



**Kookmin Bank Auckland Branch**  
**Disclosure Statement**

**For the six months ended**

**30 June 2025**

**Disclosure Statement**  
**For the six months ended 30 June 2025**

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The General Manager, Dohan Kim has been authorised to sign on behalf of each of the Directors, and on his own behalf has pleasure in presenting the Condensed Financial Statements and Disclosure Statement of Kookmin Bank – Auckland Branch For the six months ended 30 June 2025.



Dohan Kim

The Financial Statements and Disclosure Statement has been signed on behalf of each of the Directors of the Overseas Bank by Dohan Kim who also signs in his personal capacity as General Manager of Kookmin Bank – Auckland Branch.

28 August 2025

# General Disclosures – Kookmin Bank Auckland Branch

## For six months ended 30 June 2025

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### 1. Reporting Directive

This Disclosure Statement has been prepared under the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended).

### 2. Branch

Name: Kookmin Bank Auckland Branch  
Address for Service: Level 16, 88 Shortland Street  
Auckland, New Zealand

For the purposes of the Registered Bank Disclosure Statement (Overseas Incorporated Registered Banks) Order 2014 (as amended), the "Branch" is currently the only entity within the Banking Group in New Zealand. ("NZ Banking Group")

### 3. Registered Bank and Overseas Bank

Name: Kookmin Bank  
Address: 26, Gukjegeumyung-ro 8-gil,  
Yeongdeungpo-gu, Seoul 07331, Republic of Korea

Kookmin Bank was established in 1963 under the Citizens National Bank Act in the Republic of Korea. Pursuant to the repeal of the Citizens National Bank Act in January 1995, Kookmin Bank has conducted its operations in accordance with the provisions of the General Banking Act in the Republic of Korea.

### 4. Ultimate Parent Bank

Name: Kookmin Bank  
Address: 26, Gukjegeumyung-ro 8-gil,  
Yeongdeungpo-gu, Seoul 07331, Republic of Korea

### 5. Ultimate Holding Company

Name: KB Financial Group Inc.  
Address: 26, Gukjegeumyung-ro 8-gil,  
Yeongdeungpo-gu, Seoul 07331, Republic of Korea

### 6. Ranking of local creditors in a winding up

There are no material legislative or regulatory restrictions in the Overseas Bank's country of incorporation, the Republic of Korea, which subordinate any claims of any class of unsecured creditors of the Branch on the assets of the Overseas Bank to those of any other class of unsecured creditors of the Overseas Bank, in a winding up of the Overseas Bank, other than as set out in section 8 below.

The Branch has no preferred creditors apart from the New Zealand government (PAYE).

### 7. Holding excess of assets

The Overseas Bank is not required by any statute to hold in New Zealand an excess of assets over deposit liabilities.

### 8. Reserves of deposit liabilities of Korea

The Overseas Bank is required by Clause 2 of Article 28, Section 3 of the Bank of Korea Act to maintain reserves in an account with the Reserve Bank of Korea, to cover ongoing obligations to pay deposit liabilities in Korea, as follows:

- (a) reserves equivalent to at least 2 percent of the aggregate value of all term account deposits, instalment savings account deposits and cheque account deposits in Korea; plus
- (b) reserves equivalent to at least 7 percent of the aggregate value of all other deposits in Korea.

These requirements have the potential to impact on the management of the liquidity of the New Zealand business of the Overseas Bank.

**General Disclosures – Kookmin Bank Auckland Branch  
For six months ended 30 June 2025**

**9. Guarantee Arrangements**

No material obligations of the Registered Bank are guaranteed.

**10. Responsible person of the Branch**

Name: Dohan Kim  
Occupation: General Manager of Kookmin Bank Auckland Branch  
Country of Residence: New Zealand  
Technical or professional qualification: B.A. in Public Administration

**Communication addressed to the Responsible Person may be sent to:**

C/- Kookmin Bank Auckland Branch  
P O Box 7506  
Victoria Street West  
Auckland New Zealand

**11. Directors of the Overseas Bank**

**Communication addressed to the Directors and New Zealand Chief Executive Officer may be sent to:**

C/- Kookmin Bank Auckland Branch  
P O Box 7506  
Victoria Street West  
Auckland New Zealand

The General Manager has signed this Disclosure Statement on his behalf and on behalf of the Directors of the Kookmin Bank, being:

**Executive Directors**

Name	Occupation	Qualification	External Directorship
Hwan Ju Lee	CEO	M.B.A.	KB Financial Group Inc.
Seong Jae Lee	Chief Audit Executive	Master of Business Administration	-
Byoung Gon Park	Executive Director	B.A. in Business Administration	-

