rate:				
Interest rate swaps	₩ 13,116	₩ -	₩ -	₩ 32,579

Gain (loss) on valuation of hedged items and hedging instrument for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Loss on valuation of hedging instrument	₩ (1,512)	₩ (252)
Gain on valuation of hedged items	₩ 999	₩ 391
	<u>₩ (513)</u>	<u>₩ 139</u>

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

(c) Amount, timing and uncertainty of future cash flows as of June 30, 2024 and December 31, 2023 are as follows:

		June 30, 2024												
(In millions of Korean won)		Less than 1 year	Between 1 year – 2 years	Between 2 – 3 years	Between 3 – 4 years	Between 4 – 5 year	More than 5 years	Total						
Fair value risk hedges														
Nominal amount of risk hedge instrument	₩	-	₩	-	₩	347,300	₩	-	₩	-	₩	70,000	₩	417,300
Average hedge ratio (%)		-	-	100%	-	-	-	100%	100%					100%
Risk hedges for net investments in foreign operation														
Nominal amount of risk hedge instrument	₩	78,490	₩	-	₩	-	₩	398,701	₩	-	₩	-	₩	477,191
Average hedge ratio (%)		100%	-	-	-	100%	-	-	-	-	-	-	-	100%
		December 31, 2023												
(In millions of Korean won)		Less than 1 year	Between 1 year – 2 years	Between 2 – 3 years	Between 3 – 4 years	Between 4 – 5 year	More than 5 years	Total						
Fair value risk hedges														
Nominal amount of risk hedge instrument	₩	-	₩	-	₩	322,350	₩	-	₩	-	₩	70,000	₩	392,350
Average hedge ratio (%)		-	-	100%	-	-	-	100%	100%					100%
Risk hedges for net investments in foreign operation														
Nominal amount of risk hedge instrument	₩	115,401	₩	-	₩	-	₩	215,331	₩	-	₩	-	₩	330,732
Average hedge ratio (%)		100%	-	-	-	100%	-	-	-	-	-	-	-	100%

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

The current interest rates of hedging instruments as of June 30, 2024 and December 31, 2023 are as follows.

	June 30, 2024	December 31, 2023
Fair value risk hedges		
Interest rate:		
Foreign currency interest rate swap	Fixed 1.38% Receive /SOFR AVG 3M Pay	Fixed 1.38% Receive /LIBOR 3M Pay
	Fixed 1.367% Receive /SOFR AVG 3M Pay	Fixed 1.367% Receive /LIBOR 3M Pay
KRW interest rate swap	Fixed 2.41% Receive /CD(91D)+0.15% Pay	Fixed 2.41% Receive /CD(91D)+0.15% Pay
	Fixed 1.91% Receive /CD(91D)+0.15% Pay	Fixed 1.91% Receive /CD(91D)+0.15% Pay

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

(d) *Impacts of hedge accountings on the statements of financial position, the statements of comprehensive income and the statements of changes in equity.*

Impacts of risk hedge instruments on the statements of financial position, the statements of comprehensive income and the statements of changes in equity as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)	June 30, 2024							
	Statement of financial position					Statement of comprehensive income and statements of changes in equity		
	Nominal amount	Changes in fair value	Derivative assets	Derivative liabilities	Borrowings	Profit or loss	Other comprehensive income ¹	
Fair value risk hedges:								
Interest rate risk hedge	₩ 417,300	₩ (1,512)	₩ -	₩ 35,799	₩ -	₩ (1,512)	₩ -	
Hedges for net investments in foreign operations:								
Currency risk hedge	477,190	(31,348)	-	-	477,190	-	(23,417)	
	₩ 894,490	₩ (32,860)	₩ -	₩ 35,799	₩ 477,190	₩ (1,512)	₩ (23,417)	

¹ The amount recognized in other comprehensive income is net of income tax effect.

(In millions of Korean won)	December 31, 2023							
	Statement of financial position					Statement of comprehensive income and statements of changes in equity		
	Nominal amount	Changes in fair value	Derivative assets	Derivative liabilities	Borrowings	Profit or loss	Other Comprehensive income ¹	
Fair value risk hedges:								
Currency risk hedge	₩ 392,350	₩ 13,116	₩ -	₩ 32,579	₩ -	₩ 13,116	₩ -	
Hedges for net investments in foreign operations:								
Currency risk hedge	330,731	1,857	-	-	330,731	-	1,388	
	₩ 723,081	₩ 14,973	₩ -	₩ 32,579	₩ 330,731	₩ 13,116	₩ 1,388	

¹ The amount recognized in other comprehensive income is net of income tax effect.

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

Impacts of the hedged items on the statements of financial position, the statements of comprehensive income and the statements of changes in equity as of June 30, 2024 and December 31, 2023 are as follows:

		June 30, 2024						
<i>(In millions of Korean won)</i>		Statement of financial position			Statement of comprehensive income and statements of changes in equity			Reserve for foreign currency translation
		Nominal amount	Changes in fair value	Deposits received	Debentures	Profit or loss	Other comprehensive -ve income ¹	
Fair value risk hedges:								
Interest rate risk hedge		₩ 417,300	₩ 999	₩ 57,795	₩ 391,588	₩ 999	₩ -	₩ -
Hedges for net investments in foreign operations:								
Currency risk hedge		477,190	34,313	-	-	-	28,780	43,227
		<u>₩ 894,490</u>	<u>₩ 35,312</u>	<u>₩ 57,795</u>	<u>₩ 391,588</u>	<u>₩ 999</u>	<u>₩ 28,780</u>	<u>₩ 43,227</u>

¹ The amount recognized in other comprehensive income is net of income tax effect.

		December 31, 2023						
<i>(In millions of Korean won)</i>		Statement of financial position			Statement of comprehensive income and statements of changes in equity			Reserve for foreign currency translation
		Nominal amount	Changes in fair value	Deposits received	Debentures	Profit or loss	Other comprehensive -ve income ¹	
Fair value risk hedges:								
Interest rate risk hedge		₩ 392,350	₩ (13,974)	₩ 58,186	₩ 301,987	₩ (13,974)	₩ -	₩ -
Hedges for net investments in foreign operations:								
Currency risk hedge		330,731	15,210	-	-	(622)	2,871	21,174
		<u>₩ 723,081</u>	<u>₩ 1,236</u>	<u>₩ 58,186</u>	<u>₩ 301,987</u>	<u>₩ (14,596)</u>	<u>₩ 2,871</u>	<u>₩ 21,174</u>

¹ The amount recognized in other comprehensive income is net of income tax effect.

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14. DERIVATIVE INSTRUMENTS AND HEDGE ACCOUNTING: (cont'd)

The amounts and items recognized as profit or loss due to ineffective portion in fair value risk hedges for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	Ineffective portion of risk hedges recognized as profit or loss		Items
	2024	2023	
Fair value risk hedges:			
Interest rate risk hedge	₩ (513)	₩ 139	Gain(Loss) on valuation of derivatives

There is no amount recognized in profit or loss and other comprehensive income as an ineffective portion of cash flow hedges and hedges for net investments in foreign operations for each of the six-month periods ended June 30, 2024 and 2023.

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE:

Details of investments in associates and joint venture as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	Main business	Location	June 30, 2024			
			Closing month	Percentage of ownership	Acquisition cost	Carrying amount
Investments in associates:						
BNK Corporate MMF No.1 (Stock) C	Financial investment	The Republic of Korea	December	-	-	-
NH-Amundi General Private Equity Investment Trust No.22(Bond)	Financial investment	The Republic of Korea	December	-	-	-
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	Financial investment	The Republic of Korea	December	-	-	-
NH-Amundi General Private Equity Investment Trust No.18(Bond)	Financial investment	The Republic of Korea	December	-	-	-
Hanwha A Professional Investment Private No. 120 (USD, bond)	Financial investment	The Republic of Korea	December	-	-	-
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	Financial investment	The Republic of Korea	December	-	-	-
KB Korea Short-Term Bonds Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	Financial investment	The Republic of Korea	December	-	-	-
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	Financial investment	The Republic of Korea	December	-	-	-
BNK-T2021 Korea Support Venture Investment Association No. 1	Investment association	The Republic of Korea	December	32%	12,000	10,834
BNK Intervalue Technology Finance Investment Association	Investment association	The Republic of Korea	December	34%	12,700	11,392
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	Financial investment	The Republic of Korea	December	34%	10,000	11,521
Shinhan Corporation General Private Securities Investment Trust 14th	Financial investment	The Republic of Korea	December	50%	50,000	50,853
Samsung Rafael General Investment Private Security Investment Trust No.8	Financial investment	The Republic of Korea	December	50%	50,000	51,088
Mirae Asset Triumph Professional Investment Private No. 2	Financial investment	The Republic of Korea	December	50%	30,000	31,512
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	50,998
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	Financial investment	The Republic of Korea	December	50%	10,000	10,582
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	Financial investment	The Republic of Korea	December	50%	20,000	21,159
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	Financial investment	The Republic of Korea	December	50%	30,000	31,884
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	Financial investment	The Republic of Korea	December	50%	30,000	31,583
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment	Financial investment	The Republic of Korea	December	33%	30,000	31,535

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Trust No. 29 (Bond)							
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	Financial investment	The Republic of Korea	December	30%	30,000	32,334	
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	Financial investment	The Republic of Korea	December	50%	30,000	30,816	
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	Financial investment	The Republic of Korea	December	30%	30,000	30,717	
Multi-Asset ESG Marine Transportation Infra General Private Investment Trust No.1 ¹	Financial investment	The Republic of Korea	December	92%	50,684	50,964	
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	Financial investment	The Republic of Korea	December	46%	19,658	19,931	
Multi-Asset LNG General Private Equity Investment Trust No.5 ¹	Financial investment	The Republic of Korea	December	67%	21,212	21,335	
Igis Ulsan New Port Infrastructure Private Investment Trust	Financial investment	The Republic of Korea	December	32%	18,545	18,956	
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	Financial investment	The Republic of Korea	December	50%	28,505	28,528	
Samsung Lapael Professional Private Securities Investment Trust 1st	Financial investment	The Republic of Korea	December	50%	50,000	50,855	
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	Financial investment	The Republic of Korea	December	50%	40,050	40,859	
Petra7alpha Private Equity Partnership	Financial investment	The Republic of Korea	December	22%	10,938	10,374	
KB Leaders ESG Professional Private Securities Investment Trust No.1	Financial investment	The Republic of Korea	December	49%	20,434	20,379	
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	Financial investment	The Republic of Korea	December	28%	11,937	11,954	
VI Repo General Private Securities Investment Trust No.8	Financial investment	The Republic of Korea	December	50%	50,000	51,137	
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	50,970	
KYOBO Axa Alpha Plus General Private Investment Trust J -13	Financial investment	The Republic of Korea	December	25%	50,000	51,231	
KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	Financial investment	The Republic of Korea	December	50%	50,000	50,274	
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	Financial investment	The Republic of Korea	December	49%	29,775	30,008	
Igis housing platform no.1 professional investors' private real estate fund	Financial investment	The Republic of Korea	December	20%	12,060	13,828	
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	Trust and collective investment business	The Republic of Korea	December	38%	11,400	10,352	
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	Trust and collective investment business	The Republic of Korea	December	23%	18,305	18,301	
Shinhan Public Offering Share Maturity Matching Professional Investment Private Fund No. 3 (Mixed Bond)	Trust and collective investment business	The Republic of Korea	December	50%	50,000	51,056	

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Daishin Plus Professional Investment Private No. 2401 (bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,228
NH-Amundi Professional Investment Private No. 29 (bond)	Financial investment	The Republic of Korea	December	50%	30,000	30,501
Vogo Build-Up Private Investment Trust No. 1 C-S	Financial investment	The Republic of Korea	December	28%	10,000	10,801
Midas Chagog Chagog Repo Private Securities Investment Trust No. 7 (Bond)	Financial investment	The Republic of Korea	December	23%	30,000	30,874
NH-Amundi YED Delta Balanced Private Securities Investment Trust No. 1 (Bond Mixed)	Financial investment	The Republic of Korea	December	50%	10,000	10,314
Eugene Champion Matching Bond Private Securities Investment Trust No. 1 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	50,819
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-14 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	50,525
Samsung Dollar S&B General Private Investment Trust No. 8 (USD) [Bond]	Financial investment	The Republic of Korea	December	50%	28,459	28,226
Korea Investment Basic Private Securities Investment Trust No. 122 (USD, Bond)	Financial investment	The Republic of Korea	December	20%	14,274	14,156
Hanwha Private Securities Investment Trust No. 127 (USD, Bond)	Financial investment	The Republic of Korea	January	20%	28,330	28,102
BNK Professional Investment Private No. 5H (USD, Bond)	Financial investment	The Republic of Korea	February	25%	14,108	13,988
KB Korea Short-Term Bond Professional Investment Private Security Investment Trust No. 47 (USD, Bond)	Financial investment	The Republic of Korea	March	33%	13,997	13,878
VI REPO General Private Equity Securities Investment Trust No. 15 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	50,981
Kyobo Axa ESG Alpha Plus General Private Securities Investment Trust J-20 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,163
Shinhan Long Short Maturity Matching General Private Securities Investment Trust No.1	Financial investment	The Republic of Korea	December	50%	30,000	30,636
iM Asset General Private Equity Securities Investment Trust No. 41 (Bond) (Professional)	Financial investment	The Republic of Korea	December	50%	50,000	50,999
KOREA Investment BASIC General Private Equity Securities Investment Trust No.123 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,021
ACE Treasury Bond 10 years	Financial investment	The Republic of Korea	December	32%	68,685	69,933
SOL Treasury Bond 10 years	Financial investment	The Republic of Korea	December	40%	49,987	51,018
Others	Financial investment and others	The Republic of Korea	December	0.23 ~ 54.55%	<u>133,696</u>	<u>131,688</u>
					<u>1,829,739</u>	<u>1,860,951</u>

¹ Investments in entities marked above are classified as an investment in associates, as the Group does not have control over the entities via decision-making body.

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

<i>(In millions of Korean won)</i>		December 31, 2023				
	Main business	Location	Closing month	Percentage of ownership	Acquisition cost	Carrying amount
Investments in associates:						
BNK Corporate MMF No.1 (Stock) C	Financial investment	The Republic of Korea	December	23%	₩ 163,384	₩ 165,400
NH-Amundi General Private Equity Investment Trust No.22(Bond)	Financial investment	The Republic of Korea	December	50%	30,000	31,255
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	Financial investment	The Republic of Korea	December	25%	50,000	52,084
NH-Amundi General Private Equity Investment Trust No.18(Bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,326
Hanwha A Professional Investment Private No. 120 (USD, bond)	Financial investment	The Republic of Korea	December	20%	27,055	27,038
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	Financial investment	The Republic of Korea	December	25%	26,257	26,238
KB Korea Short-Term Bonds Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	Financial investment	The Republic of Korea	December	50%	25,975	25,957
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	Financial investment	The Republic of Korea	December	50%	50,000	52,180
BNK-T2021 Korea Support Venture Investment Association No. 1	Investment association	The Republic of Korea	December	32%	12,000	10,974
BNK Intervalue Technology Finance Investment Association	Investment association	The Republic of Korea	December	34%	12,700	11,526
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	Financial investment	The Republic of Korea	December	33%	10,000	11,122
Shinhan Corporation General Private Securities Investment Trust 14th	Financial investment	The Republic of Korea	December	50%	50,000	52,350
Samsung Rafael General Investment Private Security Investment Trust No.8	Financial investment	The Republic of Korea	December	50%	50,000	51,780
Mirae Asset Triumph Professional Investment Private No. 2	Financial investment	The Republic of Korea	December	50%	30,000	30,771
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,340
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	Financial investment	The Republic of Korea	December	33%	10,000	10,299
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	Financial investment	The Republic of Korea	December	50%	20,000	20,657
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	Financial investment	The Republic of Korea	December	50%	30,000	31,188
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	Financial investment	The Republic of Korea	December	50%	30,000	30,890
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 29 (Bond)	Financial investment	The Republic of Korea	December	33%	30,000	30,855
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	Financial investment	The Republic of Korea	December	30%	30,000	31,264

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KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	Financial investment	The Republic of Korea	December	50%	30,000	30,058
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	Financial investment	The Republic of Korea	December	30%	30,000	30,013
Multi-Asset ESG Marine Transportation Infra General Private Investment Trust No.1 ¹	Financial investment	The Republic of Korea	December	92%	52,017	52,309
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	Financial investment	The Republic of Korea	December	46%	16,727	16,971
Multi-Asset LNG General Private Equity Investment Trust No.5 ¹	Financial investment	The Republic of Korea	December	33%	22,581	22,711
Igis Ulsan New Port Infrastructure Private Investment Trust	Financial investment	The Republic of Korea	December	32%	21,108	21,535
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	Financial investment	The Republic of Korea	December	50%	25,790	25,800
Samsung Lapael Professional Private Securities Investment Trust 1st	Financial investment	The Republic of Korea	December	50%	50,000	51,849
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	Financial investment	The Republic of Korea	December	50%	40,050	41,517
Petra7alpha Private Equity Partnership	Financial investment	The Republic of Korea	December	22%	10,938	10,427
KB Leaders ESG Professional Private Securities Investment Trust No.1	Financial investment	The Republic of Korea	December	49%	20,434	20,677
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	Financial investment	The Republic of Korea	December	28%	11,337	11,155
VI Repo General Private Securities Investment Trust No.8	Financial investment	The Republic of Korea	December	50%	50,000	52,216
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	Financial investment	The Republic of Korea	December	50%	50,000	51,902
KYOBO Axa Alpha Plus General Private Investment Trust J -13	Financial investment	The Republic of Korea	December	25%	50,000	52,388
KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	Financial investment	The Republic of Korea	December	50%	50,000	51,577
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	Financial investment	The Republic of Korea	December	49%	28,444	28,665
Igis housing platform no.1 professional investors' private real estate fund	Financial investment	The Republic of Korea	December	20%	12,060	13,401
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	Trust and collective investment business	The Republic of Korea	December	38%	11,400	10,583
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	Trust and collective investment business	The Republic of Korea	December	23%	18,305	18,301
Others	Financial investment and others	The Republic of Korea	December	0.23 ~ 54.55%	148,272	137,466
					<u>W1,536,834</u>	<u>W 1,558,015</u>

¹ Investments in entities marked above are classified as an investment in associates, as the Group does not have control over the entities via decision-making body.

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

Changes in investments in associates and joint venture for the six-month period ended June 30, 2024 and the year ended December 31, 2023 are as follows:

(In millions of Korean won)

	2024					
	Beginning balance	Acquisition/ disposal	Share of profit or loss of associates and joint venture	Dividends received	Others	Ending balance
Investments in associates:						
BNK Corporate MMF No. 1 (Stock) C	₩ 165,400	₩ (165,400)	₩ -	₩ -	₩ -	₩ -
NH-Amundi General Private Equity Investment Trust No.22(Bond)	31,255	(31,457)	-	-	202	-
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	52,084	(50,423)	2,403	(2,403)	(1,661)	-
NH-Amundi General Private Equity Investment Trust No.18(Bond)	51,326	(52,144)	-	-	818	-
Hanwha A Professional Investment Private No. 120 (USD, bond)	27,038	(27,941)	98	-	805	-
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	26,238	(27,546)	251	-	1,057	-
KB Korea Short-Term Bonds Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	25,957	(28,126)	567	-	1,602	-
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	52,180	(52,180)	-	-	-	-
BNK-T2021 Korea Support Venture Investment Association No. 1	10,974	-	(140)	-	-	10,834
BNK Intervalue Technology Finance Investment Association	11,526	-	(134)	-	-	11,392
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	11,122	-	399	-	-	11,521
Shinhan Corporation General Private Securities Investment Trust 14th	52,350	-	1,385	(2,882)	-	50,853
Samsung Rafael General Investment Private Security Investment Trust No.8	51,780	-	1,184	(1,876)	-	51,088
Mirae Asset Triumph Professional Investment Private No. 2	30,771	-	741	-	-	31,512
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	51,340	-	1,051	(1,393)	-	50,998
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	10,299	-	283	-	-	10,582

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Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	20,657	-	502	-	-	21,159
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	31,188	-	696	-	-	31,884
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	30,890	-	693	-	-	31,583
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 29 (Bond)	30,855	-	680	-	-	31,535
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	31,264	-	1,070	-	-	32,334
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	30,058	-	758	-	-	30,816
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	30,013	-	704	-	-	30,717
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	52,309	(1,341)	1,502	(1,485)	(21)	50,964
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	16,971	2,931	502	(473)	-	19,931
Multi-Asset LNG General Private Equity Investment Trust No.5	22,711	(1,376)	542	(535)	(7)	21,335
Igis Ulsan New Port Infrastructure Private Investment Trust	21,535	(2,619)	1,097	(998)	(59)	18,956
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	25,800	-	716	-	2,012	28,528
Samsung Lapael Professional Private Securities Investment Trust 1st	51,849	-	1,164	(2,158)	-	50,855
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	41,517	-	1,168	(1,826)	-	40,859
Petra7alpha Private Equity Partnership	10,427	-	(53)	-	-	10,374
KB Leaders ESG Professional Private Securities Investment Trust No.1	20,677	-	446	(744)	-	20,379
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	11,155	599	463	(263)	-	11,954
VI Repo General Private Securities Investment Trust No.8	52,216	-	1,286	(2,365)	-	51,137
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	51,902	-	1,379	(2,311)	-	50,970

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KYOBO Axa Alpha Plus General Private Investment Trust J -13	52,388	-	1,249	(2,406)	-	51,231
KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	51,577	-	1,188	(2,491)	-	50,274
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	28,665	1,331	1,005	(993)	-	30,008
Igis housing platform no.1 professional investors' private real estate fund	13,401	-	427	-	-	13,828
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	10,583	-	(231)	-	-	10,352
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	18,301	-	505	(505)	-	18,301
Shinhan Public Offering Share Maturity Matching Professional Investment Private Fund No. 3 (Mixed Bond)	-	50,000	1,056	-	-	51,056
Daishin Plus Professional Investment Private No. 2401 (bond)	-	50,000	1,228	-	-	51,228
NH-Amundi Professional Investment Private No. 29 (bond)	-	30,000	501	-	-	30,501
Vogo Build-Up Private Investment Trust No. 1 C- S	-	10,000	801	-	-	10,801
Midas Chagog Chagog Repo Private Securities Investment Trust No. 7 (Bond)	-	30,000	874	-	-	30,874
NH-Amundi YED Delta Balanced Private Securities Investment Trust No. 1 (Bond Mixed)	-	10,000	314	-	-	10,314
Eugene Champion Matching Bond Private Securities Investment Trust No. 1 (Bond)	-	50,000	819	-	-	50,819
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-14 (Bond)	-	50,586	880	(941)	-	50,525
Samsung Dollar S&B General Private Investment Trust No. 8 (USD) [Bond]	-	25,986	428	-	1,812	28,226
Korea Investment Basic Private Securities Investment Trust No. 122 (USD, Bond)	-	13,360	257	-	539	14,156
Hanwha Private Securities Investment Trust No. 127 (USD, Bond)	-	26,544	310	-	1,248	28,102
BNK Professional Investment Private No. 5H (USD, Bond)	-	13,387	94	-	507	13,988
KB Korea Short-Term Bond Professional Investment Private Security Investment Trust No. 47 (USD, Bond)	-	13,679	(14)	-	213	13,878
VI REPO General Private Equity Securities	-	50,000	981	-	-	50,981

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Investment Trust No. 15 (Bond)						
Kyobo Axa ESG Alpha Plus General Private Securities Investment Trust J-20 (Bond)	-	50,000	1,163	-	-	51,163
Shinhan Long Short Maturity Matching General Private Securities Investment Trust No.1	-	30,000	636	-	-	30,636
iM Asset General Private Equity Securities Investment Trust No. 41 (Bond) (Professional)	-	50,000	999	-	-	50,999
KOREA Investment BASIC General Private Equity Securities Investment Trust No.123 (Bond)	-	50,000	1,021	-	-	51,021
ACE Treasury Bond 10 years	-	68,684	1,249	-	-	69,933
SOL Treasury Bond 10 years	-	49,987	1,031	-	-	51,018
Others	137,466	(5,155)	2,608	(3,337)	106	131,688
	<u>₩ 1,558,015</u>	<u>₩ 281,366</u>	<u>₩ 44,782</u>	<u>₩ (32,385)</u>	<u>₩ 9,173</u>	<u>₩ 1,860,951</u>

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

(In millions of Korean won)

	2023					
	Beginning balance	Acquisition/disposal	Share of profit or loss of associates and joint venture	Dividends received	Others	Ending balance
Investments in associates:						
BNK Corporate MMF No.1 (Stock) C	₩ -	₩ 165,000	₩ 400	₩ -	₩ -	₩ 165,400
NH-Amundi General Private Equity Investment Trust No.22(Bond)	-	30,000	1,255	-	-	31,255
Hanwha A Professional Investment Private No. 120 (USD, bond)	-	25,142	1,271	-	625	27,038
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	-	26,752	457	-	(971)	26,238
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	50,573	-	2,273	(666)	-	52,180
BNK-T2021 Korea Support Venture Investment Association No. 1	8,124	3,600	(750)	-	-	10,974
BNK Intervalue Technology Finance Investment Association	12,096	-	(570)	-	-	11,526
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	-	10,000	1,122	-	-	11,122
Shinhan Corporation General Private Securities Investment Trust 14th	50,677	-	2,804	(1,131)	-	52,350
Samsung Rafael General Investment Private Security Investment Trust No.8	-	50,000	1,780	-	-	51,780
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	-	50,000	2,084	-	-	52,084
Mirae Asset Triumph Professional Investment Private No. 2	-	30,000	771	-	-	30,771
NH-Amundi General Private Equity Investment Trust No.18(Bond)	30,482	20,000	2,133	(1,289)	-	51,326
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	-	50,000	1,340	-	-	51,340
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	-	10,000	299	-	-	10,299
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	-	20,000	657	-	-	20,657
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	-	30,000	1,188	-	-	31,188
Shinhan Corporation General Private Securities	-	30,000	890	-	-	30,890