Jae Keun Lee, Yeong Gi Kim and Seog Ho Son resigned on 31st December of 2024

**Independent Directors**

Name	Occupation	Qualification	External Directorship
Dae Hee Yoon	Professor, Yonsei University	Ph.D. in Business Administration	-
Tae Jong Seo	President, Korea Banking Institute	Master of Public Administration	-
Sue Bok Moon	Professor, KAIST University	Ph.D. in Computer Science	-
Sung Jin Kim	Advisor, Mirae Asset Securities Co., Ltd.	B.A. in Economics	-
Jung sook Lee	-	Master of Law	-

All Directors reside in the Republic of Korea.  
Yong Keun Yoo resigned 25th March of 2025.

**General Disclosures – Kookmin Bank Auckland Branch  
For six months ended 30 June 2025**

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**Audit Committee**

<b>Name</b>	<b>Occupation</b>	<b>Qualification</b>	<b>External Directorship</b>
Sue Bok Moon	Professor, KAIST University	Ph.D. in Computer Science	-
Seong Jae Lee	Chief Audit Executive	Master of Business Administration	-
Jung sook Lee	-	Master of Law	-

Yeong Gi Kim resigned on 31st December of 2024

Tae-Jong Seo resigned on 25th March of 2025

The Audit Committee is comprised of three members of which two of the members are independent. Kookmin Bank Audit Committee (hereinafter referred to as the Audit Committee) enhances corporate value and protects the interests of shareholders and customers.

In order to evaluate the appropriateness of the internal control system, the efficiency of the business execution process, and the reliability of financial information, the Audit Committee checks the management activities of the management from an objective and independent perspective.

In addition, the Audit Committee performs its duties independently from the voting and enforcement bodies within the Overseas Bank. To prevent the conflict of interest, the Overseas Bank has established and operates a conflict of interest prevention system, such as the Audit Committee members cannot conduct transactions that are classified as company's business by self or third party unless approved by the Board of Directors

**12. Auditors of the Disclosure Statement**

Name: KPMG  
Address for service: 18 Viaduct Harbour Avenue  
Auckland 1010, New Zealand

**General Disclosures – Kookmin Bank Auckland Branch  
For six months ended 30 June 2025**

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**13. Conditions of Registration for Kookmin Bank in New Zealand**

**These conditions of registration apply on and after 1 July 2024.**

The registration of Kookmin Bank (“the registered bank”) in New Zealand is subject to the following conditions:

1. That the banking group does not conduct any non-financial activities that in aggregate are material relative to its total activities. In this condition of registration, the meaning of “material” is based on generally accepted accounting practice.
2. That the banking group’s insurance business is not greater than 1% of its total consolidated assets.

For the purposes of this condition of registration, the banking group’s insurance business is the sum of the following amounts for entities in the banking group:

- (a) if the business of an entity predominantly consists of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total consolidated assets of the group headed by the entity; and
- (b) if the entity conducts insurance business and its business does not predominantly consist of insurance business and the entity is not a subsidiary of another entity in the banking group whose business predominantly consists of insurance business, the amount of the insurance business to sum is the total liabilities relating to the entity’s insurance business plus the equity retained by the entity to meet the solvency or financial soundness needs of its insurance business.

In determining the total amount of the banking group’s insurance business

- (a) all amounts must relate to on balance sheet items only, and must comply with generally accepted accounting practice; and
- (b) if products or assets of which an insurance business is comprised also contain a non-insurance component, the whole of such products or assets must be considered part of the insurance business.

For the purposes of this condition of registration,

“insurance business” means the undertaking or assumption of liability as an insurer under a contract of insurance:

“insurer” and “contract of insurance” have the same meaning as provided in sections 6 and 7 of the Insurance (Prudential Supervision) Act 2010.

3. That the business of the registered bank in New Zealand does not constitute a predominant proportion of the total business of the registered bank.
4. That no appointment to the position of the New Zealand chief executive officer of the registered bank shall be made unless:
  - (a) the Reserve Bank has been supplied with a copy of the curriculum vitae of the proposed appointee; and
  - (b) the Reserve Bank has advised that it has no objection to that appointment.
5. That Kookmin Bank complies with the requirements imposed on it by the Financial Supervisory Service of Korea.
6. That, with reference to the following table, each capital adequacy ratio of Kookmin Bank must be equal to or greater than the applicable minimum requirement.