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Investment Trust No.19(bond)						
Kiwoom Frontier Professional Investment- Type Private Equity Securities Investment Trust No. 29 (Bond)	-	30,000	855	-	-	30,855
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	-	30,000	1,264	-	-	31,264
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	-	30,000	58	-	-	30,058
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	-	30,000	13	-	-	30,013
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	-	52,013	1,699	(1,408)	5	52,309
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1- 2	12,565	4,304	785	(683)	-	16,971
Multi-Asset LNG General Private Equity Investment Trust No.5	25,462	(2,753)	1,204	(1,188)	(14)	22,711
Igis Ulsan New Port Infrastructure Private Investment Trust	27,168	(5,419)	2,142	(2,274)	(82)	21,535
KB Korea Short-Term Bonds Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	-	25,974	169	-	(186)	25,957
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	-	26,076	12	-	(288)	25,800
Samsung Lapael Professional Private Securities Investment Trust 1st	50,473	-	2,091	(715)	-	51,849
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	40,400	-	1,519	(402)	-	41,517
Petra7alpha Private Equity Partnership	10,366	-	61	-	-	10,427
KB Leaders ESG Professional Private Securities Investment Trust No.1	19,860	-	817	-	-	20,677
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	7,081	4,167	369	(462)	-	11,155
VI Repo General Private Securities Investment Trust No.8	50,609	-	2,283	(676)	-	52,216
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	50,642	-	3,032	(1,772)	-	51,902
KYOBO Axa Alpha Plus General Private Investment Trust J -13	-	50,000	2,388	-	-	52,388
KB Leaders Professional Investment Private	-	50,000	1,577	-	-	51,577

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Security Investment Trust No.29 [bond]						
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	-	28,444	221	-	-	28,665
lgis housing platform no.1 professional investors' private real estate fund	12,540	-	861	-	-	13,401
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	5,833	5,500	(750)	-	-	10,583
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	-	18,305	496	(500)	-	18,301
Others	641,711	(481,838)	2,835	(6,710)	(18,532)	137,466
	<u>₩ 1,106,662</u>	<u>₩ 445,267</u>	<u>₩ 45,405</u>	<u>₩ (19,876)</u>	<u>₩ (19,443)</u>	<u>₩ 1,558,015</u>

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

The financial information of associates and joint venture as of June 30, 2024 and December 31, 2023 is as follows:

(In millions of Korean won)

	June 30, 2024					
	Current assets	Current liabilities	Equity	Operating income	Operating profit (loss) from continuing operations	Total comprehensive income (loss)
Investments in associates:						
BNK-T2021 Korea Support Venture Investment Association No. 1	₩ 34,095	₩ 238	₩ 33,857	₩ 21	₩ (438)	₩ (438)
BNK Intervalue Technology Finance Investment Association	33,579	388	33,191	70	(389)	(389)
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	34,366	6	34,360	1,519	1,190	1,190
Shinhan Corporation General Private Securities Investment Trust 14th	253,663	151,957	101,706	4,890	2,769	2,769
Samsung Rafael General Investment Private Security Investment Trust No.8	191,226	89,049	102,177	3,408	2,369	2,369
Mirae Asset Triumph Professional Investment Private No. 2	121,954	58,931	63,023	2,877	1,481	1,481
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	204,635	102,639	101,996	2,271	2,103	2,103
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	24,042	2,877	21,165	1,482	567	567
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	78,640	36,322	42,318	2,317	1,004	1,004
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	175,906	112,140	63,766	4,769	1,391	1,391
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	180,013	116,848	63,165	4,185	1,386	1,386
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 29 (Bond)	269,027	174,424	94,603	6,195	2,039	2,039
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	252,846	145,066	107,780	10,576	3,567	3,567
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	125,655	64,023	61,632	2,689	1,516	1,516
KB Leaders Professional Investment Private Security Investment Trust	181,315	78,928	102,387	3,838	2,345	2,345

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No. 33 [Bond]							
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	55,370	16	55,354	1,646	1,631	1,631	
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	43,680	496	43,184	1,098	1,087	1,087	
Multi-Asset LNG General Private Equity Investment Trust No.5	32,011	10	32,001	833	823	823	
Igis Ulsan New Port Infrastructure Private Investment Trust	60,244	850	59,394	3,437	3,437	3,437	
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	57,069	15	57,054	1,968	1,431	1,431	
Samsung Lapael Professional Private Securities Investment Trust 1st	160,740	59,030	101,710	2,326	2,329	2,329	
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	225,671	143,953	81,718	3,561	2,335	2,335	
Petra7alpha Private Equity Partnership	47,851	242	47,609	-	(242)	(242)	
KB Leaders ESG Professional Private Securities Investment Trust No.1	41,386	7	41,379	876	907	907	
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	42,299	60	42,239	1,063	1,637	1,637	
VI Repo General Private Securities Investment Trust No.8	201,429	99,155	102,274	4,236	2,572	2,572	
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	303,492	201,377	102,115	4,611	2,763	2,763	
KYOBO Axa Alpha Plus General Private Investment Trust J -13	439,950	235,024	204,926	9,449	4,997	4,997	
KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	152,276	51,728	100,548	850	2,377	2,377	
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	60,889	15	60,874	477	2,039	2,039	
Igis housing platform no.1 professional investors' private real estate fund	69,200	57	69,143	2,197	2,139	2,139	
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	151,064	123,580	27,484	3,601	(612)	(612)	
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	81,351	45	81,306	2,460	2,414	2,414	
Shinhan Public Offering Share Maturity Matching Professional Investment Private Fund No. 3 (Mixed Bond)	191,882	89,769	102,113	5,274	2,113	2,113	
Daishin Plus Professional Investment Private No. 2401 (bond)	194,623	92,167	102,456	4,111	2,456	2,456	

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NH-Amundi Professional Investment Private No. 29 (bond)	171,052	109,948	61,104	2,811	1,004	1,004
Vogo Build-Up Private Investment Trust No. 1 C-S	38,476	272	38,204	3,707	2,833	2,833
Midas Chagog Chagog Repo Private Securities Investment Trust No. 7 (Bond)	389,491	255,705	133,786	7,250	3,787	3,787
NH-Amundi YED Delta Balanced Private Securities Investment Trust No. 1 (Bond Mixed)	20,640	11	20,629	1,082	629	629
Eugene Champion Matching Bond Private Securities Investment Trust No. 1 (Bond)	282,807	181,169	101,638	2,590	1,637	1,637
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-14 (Bond)	198,692	97,642	101,050	2,129	1,760	1,760
Samsung Dollar S&B General Private Investment Trust No. 8 (USD) [Bond]	56,457	7	56,450	954	855	855
Korea investment Basic Private Securities Investment Trust No. 122 (USD, Bond)	70,794	14	70,780	1,488	1,284	1,284
Hanwha Private Securities Investment Trust No. 127 (USD, Bond)	140,518	10	140,508	1,729	1,549	1,549
BNK Professional Investment Private No. 5H (USD, Bond)	55,960	8	55,952	414	377	377
KB Korea Short-Term Bond Professional Investment Private Security Investment Trust No. 47 (USD, Bond)	41,608	3	41,605	-	(42)	(42)
VI REPO General Private Equity Securities Investment Trust No. 15 (Bond)	167,898	65,937	101,961	2,512	1,961	1,961
Kyobo Axa ESG Alpha Plus General Private Securities Investment Trust J-20 (Bond)	216,885	114,559	102,326	4,414	2,326	2,326
Shinhan Long Short Maturity Matching General Private Securities Investment Trust No.1	151,723	90,452	61,271	3,091	1,271	1,271
iM Asset General Private Equity Securities Investment Trust No. 41 (Bond) (Professional)	290,378	188,077	102,301	4,638	2,004	2,004
KOREA Investment BASIC General Private Equity Securities Investment Trust No.123 (Bond)	290,524	188,482	102,042	5,233	2,042	2,042
ACE Treasury Bond 10 years	215,467	39	215,428	13,441	3,846	3,846
SOL Treasury Bond 10 years	126,549	16	126,533	3,873	2,557	2,557
Others	761,675	277,062	484,613	28,539	12,596	12,827
	<u>₩ 8,461,033</u>	<u>₩ 3,800,845</u>	<u>₩ 4,660,188</u>	<u>₩ 195,076</u>	<u>₩ 105,809</u>	<u>₩ 106,040</u>

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

(In millions of Korean won)

	December 31, 2023					
	Current assets	Current liabilities	Equity	Operating income	Operating profit (loss) from continuing operations	Total comprehen- sive income (loss)
Investments in associates:						
BNK Corporate MMF No.1 (Stock) C	₩ 714,707	₩ 56	₩ 714,651	₩ 26,998	₩ 8,711	₩ 8,711
NH-Amundi General Private Equity Investment Trust No.22(Bond)	130,442	67,932	62,510	4,197	2,510	2,510
Hanwha A Professional Investment Private No. 120 (USD, bond)	135,200	10	135,190	7,093	6,355	6,355
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	104,953	2	104,951	1,990	1,828	1,828
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	150,913	46,438	104,475	8,115	4,550	4,550
BNK-T2021 Korea Support Venture Investment Association No. 1	34,511	216	34,295	45	(2,340)	(2,340)
BNK Intervalue Technology Finance Investment Association	34,296	716	33,580	66	(1,661)	(1,661)
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	33,371	6	33,365	3,514	3,365	3,365
Shinhan Corporation General Private Securities Investment Trust 14th	251,427	146,727	104,700	8,946	5,609	5,609
Samsung Rafael General Investment Private Security Investment Trust No.8	188,610	85,050	103,560	6,675	3,560	3,560
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	387,464	180,196	207,268	13,973	8,292	8,292
Mirae Asset Triumph Professional Investment Private No. 2	121,675	60,133	61,542	1,542	1,542	1,542
NH-Amundi General Private Equity Investment Trust No.18(Bond)	201,601	98,948	102,653	5,953	4,266	4,266
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	200,924	98,243	102,681	4,603	2,681	2,681
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	33,165	2,217	30,948	1,043	898	898
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	78,830	37,516	41,314	1,885	1,314	1,314
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	175,718	113,343	62,375	3,658	2,375	2,375

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Shinhan Corporation General Private Securities Investment Trust No.19(bond)	175,004	113,225	61,779	2,486	1,779	1,779
Kiwoom Frontier Professional Investment- Type Private Equity Securities Investment Trust No. 29 (Bond)	268,738	176,175	92,563	3,560	2,564	2,564
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	393,329	289,116	104,213	5,631	4,213	4,213
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	60,117	2	60,115	117	115	115
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	100,043	1	100,042	43	42	42
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	56,827	11	56,816	1,855	1,845	1,845
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1- 2	37,265	494	36,771	1,704	1,701	1,701
Multi-Asset LNG General Private Equity Investment Trust No.5	34,076	11	34,065	1,837	1,827	1,827
Igis Ulsan New Port Infrastructure Private Investment Trust	68,441	972	67,469	6,736	6,710	6,710
KB Korea Short-Term Bonds Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	51,917	3	51,914	438	338	338
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	51,600	1	51,599	409	23	23
Samsung Lapael Professional Private Securities Investment Trust 1st	169,631	65,933	103,698	5,322	4,182	4,182
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	170,969	87,936	83,033	6,360	3,039	3,039
Petra7alpha Private Equity Partnership	47,982	131	47,851	886	276	276
KB Leaders ESG Professional Private Securities Investment Trust No.1	41,969	8	41,961	1,761	1,659	1,659
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	40,211	798	39,413	1,304	1,304	1,304
VI Repo General Private Securities Investment Trust No.8	200,591	96,159	104,432	8,011	4,566	4,566
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	215,144	111,149	103,995	8,251	6,074	6,074
KYOBO Axa Alpha Plus General Private Investment Trust J -13	287,630	78,077	209,553	17,923	9,553	9,553

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KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	176,791	73,637	103,154	4,392	3,154	3,154
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	58,170	20	58,150	470	450	450
Igis housing platform no.1 professional investors' private real estate fund	67,061	58	67,003	4,420	4,304	4,304
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	151,124	123,029	28,095	2,260	(1,973)	(1,973)
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	81,352	46	81,306	4,879	4,811	4,811
Others	836,112	275,635	560,477	153,927	29,681	29,681
	<u>₩ 6,819,901</u>	<u>₩ 2,430,376</u>	<u>₩ 4,389,525</u>	<u>₩ 345,278</u>	<u>₩ 146,092</u>	<u>₩ 146,092</u>

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

The reconciliations from the net assets of associates and joint venture based on the ownership ratio of the Group to its corresponding book amount of investments in associates and joint venture as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024			
	Net assets of associates and joint venture (A)	The Group's ownership (B) (%)	Net assets owned (AXB)	Book amount
Investments in associates:				
BNK-T2021 Korea Support Venture Investment Association No. 1	₩ 33,857	32	₩ 10,834	₩ 10,834
BNK Intervalue Technology Finance Investment Association	33,191	34	11,393	11,393
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	34,360	34	11,520	11,520
Shinhan Corporation General Private Securities Investment Trust 14th	101,706	50	50,853	50,853
Samsung Rafael General Investment Private Security Investment Trust No.8	102,177	50	51,088	51,088
Mirae Asset Triumph Professional Investment Private No. 2	63,023	50	31,511	31,511
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	101,996	50	50,998	50,998
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	21,164	50	10,582	10,582
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	42,318	50	21,159	21,159
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	63,766	50	31,883	31,883
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	63,165	50	31,582	31,582
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 29 (Bond)	94,603	33	31,534	31,534
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	107,780	30	32,334	32,334
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	61,632	50	30,816	30,816

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KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	102,387	30	30,716	30,716
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	55,354	92	50,963	50,963
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	43,184	46	19,931	19,931
Multi-Asset LNG General Private Equity Investment Trust No.5	32,001	67	21,335	21,335
Igis Ulsan New Port Infrastructure Private Investment Trust	59,395	32	18,956	18,956
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	57,055	50	28,527	28,527
Samsung Lapael Professional Private Securities Investment Trust 1st	101,710	50	50,855	50,855
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	81,717	50	40,859	40,859
Petra7alpha Private Equity Partnership	47,610	22	10,374	10,374
KB Leaders ESG Professional Private Securities Investment Trust No.1	41,378	49	20,380	20,380
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	42,239	28	11,954	11,954
VI Repo General Private Securities Investment Trust No.8	102,274	50	51,137	51,137
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	102,114	50	50,970	50,970
KYOBO Axa Alpha Plus General Private Investment Trust J -13	204,926	25	51,232	51,232
KB Leaders Professional Investment Private Security Investment Trust No.29 [bond]	100,549	50	50,274	50,274
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	60,874	49	30,008	30,008
Igis housing platform no.1 professional investors' private real estate fund	69,142	20	13,828	13,828
Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	27,483	38	10,352	10,352
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	81,306	23	18,301	18,301
Shinhan Public Offering Share Maturity Matching Professional Investment Private Fund No. 3 (Mixed Bond)	102,113	50	51,056	51,056

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Daishin Plus Professional Investment Private No. 2401 (bond)	102,456	50	51,228	51,228
NH-Amundi Professional Investment Private No. 29 (bond)	61,104	50	30,501	30,501
Vogo Build-Up Private Investment Trust No. 1 C-S	38,204	28	10,801	10,801
Midas Chagog Chagog Repo Private Securities Investment Trust No. 7 (Bond)	133,787	23	30,874	30,874
NH-Amundi YED Delta Balanced Private Securities Investment Trust No. 1 (Bond Mixed)	20,629	50	10,314	10,314
Eugene Champion Matching Bond Private Securities Investment Trust No. 1 (Bond)	101,637	50	50,819	50,819
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-14 (Bond)	101,049	50	50,525	50,525
Samsung Dollar S&B General Private Investment Trust No. 8 (USD) [Bond]	56,451	50	28,225	28,225
Korea Investment Basic Private Securities Investment Trust No. 122 (USD, Bond)	70,780	20	14,156	14,156
Hanwha Private Securities Investment Trust No. 127 (USD, Bond)	140,508	20	28,102	28,102
BNK Professional Investment Private No. 5H (USD, Bond)	55,952	25	13,988	13,988
KB Korea Short-Term Bond Professional Investment Private Security Investment Trust No. 47 (USD, Bond)	41,605	33	13,878	13,878
VI REPO General Private Equity Securities Investment Trust No. 15 (Bond)	101,961	50	50,981	50,981
Kyobo Axa ESG Alpha Plus General Private Securities Investment Trust J-20 (Bond)	102,326	50	51,163	51,163
Shinhan Long Short Maturity Matching General Private Securities Investment Trust No.1	61,271	50	30,636	30,636
iM Asset General Private Equity Securities Investment Trust No. 41 (Bond) (Professional)	102,302	50	50,999	50,999
KOREA Investment BASIC General Private Equity Securities Investment Trust No.123 (Bond)	102,042	50	51,021	51,021
ACE Treasury Bond 10 years	215,427	32	69,933	69,933
SOL Treasury Bond 10 years	126,533	40	51,018	51,018
Others ¹	484,614		132,861	131,691

¹ The Group recognized impairment losses of ₩1,170 million, which were reflected in loss from investments in associates.

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15. INVESTMENTS IN ASSOCIATES AND JOINT VENTURE: (cont'd)

(In millions of Korean won)

	December 31, 2023			
	Net assets of associates and joint venture (A)	The Group's ownership (B) (%)	Net assets owned (AXB)	Book amount
Investments in associates:				
KIAMCO Aviation Specialized Investment Type Private Equity Trust No.1	₩ 56,319	20	11,265	-
ANDA H Mezzanine Private Investment Trust 11th	28,937	25	7,319	7,319
BNK Intervalue Technology Finance Investment Association	33,580	34	11,526	11,526
Shinhan Corporation General Private Securities Investment Trust 14th	104,700	50	52,350	52,350
NH-Amundi General Private Equity Investment Trust No.18(Bond)	102,653	50	51,326	51,326
Shinhan BNPPS Grail Professional Private Special Asset Fund No.1-2	36,771	46	16,971	16,971
Multi-Asset LNG General Private Equity Investment Trust No.5	34,065	67	22,711	22,711
Igis Ulsan New Port Infrastructure Private Investment Trust	67,468	32	21,535	21,535
Samsung Lapael Professional Private Securities Investment Trust 1st	103,698	50	51,849	51,849
Shinhan BNPPS Grail Professional Private Special Asset Fund No.8	83,033	50	41,517	41,517
Petra7alpha Private Equity Partnership	47,851	22	10,427	10,427
KB Leaders ESG Professional Private Securities Investment Trust No.1	41,961	49	20,677	20,677
Kyobo-Axa Alpha Plus General Private Securities Investment Trust-J 11th [Bond]	104,475	50	52,180	52,180
VI Repo General Private Securities Investment Trust No.8	104,432	50	52,216	52,216
Shinhan Corporate General Private Equity Securities Investment Trust No. 7 (Bond)	103,995	50	51,902	51,902
Igis housing platform no.1 professional investors' private real estate fund	67,003	20	13,401	13,401
BNK-T2021 Korea Support Venture Investment Association No. 1	34,295	32	10,974	10,974
Kyobo Axa clean energy center Professional Private Special Asset Investment Fund-1	39,413	28	11,155	11,155

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Melon Asset Specialized Investment-Type Private Equity Investment Trust No. 13	28,095	38	10,583	10,583
BNK Corporate MMF No.1 (Stock) C	714,651	23	165,400	165,400
Hana Balance Professional Investment Private No. 1 (Mixed Bond)	33,365	33	11,122	11,122
NH-Amundi General Private Equity Investment Trust No.22(Bond)	62,510	50	31,255	31,255
Samsung Rafael General Investment Private Security Investment Trust No.8	103,560	50	51,780	51,780
Hanwha A Professional Investment Private Security Investment Trust No.1(Bond)	207,268	25	52,084	52,084
Mirae Asset Triumph Professional Investment Private No. 2	61,542	50	30,771	30,771
iM asset General Private Equity Securities Investment Trust No.32 (Bond)	102,681	50	51,340	51,340
DB Alpha Professional Investment Private No. 2 (Mixed Bond)	30,948	33	10,299	10,299
Shinhan IPO Maturity Matching Private Investment Trust No.2 [With Bonds]	41,314	50	20,657	20,657
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 27 (Bond)	62,375	50	31,188	31,188
Shinhan Corporation General Private Securities Investment Trust No.19(bond)	61,779	50	30,890	30,890
Kiwoom Frontier Professional Investment-Type Private Equity Securities Investment Trust No. 29 (Bond)	92,564	33	30,855	30,855
Samsung REPO General Private Equity Securities Investment Trust No. 1 (Bond)	104,213	30	31,264	31,264
KYOBO AXA ALPHA PLUS Professional Investment Private Security Investment J-19 (Bond)	60,115	50	30,058	30,058
KB Leaders Professional Investment Private Security Investment Trust No. 33 [Bond]	100,042	30	30,013	30,013
Multi-Asset ESG Maritime Transportation Infrastructure General Private Investment Trust No.1	56,816	92	52,309	52,309
Hanwha A Professional Investment Private No. 120 (USD, bond)	135,190	20	27,038	27,038
Samsung Dollar S&B General Private Securities Investment Trust No.7(USD)(Bond)	104,951	25	26,238	26,238

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KB Korea Short-Term Bonds				
Premium General Private Equity Securities Investment Trust No.45(USD) [Bond]	51,914	50	25,957	25,957
Daishin Sell&Buy Professional Investment Private No. 4 (USD, bond)	51,599	50	25,800	25,800
KYOBO Axa Alpha Plus General Private Investment Trust J -13	209,553	25	52,388	52,388
KB Leaders General Private Investment Trust No. 29 (Bond)	103,154	50	51,577	51,577
Multi-Asset Hydrogen Infrastructure Professional Investment Private No. 1	58,150	49	28,665	28,665
Hyundai Investment Professional Investment Private Real Estate Investment Trust No.44	81,306	23	18,301	18,301
Others ¹	475,221		131,577	130,150

¹ The Group recognized impairment losses of ₩12,692 million, which were reflected in loss from investments in associates.

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16. PROPERTY AND EQUIPMENT:

(a) *Changes in property and equipment for each of the six-month periods ended June 30, 2024 and 2023 are as follows:*

(In millions or Korean won)

	2024							Ending balance
	Beginning balance	Acquisition	Disposal	Reclassifi-cation	Depreciation	Others		
Property and equipment								
Land	₩ 433,835	₩ -	₩ -	₩ 1,014	₩ -	₩ -	₩ -	₩ 434,849
Building	585,198	514	-	21,476	(8,184)	151		599,155
Leasehold improvements	23,847	2,254	(440)	5,285	(5,088)	62		25,920
Equipment and vehicles	130,430	8,281	(495)	4,852	(20,409)	(325)		122,334
Construction in progress	67,989	27,183	-	(55,138)	-	-		40,034
Right-of-use assets								
Properties	48,265	18,394	(2,243)	21	(20,619)	(460)		43,358
Vehicles	984	2,055	(1,657)	-	(511)	2		873
Others	821	3,097	(141)	-	(2,062)	1		1,716
	₩1,291,369	₩ 61,778	₩ (4,976)	₩ (22,490)	₩ (56,873)	₩ (569)		₩ 1,268,239

(In millions or Korean won)

	2023							Ending balance
	Beginning balance	Acquisition	Disposal	Reclassifi-cation	Depreciation	Others		
Property and equipment								
Land	₩ 416,829	₩ -	₩ (1,761)	₩ 12,614	₩ -	₩ (207)	₩ -	₩ 427,475
Building	574,930	1,405	(1,081)	14,877	(8,003)	(183)		581,945
Leasehold improvements	24,745	2,189	(13)	2,250	(5,062)	65		24,174
Equipment and vehicles	118,016	16,998	(467)	9,825	(19,610)	(248)		124,514
Construction in progress	32,982	17,661	-	(18,654)	-	-		31,989
Right-of-use assets								
Properties	42,305	21,000	(2,044)	-	(18,936)	7		42,332
Vehicles	565	1,872	(1,254)	-	(440)	32		775
Others	533	2,591	(90)	-	(1,593)	-		1,441
	₩1,210,905	₩ 63,716	₩ (6,710)	₩ 20,912	₩ (53,644)	₩ (534)		₩1,234,645

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16. PROPERTY AND EQUIPMENT: (cont'd)

(b) Right-of-use asset

Details of right-to-use assets as of June 30, 2024 and December 31, 2023 are as follows:

(In millions of Korean won)

	June 30, 2024			
	Properties	Vehicles	Others	Total
Cost of right-of-use asset	₩ 172,063	₩ 1,514	₩ 8,542	₩ 182,119
Accumulated depreciation	<u>(128,704)</u>	<u>(641)</u>	<u>(6,826)</u>	<u>(136,171)</u>
Book amount of right-of-use asset	<u>₩ 43,359</u>	<u>₩ 873</u>	<u>₩ 1,716</u>	<u>₩ 45,948</u>

(In millions of Korean won)

	December 31, 2023			
	Properties	Vehicles	Others	Total
Cost of right-of-use asset	₩ 164,697	₩ 1,736	₩ 6,735	₩ 173,168
Accumulated depreciation	<u>(116,432)</u>	<u>(752)</u>	<u>(5,914)</u>	<u>(123,098)</u>
Book amount of right-of-use asset	<u>₩ 48,265</u>	<u>₩ 984</u>	<u>₩ 821</u>	<u>₩ 50,070</u>

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17. INTANGIBLE ASSETS:

Changes in intangible assets for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions or Korean won)

	2024						
	Beginning balance	Acquisition	Disposal	Reclassification ¹	Amortization	Others	Ending balance
Software	₩ 33,528	₩ 3,002	₩ -	₩ 249	₩ (7,002)	₩ (91)	₩ 29,686
Goodwill	28,341	-	-	-	-	-	28,341
Core deposits	12,547	-	-	-	(8,365)	-	4,182
Development costs	122,321	1,798	-	14,494	(22,013)	(3)	116,597
Others	71,042	36,631	(170)	(7,046)	(10,868)	13	89,602
	<u>₩ 267,779</u>	<u>₩ 41,431</u>	<u>₩ (170)</u>	<u>₩ 7,697</u>	<u>₩ (48,248)</u>	<u>₩ (81)</u>	<u>₩ 268,408</u>

¹ Transferred from assets in acquisition.