Capital adequacy ratio	Minimum requirement on and after 1 January 2015
Common Equity Tier 1 capital	4.5 percent
Tier 1 capital	6 percent
Total capital	8 percent

For the purposes of this condition of registration, the capital adequacy ratios:

- (a) must be calculated as a percentage of the registered bank’s risk weighted exposures; and
- (b) are otherwise as administered by the Financial Supervisory Service of Korea.

**General Disclosures – Kookmin Bank Auckland Branch**  
**For six months ended 30 June 2025**

7. That liabilities of the registered bank in New Zealand, net of amounts due to related parties (including amounts due to a subsidiary or affiliate of the registered bank), do not exceed NZ\$15 billion.
8. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the business of the registered bank in New Zealand’s qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a loan-to-valuation ratio of more than 70%, must not exceed 5% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
9. That, for a loan-to-valuation measurement period ending on or after 31 December 2024, the total of the business of the registered bank in New Zealand’s qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a loan-to-valuation ratio of more than 80%, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the loan-to-valuation measurement period.
10. That, for a debt-to-income measurement period, the total of the business of the registered bank in New Zealand’s qualifying new mortgage lending amount in respect of property-investment residential mortgage loans with a debt-to-income ratio of more than 7, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of property-investment residential mortgage loans arising in the debt-to-income measurement period.
11. That, for a debt-to-income measurement period, the total of the business of the registered bank in New Zealand’s qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans with a debt-to-income ratio of more than 6, must not exceed 20% of the total of the qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans arising in the debt-to-income measurement period.
12. That the business of the registered bank in New Zealand must not make a residential mortgage loan unless the terms and conditions of the loan contract or the terms and conditions for an associated mortgage require that a borrower obtain the registered bank’s agreement before the borrower can grant to another person a charge over the residential property used as security for the loan.

In these conditions of registration,

“banking group” means the New Zealand business of the registered bank and its subsidiaries as required to be reported in group financial statements for the group’s New Zealand business under section 461B(2) of the Financial Markets Conduct Act 2013.

“business of the registered bank in New Zealand” means the New Zealand business of the registered bank as defined in the requirement for financial statements for New Zealand business in section 461B(1) of the Financial Markets Conduct Act 2013.

“generally accepted accounting practice” has the same meaning as in section 8 of the Financial Reporting Act 2013.

“liabilities of the registered bank in New Zealand” means the liabilities that the registered bank would be required to report in financial statements for its New Zealand business if section 461B(1) of the Financial Markets Conduct Act 2013 applied.

In conditions of registration 8 and 9, —

“loan-to-valuation ratio”, “non property-investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High-LVR Residential Mortgage Lending” (BS19) dated October 2021, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS19 for the purpose of defining these terms are—

<b>BPR document</b>	<b>Version date</b>
BPR131: Standardised credit risk RWAs	1 July 2024
BPR001: Glossary	1 October 2023

“loan-to-valuation measurement period” means a rolling period of six calendar months ending on the last day of the sixth calendar month.

**General Disclosures – Kookmin Bank Auckland Branch  
For six months ended 30 June 2025**

In conditions of registration 10 and 11, —

“debt-to-income ratio”, “debt-to-income measurement period”, “non property-investment residential mortgage loan”, “property-investment residential mortgage loan”, “qualifying new mortgage lending amount in respect of property-investment residential mortgage loans”, and “qualifying new mortgage lending amount in respect of non property-investment residential mortgage loans” have the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS20 for the purpose of defining these terms are—

<b>BPR document</b>	<b>Version date</b>
BPR131: Standardised credit risk RWAs	1 July 2024
BPR001: Glossary	1 October 2023

“debt-to-income measurement period” means—

- (a) the initial period of six calendar months from the date of this conditions of registration (1 July 2024) ending on 31 December 2024; and
- (b) thereafter, a rolling period of six calendar months ending on the last day of the sixth calendar month, the first of which ends on 31 January 2025 and covers the months of August, September, October, November and December 2024 and January 2025.

In conditions of registration 12,—

“residential mortgage loan” has the same meaning as in the Reserve Bank of New Zealand document entitled “Framework for Restrictions on High Debt-To-Income Residential Mortgage lending” (BS20) dated 3 April 2023, and where the version dates of the Reserve Bank of New Zealand Banking Prudential Requirement (BPR) documents referred to in BS20 for the purpose of defining these terms are—

<b>BPR document</b>	<b>Version date</b>
BPR131: Standardised credit risk RWAs	1 July 2024
BPR001: Glossary	1 October 2023

**14. Changes of condition of registration**

The conditions of registration were amended effective 1 July 2024 to amend condition 8, condition 9 and additionally condition 10 and 11 were included regarding new restriction on debt-to-income ratio. The Reserve Bank revised the loan-to-valuation measurement period and the limit ratio for loans with LVR.