(In millions or Korean won)

	2023						
	Beginning balance	Acquisition	Disposal	Reclassification ¹	Amortization	Changes in foreign currency and others	Ending balance
Software	₩ 27,893	₩ 9,314	₩ -	₩ -	₩ (6,989)	₩ (40)	₩ 30,178
Goodwill	28,341	-	-	-	-	-	28,341
Core deposits	29,277	-	-	-	(8,365)	-	20,912
Development costs	104,263	2,316	-	34,625	(18,027)	(853)	122,324
Others	91,799	16,829	(29)	(34,625)	(10,517)	664	64,121
	<u>₩ 281,573</u>	<u>₩ 28,459</u>	<u>₩ (29)</u>	<u>₩ -</u>	<u>₩ (43,898)</u>	<u>₩ (229)</u>	<u>₩ 265,876</u>

¹ Transferred from assets in acquisition.

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18. INVESTMENT PROPERTIES:

The fair value and assessment method of investment properties as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023	Valuation techniques	Input variables
Land	₩ 534,992	₩ 527,815	- The evaluation method of using officially assessed land pricing - Sales comparison approach	- Officially assessed land pricing - Transaction price - Discount rate - Rent increase rate, etc.
Building	234,704	210,425	- Evaluation by the prime cost - Evaluation by the standard land cost - Sales comparison approach	- Repurchase cost - Durable years - Transaction price - Rent increase rate, etc.
	<u>₩ 769,696</u>	<u>₩ 738,240</u>		

Investment properties are classified as Level 3 and measured by independent professionals who have specialty and similar experience in the area of investment properties located recently.

Changes in investment properties for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

		2024					
		Beginning balance	Acquisition	Reclassif i-cation	Depreciati on	Others	Ending balance
Land	₩	447,364	₩ -	₩ (1,014)	₩ -	₩ -	₩ 446,350
Building		<u>169,675</u>	<u>-</u>	<u>14,224</u>	<u>(3,145)</u>	<u>74</u>	<u>180,828</u>
	₩	<u>617,039</u>	₩ -	₩ 13,210	₩ (3,145)	₩ 74	₩ 627,178

		2023					
		Beginning balance	Acquisition	Reclassif i-cation	Depreciati on	Others	Ending balance
Land	₩	465,954	₩ -	₩ (12,038)	₩ -	₩ -	₩ 453,916
Building		<u>181,687</u>	<u>1,576</u>	<u>(5,848)</u>	<u>(3,018)</u>	<u>75</u>	<u>174,472</u>
	₩	<u>647,641</u>	₩ 1,576	₩ (17,886)	₩ (3,018)	₩ 75	₩ 628,388

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19. FINANCIAL LIABILITIES AT FVTPL:

Financial liabilities at FVTPL as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023	Reason for designation
Financial liabilities at FVTPL:			
Securities sold	₩ 912,149	₩ 178,149	
	<u>912,149</u>	<u>178,149</u>	
Financial liabilities designated at FVTPL ¹ :			
Equity-linked securities sold	436,003	473,913	Hybrid(combined)
Securities sold with embedded derivatives	694,094	453,466	financial instrument
Credit risk assessment adjustment	1,615	303	
Adjustment of gain and losses on valuation at transaction date	871	3,031	
	<u>1,132,583</u>	<u>930,713</u>	
	<u>₩ 2,044,732</u>	<u>₩ 1,108,862</u>	

¹ In accordance with KIFRS 1109, paragraph 6.7.1, the Group designated the financial liabilities at initial recognition (or subsequently) as FVTPL.

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20. BORROWINGS:

Borrowings at amortized cost as of June 30, 2024 and December 31, 2023 consist of:

<i>(In millions of Korean won)</i>	Annual interest rate (%)		June 30,	December 31,
	Minimum	Maximum	2024	2023
Borrowings in Korean won:				
The BOK	0.25	2.00	₩ 963,070	₩ 606,671
Others	-	13.40	4,240,135	4,056,254
			<u>5,203,205</u>	<u>4,662,925</u>
Borrowings in foreign currencies:				
Overdraft on our account	-	-	6,679	6,346
Banks	0.78	18.25	1,341,170	1,057,712
Others	0.58	7.20	334,604	346,107
			<u>1,682,453</u>	<u>1,410,165</u>
Call money	2.30	5.00	575,936	260,110
Bonds sold under repurchase agreement:				
Korean won	0.55	4.51	3,408,983	2,450,091
Foreign currencies	0.94	0.94	17,286	18,253
			<u>3,426,269</u>	<u>2,468,344</u>
Bills sold	1.50	3.62	21,080	16,301
Deferred expenses from borrowings			(2,493)	(1,969)
			<u>₩ 10,906,450</u>	<u>₩ 8,815,876</u>

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21. DEBENTURES:

Debentures issued by the Group as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	Annual interest rate (%)		June 30,	December 31,
	Minimum	Maximum	2024	2023
Debentures in Korean won:				
Unsecured coupon bond	1.47	7.34	₩ 12,273,371	₩ 11,930,818
Subordinated bond	3.05	13.40	600,000	700,000
Present value discounts			(10,086)	(9,785)
			<u>12,863,285</u>	<u>12,621,033</u>
Debentures in foreign currencies:				
Senior bond	6.43	6.53	65,987	112,823
Subordinated bond	3.63	3.63	347,300	322,350
Loss on fair value hedge			(21,699)	(19,575)
Present value discounts			(1,084)	(1,221)
			<u>390,504</u>	<u>414,377</u>
			<u>₩ 13,253,789</u>	<u>₩ 13,035,410</u>

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22. NET DEFINED BENEFIT LIABILITIES (ASSETS):

As of June 30, 2024 and December 31, 2023, the amounts recognized in the consolidated statements of financial position related to postemployment benefits are as follows:

<i>(In millions of Korean won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Present value of funded defined benefit obligations	₩ 673,829	₩ 639,498
Fair value of plan assets	<u>(806,550)</u>	<u>(798,115)</u>
Net defined benefit liabilities (assets) ¹	<u>₩ (132,721)</u>	<u>₩ (158,617)</u>

¹ As of June 30, 2024, the amounts recognized under the defined benefit plan of ₩132,721 million represent the net defined benefit assets of ₩143,966 million less net defined benefit liabilities of ₩11,245 million.

Movements in the net defined benefit liabilities for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>2024</u>		
	Present value of defined benefit obligation	Plan assets	Total
Current service cost	₩ 26,689	₩ -	₩ 26,689
Interest expenses (interest income)	<u>15,192</u>	<u>(18,808)</u>	<u>(3,616)</u>
	<u>₩ 41,881</u>	<u>₩ (18,808)</u>	<u>₩ 23,073</u>

<i>(In millions of Korean won)</i>	<u>2023</u>		
	Present value of defined benefit obligation	Plan assets	Total
Current service cost	₩ 25,711	₩ -	₩ 25,711
Interest expenses (interest income)	<u>15,441</u>	<u>(21,049)</u>	<u>(5,608)</u>
	<u>₩ 41,152</u>	<u>₩ (21,049)</u>	<u>₩ 20,103</u>

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23. PROVISIONS:

Details of provisions for other liabilities and charges as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Provision for acceptances and guarantees	₩ 3,491	₩ 5,224
Provision for unused credit limit	43,593	44,794
Financial guarantee contract liabilities	1,947	2,047
Provision for restoration costs	14,785	13,669
Provision for credit card point	355	433
Others ¹	46,164	125,579
	<u>₩ 110,335</u>	<u>₩ 191,746</u>

¹ In other provisions, provisions for employee embezzlement incident of ₩ 8,961 million and ₩ 8,961 million are included as of June 30, 2024 and December 31, 2023, respectively.

Changes in provision for acceptances and guarantees and provision for unused credit limit for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>2024</u>					
	<u>Twelve months expected credit losses</u>		<u>Expected lifetime credit losses</u>			<u>Total</u>
	<u>Unrecognized impairment</u>	<u>Recognized impairment</u>	<u>Unrecognized impairment</u>	<u>Recognized impairment</u>	<u>Recognized impairment</u>	
Beginning balance	₩ 34,523	₩ 15,828	₩ 1,714	₩ 52,065		
Transfer to 12 months expected credit loss	3,252	(3,252)	-	-		
Transfer to expected lifetime credit losses	(1,285)	1,285	-	-		
Transfer to credit-impaired financial liabilities	(25)	(51)	76	-		
Foreign currency translation and others	41	53	1	95		
Others	(59)	(4)	-	(63)		
	<u>36,447</u>	<u>13,859</u>	<u>1,791</u>	<u>52,097</u>		
Reversal	(697)	(1,005)	(1,364)	(3,066)		
Ending balance	<u>₩ 35,750</u>	<u>₩ 12,854</u>	<u>₩ 427</u>	<u>₩ 49,031</u>		

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23. PROVISIONS: (cont'd)

(In millions of Korean won)

	2023							
	Twelve months expected credit losses		Expected lifetime credit losses			Total		
			Unrecognized impairment	Recognized impairment				
Beginning balance	₩	27,245	₩	23,585	₩	1,193	₩	52,023
Transfer to 12 months expected credit loss		3,858		(3,858)		-		-
Transfer to expected lifetime credit losses		(1,246)		1,246		-		-
Transfer to credit-impaired financial liabilities		(13)		(24)		37		-
Foreign currency translation and others		4		321		-		325
Others		103		(73)		-		30
		29,951		21,197		1,230		52,378
Provision (reversal)		(505)		443		100		38
Ending balance	₩	29,446	₩	21,640	₩	1,330	₩	52,416

Changes in other provisions for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024									
	Beginning balance	Increase	Decrease	Others	Ending balance					
Provision for restoration costs	₩	13,669	₩	1,161	₩	(45)	₩	-	₩	14,785
Provision for credit card point		433		-		(78)		-		355
Others ¹		125,578		1,758		(81,172)		-		46,164
	₩	139,680	₩	2,919	₩	(81,295)	₩	-	₩	61,304

¹ As of June 30, 2024, the Group's Lime Asset Management's redemption deferral fund sales amount to ₩62,236 million and related provisions amount to ₩27,477 million.

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23. PROVISIONS: (cont'd)

(In millions of Korean won)

	2023				Ending balance
	Beginning balance	Increase	Decrease	Others	
Provision for restoration costs	₩ 13,443	₩ 399	₩ (302)	₩ (67)	₩ 13,473
Provision for credit card point	740	-	(224)	-	516
Others ¹	56,204	124	(10,890)	-	45,438
	<u>₩ 70,387</u>	<u>₩ 523</u>	<u>₩ (11,416)</u>	<u>₩ (67)</u>	<u>₩ 59,427</u>

¹ As of June 30, 2023, the Group's Lime Asset Management's redemption deferral fund sales amount to ₩62,730 million and related provisions amount to ₩34,074 million.

Provision for restoration costs represent the estimated cost to restore the existing leased properties, which is discounted to the present value using the appropriate discount rate at the end of the reporting period. Disbursements of such costs are expected to incur at the end of lease contract, and such costs are reasonably estimated using the past three-year historical data of average lease year of expired leases. In addition, the expected restoration expense is calculated based on the average of actual costs incurred in the past and the prior year's inflation rate.

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24. OTHER LIABILITIES:

Other liabilities as of June 30, 2024 and December 31, 2023 consist of the followings:

<i>(In millions of Korean won)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Other financial liabilities:		
Due to trust accounts	₩ 746,478 ₩	1,063,674
Due to fund accounts	966	1,084
Foreign exchange remittances pending	140,462	28,423
Prepaid card liabilities	12,122	13,590
Debit card liabilities	12,052	13,675
Deposits for letter of guarantees and others	630,265	582,836
Present value discounts	(69,732)	(65,856)
Accounts payable	796,451	582,877
Accrued expenses	1,674,828	1,584,149
Agency business accounts	182,217	133,134
Unsettled domestic exchange liabilities	480,428	258,078
Deposits held by agency relationship	94,266	106,354
Guarantee deposits for securities subscription	10,290	6,340
Lease liabilities	39,048	42,944
Remittance pending	90	560
Others	431,679	433,535
	<u>5,181,910</u>	<u>4,785,397</u>
Other non-financial liabilities:		
Withholding taxes	31,938	53,865
Unearned revenues	119,050	117,352
Others	35,296	31,142
	<u>186,284</u>	<u>202,359</u>
	₩ <u>5,368,194</u> ₩	<u>4,987,756</u>

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24. OTHER LIABILITIES: (cont'd)

Lease liabilities by term structures as of June 30, 2024 and December 31, 2023 are as follows:

*(In millions of
Korean won)*

		June 30, 2024					
		Less than 1 month	1 month – 3 months	3 – 12 months	1 year – 5 years	More than 5 years	Total
Lease liabilities	₩	1,270	₩ 2,574	₩ 8,677	₩ 17,304	₩ 371	₩ 30,196

*(In millions of
Korean won)*

		December 31, 2023					
		Less than 1 month	1 month – 3 months	3 – 12 months	1 year – 5 years	More than 5 years	Total
Lease liabilities	₩	1,851	₩ 3,640	₩ 13,364	₩ 23,448	₩ 2,791	₩ 45,094

Cash outflows from lease contract were ₩ 16,518 million (including leases of low-value asset of ₩ 2,015 million) for the six-month period ended June 30, 2024 and ₩ 16,666 million (including leases of low-value asset of ₩ 1,753 million included) for the six-month period ended June 30, 2023.

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25. EQUITY:

(a) Share capital

As of June 30, 2024, the Group has 700 million shares authorized with a par value of ₩5,000 and 322,088,438 shares have been issued. The Parent Company's share capital as of June 30, 2024 amounts to ₩1,629,676 million.

(b) Other paid-in capital

Other paid-in capital as of June 30, 2024 and December 31, 2023 is as follows:

<i>(In millions of Korean won)</i>	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
Share premium	₩	678,953	₩	678,953
Other reserves		102,340		102,340
Treasury shares		(12,999)		-
Gain on disposal of treasury share		5,826		5,826
Loss on disposal of treasury share		(122)		(122)
Capital adjustment-other		3,938		(1,871)
	₩	<u>777,936</u>	₩	<u>785,126</u>

(c) Hybrid equity securities

Details of hybrid equity securities issued by the Parent Company as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>Issue date</u>	<u>Maturity</u>	<u>Interest rate (%)</u>		<u>June 30, 2024</u>		<u>December 31, 2023</u>
Hybrid equity securities							
in Korean won	Jun 24, 2015	Jun 24, 2045	5.10	₩	30,000	₩	30,000
	Feb 20, 2019	-	3.74		-		100,000
	Aug 29, 2019	-	3.20		100,000		100,000
	Feb 19, 2020	-	3.35		150,000		150,000
	Jun 23, 2020	-	3.30		100,000		100,000
	Aug 4, 2020	-	3.38		100,000		100,000
	Sep 22, 2023	-	5.70		150,000		150,000
	Feb 15, 2024	-	4.97		200,000		-
Issuance cost					<u>(2,606)</u>		<u>(2,364)</u>
				₩	<u>827,394</u>	₩	<u>727,636</u>

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25. EQUITY: (cont'd)

Hybrid equity securities classified as non-controlling equity as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>Issue date</u>	<u>Maturity</u>	<u>Interest rate (%)</u>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Hybrid equity securities in Korean won	Apr. 29, 2019	-	3.60	-	100,000
	Apr. 7, 2022	-	4.30	150,000	150,000
	May 10, 2022	-	5.20	200,000	200,000
	Apr. 29, 2024		4.37	100,000	-
Issuance cost				(1,246)	(1,298)
				<u>₩ 448,754</u>	<u>₩ 448,702</u>

The Group can exercise its right to early repayment after 5 or 10 years after issuing hybrid equity securities, and at the date of maturity, the contractual agreements allow the group to indefinitely extend the maturity date with the same contractual terms. In addition, the Group decides not to pay the dividends of ordinary share at general shareholders' meeting; the Group may not pay interest on the hybrid equity securities.

(d) Other components of equity

Other components of equity as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	<u>June 30, 2024</u>		<u>December 31, 2023</u>	
Gain on valuation of financial instruments at FVOCI	₩	35,758	₩	62,108
Exchange differences on translation of foreign operations		53,637		19,087
Remeasurements of net defined benefit liabilities		(119,534)		(105,454)
Loss on valuation of hedges of net investments in foreign operations		(63,043)		(31,653)
Share of other comprehensive income of associates		9,164		1,267
Others		(108)		2,373
Tax effects		21,284		13,173
	<u>₩</u>	<u>(62,842)</u>	<u>₩</u>	<u>(39,099)</u>

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25. EQUITY: (cont'd)

(e) *Retained earnings*

1) Retained earnings as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
Reserve:		
Legal reserves ¹	₩ 1,007,047	₩ 933,650
Regulatory reserve for credit loss	368,839	441,563
Voluntary reserves	<u>3,839,718</u>	<u>3,465,716</u>
	<u>5,215,604</u>	<u>4,840,929</u>
Retained earnings before appropriation	<u>2,243,923</u>	<u>2,280,731</u>
	<u>₩ 7,459,527</u>	<u>₩ 7,121,660</u>

¹ Article 53 of *Financial Holding Companies Act* requires a Parent Company to appropriate at least 10% of profit for the period for legal reserve until such reserve equals 100% of its paid-up capital. This reserve is not available for payment of cash dividends; however, it can be used to reduce deficit or be transferred to capital.

2) Regulatory reserve for credit loss

In accordance with the *Supervisory Regulations on Financial Holding Companies*, if provision for impairment under KIFRSs for the accounting purpose do not exceed those for the regulatory purpose, the Group is required to appropriate such shortfall amount as regulatory reserve for credit loss. As the regulatory reserve for credit loss is a voluntary reserve, the amount of existing reserve for credit loss exceeding the amount of reserve for credit loss required to be accumulated at the end of the reporting period may be reversed in profit. If accumulated deficit remains undisposed, the reserve for credit loss shall be accumulated after such accumulated deficit is disposed.

Regulatory reserve for credit loss as of June 30, 2024 and December 31, 2023 is as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
Accumulated reserve for credit loss ¹	₩ 368,839	₩ 441,563
Expected provision (reversal) of reserve for credit loss	<u>86,564</u>	<u>(72,724)</u>
Regulatory reserve for credit loss attributable to:	<u>₩ 455,403</u>	<u>₩ 368,839</u>
Owners of the Parent Company	₩ 455,403	₩ 368,839
Non-controlling interests	-	-

¹ Accumulated reserve for credit loss as of June 30, 2024 and December 31, 2023 is the amount after appropriations of retained earnings.

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25. EQUITY: (cont'd)

Expected provision of reserve for credit losses, adjusted profit after the provision of regulatory reserve and adjusted earnings per share after the provision of regulatory reserve for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Profit for the period of owners of the Parent Company	₩ 242,790	₩ 492,313	₩ 203,457	₩ 460,211
Expected reversal (provision) of reserve for credit losses	(73,132)	(86,564)	22,991	29,530
Adjusted profit after the reversal of regulatory reserve ¹	₩ 169,658	₩ 405,749	₩ 226,448	₩ 489,741
Adjusted earnings per share after the provision of regulatory reserve ¹ (in Korean won)	₩ 497	₩ 1,214	₩ 688	₩ 1,476

¹ Adjusted profit and earnings per share after provision of reserve for credit loss are not in accordance with KIFRS, but are calculated on the assumption that provision or reversal of reserve for credit loss is adjusted to the profit for the year of owners of the Parent Company. Earnings per share after provision of reserve for credit loss are presented net of dividends on hybrid equity securities.

(f) Treasury shares

Acquisition of treasury shares for each of the six-month periods ended June 30, 2024 and 2023 are as follows.

(In millions of Korean won and

in shares

	2024		2023	
	Number of shares	Carrying amount	Number of shares	Carrying amount
Beginning balance	-	₩ -	1,503,577	₩ 6,997
Acquisition ¹	1,651,711	12,999	2,343,231	16,000
	1,651,711	₩ 12,999	3,846,808	₩ 22,997

¹ In order to enhance shareholders' value, the Group entered into a treasury shares trust agreement with Korea Investment & Securities Co., Ltd., through which the Group acquired treasury shares.

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26. NET INTEREST INCOME:

Net interest income, interest income and expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Interest income:				
Due from banks	₩ 8,649	₩ 17,449	₩ 7,521	₩ 18,037
Financial instruments at FVTPL	52,945	99,755	29,703	57,655
Financial instruments at FVOCI	52,573	98,770	31,940	57,650
Financial assets at amortized cost	62,358	123,768	56,730	111,621
Loans receivable	1,570,751	3,163,935	1,505,796	2,984,045
	<u>1,747,276</u>	<u>3,503,677</u>	<u>1,631,690</u>	<u>3,229,008</u>
Interest expense:				
Deposit liabilities	(760,618)	(1,545,112)	(730,933)	(1,418,900)
Borrowings	(89,247)	(165,270)	(66,106)	(129,455)
Debentures	(133,133)	(263,064)	(107,000)	(211,297)
Others	(25,234)	(51,152)	(10,505)	(21,340)
	<u>(1,008,232)</u>	<u>(2,024,598)</u>	<u>(914,544)</u>	<u>(1,780,992)</u>
Net interest income	<u>₩ 739,044</u>	<u>₩ 1,479,079</u>	<u>₩ 717,146</u>	<u>₩ 1,448,016</u>

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27. NET COMMISSION INCOME:

Net commission income, commission income and expenses for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Commission income:				
Commission received	₩ 85,169	₩ 191,360	₩ 97,643	₩ 205,466
Guarantees	3,161	6,545	2,889	5,520
Credit card	2,647	4,855	1,765	3,265
Others	346	590	185	416
	<u>91,323</u>	<u>203,350</u>	<u>102,482</u>	<u>214,667</u>
Commission expenses:			-	-
Commission paid	(24,734)	(48,135)	(20,586)	(48,941)
Credit card	(16,076)	(36,365)	(14,710)	(30,968)
	<u>(40,810)</u>	<u>(84,500)</u>	<u>(35,296)</u>	<u>(79,909)</u>
Net commission income	<u>₩ 50,513</u>	<u>₩ 118,850</u>	<u>₩ 67,186</u>	<u>₩ 134,758</u>

28. GAIN OR LOSS ON FINANCIAL ASSETS AT FVTPL:

Gains or losses on financial assets at FVTPL for each of each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Gain on financial assets at FVTPL:				
Gain on disposal of financial assets at FVTPL	₩ 1,764	₩ 2,464	₩ 2,597	₩ 3,009
Gain on sale of financial assets at FVTPL	69,446	119,223	41,908	115,073
Gain on valuation of financial assets at FVTPL	53,535	153,014	21,303	86,793
Dividend income and others	28,711	44,950	17,660	34,743
	<u>153,456</u>	<u>319,651</u>	<u>83,468</u>	<u>239,618</u>
Loss on financial assets at FVTPL:				
Loss on disposal of financial assets at FVTPL	(1,844)	(2,849)	(1,025)	(1,253)
Loss on sale of financial assets at FVTPL	(48,551)	(87,860)	(49,135)	(109,363)
Loss on valuation of financial assets at FVTPL	(5,161)	(35,306)	(25,594)	(35,228)
	<u>(55,556)</u>	<u>(126,015)</u>	<u>(75,754)</u>	<u>(145,844)</u>
Net gain on financial assets at FVTPL	<u>₩ 97,900</u>	<u>₩ 193,636</u>	<u>₩ 7,714</u>	<u>₩ 93,774</u>

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29. GAIN OR LOSS ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME:

Gains or losses on financial assets at fair value through other comprehensive income for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Three months	Six months	Three months	Six months
Gain on financial assets at FVOCI:				
Gain on sale of financial assets at FVOCI	₩ 11,578	₩ 46,185	₩ 352	₩ 1,764
Reversal of impairment loss	(48)	382	77	141
Dividend income and others	587	3,373	746	3,876
	<u>12,117</u>	<u>49,940</u>	<u>1,175</u>	<u>5,781</u>
Loss on financial assets at FVOCI:				
Loss on sale of financial assets at FVOCI	(3)	(82)	-	-
Impairment loss on financial assets at FVOCI	50	(7)	(175)	(518)
	<u>47</u>	<u>(89)</u>	<u>(175)</u>	<u>(518)</u>
Net gain on financial assets at FVOCI	₩ <u>12,164</u>	₩ <u>49,851</u>	₩ <u>1,000</u>	₩ <u>5,263</u>

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30. GAIN OR LOSS ON FINANCIAL ASSETS AT AMORTIZED COST:

Gains or losses on financial assets at amortized cost for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Gain on financial assets at amortized cost:				
Reversal of impairment loss on financial assets at amortized cost	₩ 280	₩ 1,456	₩ 204	₩ 398
	<u>280</u>	<u>1,456</u>	<u>204</u>	<u>398</u>
Loss on financial assets at amortized cost:				
Impairment loss on financial assets at amortized cost	(69)	(118)	(333)	(537)
	<u>(69)</u>	<u>(118)</u>	<u>(333)</u>	<u>(537)</u>
Net gain (loss) on financial assets at amortized cost	₩ 211	₩ 1,338	₩ (129)	₩ (139)

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31. PROVISION FOR CREDIT LOSS:

Provisions for credit loss for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Three months	Six months	Three months	Six months
Reversal of provision for credit loss and others				
Reversal of provisions:				
Reversal of provision for impairment	₩ 1,737	₩ 1,755	₩ 4	₩ 12
Reversal of provision for credit loss on acceptances and guarantees	1,354	1,829	146	242
Reversal of provision for credit loss on unused credit limits	(2,724)	994	(565)	1,109
Reversal of provision for credit loss on financial guarantee contract	(702)	382	-	-
	(335)	4,960	(415)	1,363
Gain on disposal of loans receivable	71,326	94,838	48,151	60,819
Gain on loans receivable at FVTPL	1,631	4,749	1,216	3,242
	<u>72,622</u>	<u>104,547</u>	<u>48,952</u>	<u>65,424</u>
Contribution to provision for credit loss and others				
Contribution to provisions:				
Impairment loss	(201,787)	(374,230)	(164,145)	(289,139)
Contribution to provision for credit loss on acceptances and guarantees	-	-	799	(136)
Contribution to provision for credit loss on unused credit limits	(112)	(112)	(1,083)	(1,083)
Contribution to provision for credit loss on financial guarantee contract	(27)	(27)	292	(170)
	(201,926)	(374,369)	(164,137)	(290,528)
Loss on disposal of loans receivable	(12,569)	(21,451)	(3,710)	(8,463)
Loss on loans receivable at FVTPL	(253)	(253)	(770)	(770)
	<u>(214,748)</u>	<u>(396,073)</u>	<u>(168,617)</u>	<u>(299,761)</u>
Contribution to provision for credit loss	₩ (142,126)	₩ (291,526)	₩ (119,665)	₩ (234,337)

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32. GENERAL AND ADMINISTRATIVE EXPENSES:

(a) *General and administrative expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows:*

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Employee benefits:				
Salaries	₩ 177,868	₩ 346,806	₩ 158,266	₩ 335,564
Employee benefit expenses	43,495	96,393	43,056	103,095
Postemployment benefits	13,451	28,174	12,671	29,870
Termination benefits	-	-	-	60
	<u>234,814</u>	<u>471,373</u>	<u>213,993</u>	<u>468,589</u>
Rent	3,434	6,883	3,335	6,595
Business promotion expenses	6,419	12,562	6,107	12,925
Depreciation	29,992	60,018	28,588	56,662
Amortization	24,163	48,248	22,436	43,898
Taxes and dues	20,422	38,921	19,552	37,845
Other administrative expenses	65,028	126,453	63,095	123,493
	<u>₩ 384,272</u>	<u>₩ 764,458</u>	<u>₩ 357,106</u>	<u>₩ 750,007</u>

(b) *Share-based payments*

The Group has granted share-based payments to its executives and employees, and measured the cost of the share options by a fair value approach. The share-based payments is an incentive plan that sets, on grant date, the maximum number of shares that can be awarded. Actual shares to be granted are determined and paid in cash, in accordance with achievement of performance targets over the vesting period.

The performance compensation linked to short-term performance and long-term performance for the chairman, the bank president and the other executives shall be paid in cash in the following year of evaluation period, and the remaining compensations shall be deferred in connection with the share price.

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32. GENERAL AND ADMINISTRATIVE EXPENSES: (cont'd)

1) Changes in granted number of share options for the six-month period ended June 30, 2024 and the year ended December 31, 2023 are as follows:

i) Linked to short-term performance

- Initially granted

<i>(In shares)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	554,431	914,745
Granted	74,311	69,646
Exercised	<u>(257,091)</u>	<u>(429,960)</u>
Ending balance	<u>371,651</u>	<u>554,431</u>

ii) Linked to long-term performance

- Initially granted

<i>(In shares)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	6,296,560	4,889,202
Granted	1,917,511	2,393,071
Exercised	(907,195)	(367,745)
Others	<u>(705,837)</u>	<u>(617,968)</u>
Ending balance	<u>6,601,039</u>	<u>6,296,560</u>

- Deferred grants

<i>(In shares)</i>	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Beginning balance	2,453,001	2,724,069
Granted	764,612	291,412
Exercised	(907,195)	(359,191)
Others	<u>340,236</u>	<u>(203,289)</u>
Ending balance	<u>2,650,654</u>	<u>2,453,001</u>

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32. GENERAL AND ADMINISTRATIVE EXPENSES: (cont'd)

2) Impact on business performance and financial position

Expenses recognized related to the share option granted for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Three months	Six months	Three months	Six months
Linked to short-term performance (reversal)	₩ 811	₩ 218	₩ 563	₩ (48)
Linked to long-term performance	4,824	3,353	4,144	4,596

Liabilities recognized related to the share-option granted as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024		December 31, 2023	
Accrued expenses (short-term performance)	₩	3,523	₩	5,706
Accrued expenses (long-term performance)		35,346		38,130

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33. OTHER OPERATING INCOME AND EXPENSES:

Gains and losses on foreign currency transactions for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Three months	Six months	Three months	Six months
Gains on foreign currency transactions:				
Gain on foreign currency transactions	₩ 15,248	₩ 56,096	₩ 156,829	₩ 308,311
Gain on foreign currency translation	39,518	166,795	(17,143)	153,186
	<u>54,766</u>	<u>222,891</u>	<u>139,686</u>	<u>461,497</u>
Losses on foreign currency transactions:				
Loss on foreign currency transactions	(9,692)	(46,502)	(149,508)	(293,771)
Loss on foreign currency translation	(39,239)	(172,249)	18,768	(159,855)
	<u>(48,931)</u>	<u>(218,751)</u>	<u>(130,740)</u>	<u>(453,626)</u>
	<u>₩ 5,835</u>	<u>₩ 4,140</u>	<u>₩ 8,946</u>	<u>₩ 7,871</u>

Net income and loss related to derivatives for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024		2023	
	Three months	Six months	Three months	Six months
Gains on financial derivatives:				
Gains on derivative transactions	₩ 105,484	₩ 211,004	₩ 138,111	₩ 279,217
Gains on valuation of derivatives	46,014	128,161	3,088	98,441
	<u>151,498</u>	<u>339,165</u>	<u>141,199</u>	<u>377,658</u>
Losses on financial derivatives:				
Losses on derivative transactions	(147,549)	(211,441)	(102,357)	(219,980)
Losses on valuation of derivatives	(36,701)	(125,426)	(20,833)	(96,128)
	<u>(184,250)</u>	<u>(336,867)</u>	<u>(123,190)</u>	<u>(316,108)</u>
	<u>₩ (32,752)</u>	<u>₩ 2,298</u>	<u>₩ 18,009</u>	<u>₩ 61,550</u>

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33. OTHER OPERATING INCOME AND EXPENSES: (cont'd)

Other operating revenues and expenses for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Other operating revenue:				
Gain on fair value hedged items	₩ (2,420)	₩ 999	₩ 391	₩ 391
Trust fees and commissions received from trust account	6,812	13,361	6,295	12,193
Reversal of other provisions	84	436	(25)	229
Operating lease income	161,416	317,930	134,790	259,142
Gain on financial liabilities at FVTPL	34,777	56,464	11,471	22,419
Gain on financial liabilities designated as at FVTPL	(25)	-	50	50
Others	161	754	122	563
	<u>200,805</u>	<u>389,944</u>	<u>153,094</u>	<u>294,987</u>
Other operating expenses:				
Loss on fair value risk hedged items	-	-	5,670	-
Trust management fees	(20)	(40)	(20)	(42)
Credit card charges	(3)	(13)	(3)	(10)
Contribution to credit guarantee fund	(33,107)	(63,803)	(30,214)	(58,717)
Contribution to housing credit guarantee fund	(12,040)	(24,305)	(12,006)	(24,391)
Insurance fees on deposits	(32,517)	(63,891)	(30,759)	(61,966)
Other provisions	(25)	(482)	(65)	(358)
Operating lease expense	(141,096)	(278,800)	(118,818)	(228,543)
Loss on financial liabilities at FVTPL	(9,642)	(103,015)	(14,393)	(53,702)
Loss on financial liabilities designated as at FVTPL	(12,178)	(21,618)	(6,990)	(14,785)
Others	(12,386)	(21,399)	(9,587)	(18,969)
	<u>(253,014)</u>	<u>(577,366)</u>	<u>(217,185)</u>	<u>(461,483)</u>
	<u>₩ (52,209)</u>	<u>₩ (187,422)</u>	<u>₩ (64,091)</u>	<u>₩ (166,496)</u>

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34. NON-OPERATING INCOME AND EXPENSES:

Non-operating income and expenses for each of the three-month and six-month periods ended June 30, 2024 and 2023, are as follows:

(In millions of Korean won)

	2024		2023	
	Three months	Six months	Three months	Six months
Income from investments in associates:				
Share of profit of associates	₩ 26,327	₩ 49,477	₩ 7,728	₩ 29,235
Gain on disposal of investments in associates	1,096	1,784	1,933	2,430
Share of loss of associates	(2,573)	(4,695)	(513)	(2,035)
Loss on disposal of investments in associates	(1,766)	(1,664)	(217)	(352)
Impairment loss on investments in associates	-	-	(8,308)	(8,308)
Reversal of impairment loss on investments in associates	-	147	-	-
	<u>23,084</u>	<u>45,049</u>	<u>623</u>	<u>20,970</u>
Non-operating income:				
Gain on disposal of property and equipment	527	593	39	618
Rental income	8,356	16,431	7,196	14,292
Restoration income	24	109	-	186
Gain on collection of charge-offs	99	256	88	151
Gain on changes in leases	135	440	171	322
Other non-operating income	2,721	12,329	5,598	11,060
	<u>11,862</u>	<u>30,158</u>	<u>13,092</u>	<u>26,629</u>
Non-operating expenses:				
Expenses on collection of charge-offs	155	(209)	(107)	(210)
Loss on disposal of property and equipment	(295)	(370)	(54)	(171)
Loss on retirement of property and equipment	(238)	(252)	(10)	(16)
Loss on disposal of intangible assets	-	(97)	-	-
Donations	(6,990)	(9,045)	(9,162)	(11,383)
Loss on changes in leases	(5)	(27)	(7)	(16)
Restoration loss	(22)	(31)	(4)	(72)
Other non-operating expenses	(1,403)	(8,397)	(3,564)	(7,666)
	<u>(8,798)</u>	<u>(18,428)</u>	<u>(12,908)</u>	<u>(19,534)</u>
	₩ 26,148	₩ 56,779	₩ 807	₩ 28,065

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35. INCOME TAX EXPENSE:

Reconciliation between profit before income tax and income tax expense for each of the six-month periods ended June 30, 2024 and 2023 is as follows:

<i>(In millions of Korean won)</i>	2024	2023
Profit before income tax	₩ 662,565	₩ 628,318
Taxes payable ¹	169,736	160,695
Tax effect of:		
Non-taxable income		
(₩27,962 million in 2024 and		
₩38,585 million in 2023)	(8,141)	(9,868)
Non-deductible expenses		
(₩11,748 million in 2024 and		
₩13,197 million in 2023)	3,220	3,375
Consolidated tax	(5,961)	(7,626)
Others	843	(1,513)
Income tax expense	₩ <u>159,697</u>	₩ <u>145,063</u>
Effective tax rate		
(income tax expense/profit before income tax)	24.10%	23.09%

¹ Taxes payable in 2024 and 2023 are calculated by applying income tax rate (9.9% for less than ₩200 million, 20.9% for ₩200 million to ₩20 billion, 23.1% for ₩20 billion to ₩300 billion and 26.4% for more than ₩300 billion) to profit before income tax.

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36. EARNINGS PER SHARE:

Basic earnings per share are calculated by dividing profit attributable to owners of Parent Company by weighted-average number of ordinary shares outstanding for each of the six-month periods ended June 30, 2024 and 2023.

Weighted-average number of ordinary shares for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In shares)</i>	2024	Number of	Accumulation of
	Period	shares	days
Number of ordinary shares outstanding	Jan 1, 2024 ~ Jun 30, 2024	322,088,438	58,620,095,716
Acquisition of treasury shares	Feb 29, 2024 ~ Jun 30, 2024	<u>(1,651,711)</u>	<u>(184,026,095)</u>
	Subtotal (①)		<u>58,436,069,621</u>
	Weighted-average number of ordinary shares (②)=(①/182) ¹		<u>321,077,306</u>

1 The total number of ordinary shares issued by the Company is 322,088,438 shares, and the weighted average number of outstanding shares is calculated by taking into account the treasury shares acquired during the period from February 29, 2024 to April 1, 2024 totaling 1,651,711 shares.

<i>(In shares)</i>	2023	Number of	Accumulation of
	Period	shares	days
Number of ordinary shares outstanding	Jan. 1, 2023 ~ Jun. 30, 2023	325,935,246	58,994,279,526
Treasury shares	Jan. 1, 2023 ~ Jun. 30, 2023	(1,503,577)	(272,147,437)
Acquisition of treasury shares	Feb. 7, 2023 ~ Jun. 30, 2023	<u>(2,343,231)</u>	<u>(312,775,051)</u>
	Subtotal (①)		<u>58,409,357,038</u>
	Weighted-average number of ordinary shares (②)=(①/181) ¹		<u>322,703,630</u>

1 The total number of ordinary shares issued by the Company is 325,935,246 shares, and the weighted average number of outstanding shares is calculated by taking into account the treasury shares held, which amount to 1,503,577 shares, and the treasury shares acquired during the period from February 7, 2023 to March 13, 2023, totaling 2,343,231 shares.

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36. EARNINGS PER SHARE: (cont'd)

Basic earnings per share attributable to owners of the Parent Company for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

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

	2024		2023	
	Three months	Six months	Three months	Six months
Profit for the period attributable to owners of the Parent Company	₩ 242,790	₩ 492,313	₩ 203,457	₩ 460,211
Dividends on hybrid equity securities	(8,731)	(15,912)	(5,044)	(13,453)
Profit attributable to the ordinary equity holders	234,059	476,401	198,413	446,758
Weighted-average number of ordinary shares outstanding	320,436,727	321,077,306	322,088,438	322,703,630
Basic earnings per share (in Korean won)	₩ 730	₩ 1,484	₩ 616	₩ 1,384

Diluted earnings per share for each of the six-month periods ended June 30, 2024 and 2023 are equal to the basic earnings per share because the Group did not have any potentially dilutive ordinary shares during the year.

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37. CONTINGENCIES AND COMMITMENTS:

(a) *Payment guarantees as of June 30, 2024 and December 31, 2023 are as follows:*

<i>(In millions of Korean won)</i>	Type	June 30, 2024	December 31, 2023
Confirmed acceptances and guarantees:			
Confirmed acceptances and guarantees in Korean won	Payment guarantee for loans	₩ 52,147	₩ 52,522
	Others	451,394	482,993
		<u>503,541</u>	<u>535,515</u>
Confirmed acceptances and guarantees in foreign currencies	Acceptances on letters of credit	16,018	55,106
	Acceptances on letters of guarantee for importers	15,513	17,899
	Others	700,878	502,092
		<u>732,409</u>	<u>575,097</u>
		<u>1,235,950</u>	<u>1,110,612</u>
Unconfirmed acceptances and guarantees:	Letters of credit	251,093	245,412
	Others	4,867	3,875
		<u>255,960</u>	<u>249,287</u>
Others	Endorsed bill	24	22
		<u>₩ 1,491,934</u>	<u>₩ 1,359,921</u>

(b) *Unused commitments as of June 30, 2024 and December 31, 2023 are as follows:*

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
Corporates	₩ 9,271,374	₩ 9,199,326
Households	8,468,471	8,550,293
Credit card	5,389,601	5,074,185
Securities purchase agreement	731,416	729,493
	<u>₩ 23,860,862</u>	<u>₩ 23,553,297</u>

(c) The Group has entered into a Korean currency borrowing agreement with KDB Development Bank and others for ₩1,251,035 million and foreign currency borrowing agreements with Sumitomo Mitsui Trust Bank, and others for CNY 500,000,000, JPY 2,000,000,000, USD 151,850,000, KZT 15,400,000 and MMK 9,600,000,000 for the purpose of securing liquidity in preparation for the crisis in the Korean currency fund market and diversifying financing channels.

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37. CONTINGENCIES AND COMMITMENTS: (cont'd)

(d) Lawsuits

As of June 30, 2024 and December 31, 2023, the Group's major lawsuits are as follows:

(In millions of Korean won)

	June 30, 2024		December 31, 2023	
	As a plaintiff	As a defendant	As a plaintiff	As a defendant
Number of cases	42 cases	104 cases	35 cases	58 cases
Amount	₩ 174,007	₩ 43,639	₩ 129,265	₩ 15,561
Provisions related to these lawsuits		₩ -		₩ -

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38. TRANSACTIONS WITH RELATED PARTIES:

(a) All intercompany transactions, including intercompany receivables and payables, are eliminated while preparing the interim condensed consolidated financial statements.

(b) Receivables and payables between related parties

Outstanding balances arising from sales/purchases of goods and services as of June 30, 2024 and December 31, 2023 are as follows:

<i>(In millions of Korean won)</i>	June 30, 2024	December 31, 2023
Associate/Associate of entities under common control:		
BNK Shareholder Value Active Securities Exchange Traded Fund	W -	W 15
Other assets		
BNK Winning Securities Investment Trust 1	6	6
Other assets		
BNK Teunteun Korea Securities Investment Trust No. 1	10	9
Other assets		
BNK Cape ESG New Renewable Energy No. 1 New Technology Association	15	16
Other assets		
BNK-K& New Marine Industry No.1 Fund	126	98
Other assets		
BNK-T2021 Korea Support Venture Investment Association No. 1	108	108
Other assets		
BNKKN Younghonam Special Zone Venture Investment Associate No. 1	71	71
Other assets		
BNK-Kiwoom New Technology Investment Fund 1st	-	15
Other assets		
BNK-Hyundai Defense Innovation Fund	115	115
Other assets		
ForHumanLife CDMO New Technology Business Investment Association	23	21
Other assets		
UQIP Energy Fusion Investment Fund Partnership	171	478
Other assets		

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2019 UQIP Innovative Growth Follow-on Fund Partnership	Other assets	93	214
BNK Fisheries Investment Association	Other assets	150	311
BNK Fisheries Investment Association	Other assets	110	262
BNK Intervalue Technology Finance Investment Association	Other assets	233	465
BNK Agricultural Food Investment Association No. 3	Other assets	94	94
BNK StorageB Busan Innovation Fund	Other assets	156	-
BNK-K& New Marine Industry No.2 Fund	Other assets	50	-
BNK safety Investment Fund	Other assets	14	-
Key management ¹ :	Loans receivable	1,230	1,153
	Credit card receivable	4	-
	Deposit liabilities	870	2,064

¹ Key management includes the main management of the Group and major subsidiaries, including Busan Bank, Kyongnam Bank, BNK Capital and BNK Securities.

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38. TRANSACTIONS WITH RELATED PARTIES:

(c) *Revenue and expenses between related parties*

Transactions with the Group's related parties for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

<i>(In millions of Korean won)</i>	2024	2023
Associate:		
BNK Shareholder Value		
Active Securities		
Exchange Traded Fund	Commission revenues ₩	- ₩
		28
BNK Winning Securities		
Investment Trust 1	Commission revenues	19
		19
BNK Teunteun Korea		
Securities Investment		
Trust No. 1	Commission revenues	77
		71
UQIP Energy Fusion		
Investment Fund		
Partnership	Commission revenues	171
		245
2019 UQIP Innovative		
Growth Follow-on Fund		
Partnership	Commission revenues	93
		112
BNK Fisheries Investment		
Association	Commission revenues	150
		156
BNK Fisheries Investment		
Association	Commission revenues	110
		162
BNK Intervalue Technology		
Finance Investment		
Association	Commission revenues	233
		232
BNK Agricultural Food		
Investment Association		
No. 3	Commission revenues	169
		-
Orion KOSDAQ venture		
fund #52	Commission revenues	-
		1
BNKKN Eastsouthern Digital		
New Deal 1st New		
Technology Business		
Investment Fund	Commission revenues	71
		27
BNK Cape ESG New		
Renewable Energy No. 1		
New Technology		
Association	Commission revenues	31
		15
BNK-T2021 Korea Support		
Venture Investment		
Association No. 1	Commission revenues	216
		217

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BNKKN Younghonam Special Zone Venture Investment Associate No. 1	Commission revenues	143	143
BNK-Kiwoom New Technology Investment Fund 1st	Commission revenues	30	30
BNK-K& New Marine Industry No.1 Fund	Commission revenues	227	121
UQIP Future Generation Investment Fund Partnership	Commission revenues	-	800
BNK-Hyundai Defense Innovation Fund	Commission revenues	230	223
BNK-KakaoPay Securities- Mosaic Big Data Association	Commission revenues	4	-
ForHumanLife CDMO New Technology Business Investment Association	Commission revenues	46	-
BNK-K& New Marine Industry No.2 Fund	Commission revenues	125	-
BNK safety Investment Fund	Commission revenues	14	-
Invictus BNK Fund 1	Commission revenues	19	-
Key management ¹	Commission revenues	4	1
	Interest expenses	6	5
	Interest income	37	36
	Other income	5	2

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38. TRANSACTIONS WITH RELATED PARTIES: (cont'd)

¹ Key management includes the main management of the Group and major subsidiaries, including Busan Bank, Kyongnam Bank, BNK Capital and BNK Securities.

(d) Financial transactions with related parties

Fund transactions with the Group's related parties for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024			
	Loan transactions		Deposit transactions	
	Loans	Repayments	Increase	Decrease
Key management	₩ 230	₩ 187	₩ 3,488	₩ 3,809

(In millions of Korean won)

	2023			
	Loan transactions		Deposit transactions	
	Loans	Repayments	Increase	Decrease
Key management	₩ -	₩ 56	₩ 1,608	₩ 615

(e) Unused commitments for the Group's related parties for each of the six-month periods ended June 30, 2024 and 2023 are as follows:

(In millions of Korean won)

	2024		2023	
	Loan limit	Credit card	Loan limit	Credit card
Key management	₩ 40	₩ 141	₩ 27	₩ 149

(f) Compensation for key management for each of the six-month periods ended June 30, 2024 and 2023 is as follows:

(In millions of Korean won)

	2024		2023	
Short-term employee benefits	₩	3,066	₩	2,999
Share-based payment		1,935		2,232
Postemployment benefits		363		264
	₩	5,364	₩	5,495

39. RESTATEMENT OF COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT:

For the year ended December 31, 2023, the Group recognized the embezzlement by an employee of Kyongnam Bank, a subsidiary of the Group, that occurred before the year ended December 31, 2023. The Group discovered errors related to the embezzlement incident, including the overstatement of interest income, understatement of other non-operating income and expenses, understatement of income tax expenses, and both overstatement and understatement of retained earnings. Considering that the impact of the embezzlement on the consolidated financial statements is material, the Group restated the interim consolidated financial statements for the six-month period ended June 30, 2023 presented for comparative purposes.

(The amounts reported previously below present the amounts on the consolidated financial statements attached to the review report on interim consolidated financial statements dated August 14, 2023, which is the date of the initial disclosure by the Group.)

Nature of corrections of prior period errors

(a) Nature of corrections of errors recognized for the prior period

- (*) ① Accounts with error Interest income, non-operating income and expenses, retained earnings, income tax expenses
- ② Cause of errors Due to the embezzlement by an employee that occurred prior to the year ended December 31, 2023, non-substantive PF loans and obligation to compensate for damages is recognized in relation with the embezzlement.
- ③ Details of errors **Interim consolidated statements of comprehensive income for the six-month period ended June 30, 2023:**
Interest income overstated by ₩1,098 million.
Other non-operating income understated by ₩11,198 million.
Income tax expenses understated by ₩2,559 million.
- Interim consolidated statements of changes in equity for the six-month period ended June 30, 2023:**
Beginning balance of retained earnings overstated by ₩6,473 million.
Ending balance of retained earnings understated by ₩1,068 million.
- ④ Relevant KIFRS KIFRS 1109, Paragraphs 5.4.1
KIFRS 1037, Paragraph 14
KIFRS 1012, Paragraph 24
KIFRS 1008, Paragraph 42

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39. RESTATEMENT OF COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT: (cont'd)

(b) Financial statements affected by error adjustments

1) Interim consolidated statement of comprehensive income

(In millions of Korean won)

		2023		
		Three months		
Accounts	Notes	Amount reported previously	Amount adjusted related to (*)	Restated amount
Net interest income		₩ 717,696	₩ (549)	₩ 717,147
Interest income	26	1,632,238	(549)	1,631,689
Operating income		279,560	(549)	279,011
Other non-operating expenses, net	34	(9,842)	10,649	807
Profit before income tax expense		269,718	10,100	279,818
Income tax expense	35	62,268	2,559	64,827
Profit for the year		207,449	7,542	214,991
Total comprehensive income		207,575	7,542	215,117
Basic and diluted earnings per share (in Korean won)		593	23	616

(In millions of Korean won)

		2023		
		Six months		
Accounts	Notes	Amount reported previously	Amount adjusted related to (*)	Restated amount
Net interest income		₩ 1,449,114	₩ (1,098)	₩ 1,448,016
Interest income		3,230,106	(1,098)	3,229,008
Operating income		601,351	(1,098)	600,253
Other non-operating expenses, net	37	16,867	11,198	28,065
Profit before income tax expense		618,218	10,100	628,318
Income tax expense	38	142,504	2,559	145,063
Profit for the year		475,713	7,542	483,255
Total comprehensive income		509,056	7,542	516,598
Basic and diluted earnings per share (in Korean won)	39	1,361	23	1,384

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39. RESTATEMENT OF COMPARATIVE CONSOLIDATED FINANCIAL STATEMENT: (cont'd)

2) *Interim consolidated statement of changes in equity*

<i>(In millions of Korean won)</i>		Amount reported previously		Amount adjusted related to (*)		Restated amount
Total equity as of January 1, 2023	₩	10,796,356	₩	(6,473)	₩	10,789,883
Retained earnings as of January 1, 2023		6,773,171		(6,473)		6,766,698
Profit for the year		475,712		7,542		483,254
Retained earnings as of June 30, 2023		7,008,524		1,068		7,009,592
Total equity as of June 30, 2023		10,500,146		1,068		10,501,214

3) *Interim consolidated statement of cash flows*

<i>(In millions of Korean won)</i>		2023		
<i>Accounts</i>		Amount reported previously	Amount adjusted related to (*)	Restated amount
Cash flows from operating activities	₩	387,824	₩	-
Profit for the year		475,712		7,542
Adjustments to profit for the year:		(827,008)		(6,444)
Interest income		(3,230,106)		1,098
Other non-operating income		10,113		(10,100)
Income tax expense		142,504		2,559
Interest received		3,193,816		(1,098)
				3,192,718

4) *Notes*

The notes to the interim financial statements for the six-month period ended June 30, 2023 related to the above adjustments (i.e., Note 5: Operating Segment, Note 13: Provision for Impairment, Note 23: Provisions, Note 25: Equity, Note 26: Net Interest Income, Note 34: Non-Operating Income and Expenses, and Note 35: Income Tax Expense) have also been revised accordingly due to the restatements.