**15. Credit Ratings**

Current credit ratings of the Overseas Bank for long-term debt remain unchanged and are as follows:

Rating Agency	Current Rating	Outlook	(If changed in the previous two years)	
			Rating Date	Previous Rating
Moody’s Investor Service	Aa3	Stable	17 December 2018	Not changed
Standard and Poor’s	A+	Stable	8 August 2016	Not changed
Fitch	A	Stable	12 June 2024	Not changed

On 12 Jun 2024, Fitch Service affirmed the rating at "A"; Outlook Stable

## **General Disclosures – Kookmin Bank Auckland Branch For six months ended 30 June 2025**

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### **16. Other Material Matters**

The financial information in the Disclosure Statement in regard to the Overseas Bank and its Overseas Banking Group has been prepared under generally accepted accounting practices of Republic of Korea, and in accordance with the requirements of the Financial Supervisory Service (FSS) of the Republic of Korea. The standards, procedures and practices utilised to audit the financial statements of the Overseas Bank and its Overseas Banking Group, are those generally accepted and applied in the Republic of Korea. The generally accepted accounting practice, requirements of the FSS and audit standards applied therein may differ to those applied in New Zealand. The financial statements of the Branch are in compliance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

On 15 October 2024, Kookmin Bank publicly issued a notice advising that it will be voluntarily winding down its Auckland Branch operations over the next 21 months. At this stage, Management is intending to continue to collect contractual payments from that vast majority of its Loans and advances to customers through to maturity, rather than sell these balances to other parties.

Accordingly, same as previous 31 December 2024 financial reporting year, these financial statements have not been prepared on a going concern basis

### **17. Interim financial reporting**

The condensed financial statements included in this Disclosure Statement have been prepared in accordance with NZ IAS 34 *Interim Financial Reporting*. These condensed financial statements also comply with IAS 34.

These condensed financial statements should be read in conjunction with the full reporting Disclosure Statement as at 31 December 2024.

### **18. Financial Statements of the Overseas Bank and Overseas Banking Group**

A copy of the most recent publicly available financial statements of the Registered Bank and its Overseas Banking Group will be provided immediately at no charge, to any person requesting a copy where the request is made at NZ Banking Group's head office. The financial statements can be accessed through the Kookmin Bank website at <https://www.kbstar.com>.

## General Disclosures – Kookmin Bank Auckland Branch For six months ended 30 June 2025

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### The Directors' and Chief Executive Officer Statement

Each Director of the Overseas Bank and the General Manager of the Branch, believes, after due enquiry, that: as at the date on which this Disclosure Statement is signed:

1. The Disclosure Statement contains all the information that is required by the Overseas Bank Disclosure Statements (Overseas Incorporated Overseas Banks) Order 2014 (as amended); and
2. The Disclosure Statement is not false or misleading.

Each Director of the Overseas Bank and the General Manager of the Branch believes, after due enquiry by them, that over the six months ended 30 June 2025:

1. The Overseas Bank has complied with all conditions of registration that applied during that period; and
2. The Branch had systems in place to monitor and control adequately the material risks of the NZ Banking Group including credit risk, concentration of credit risk, interest rate risk, currency risk, equity risk, liquidity risk, and other business risks, and that those systems were being properly applied. Kookmin Bank Auckland Branch has no capital as being an Overseas branch and the ratio is based on Overseas Banking Groups capital and is complied with Condition of registration.

Signed for and behalf of the directors of the Overseas Bank:



Dohan Kim

The financial Statements and Disclosure Statement has been signed on behalf of each of the Directors of the Overseas Bank by Dohan Kim who also signs in his personal capacity as General Manager of Kookmin Bank Auckland Branch.

28 August 2025



# Independent Auditor's Review Report

To Kookmin Bank Auckland Branch (**the Branch**)

Report on the half year disclosure statement

## Conclusion

Based on our review of the condensed interim financial statements and supplementary information of Kookmin Bank Auckland Branch (**the Branch**) on pages 15 to 46, nothing has come to our attention that causes us to believe that:

- i. the condensed interim financial statements (excluding the supplementary information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (**the Order**), have not been prepared, in all material respects, with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (**NZ IAS 34**) issued by the New Zealand Accounting Standards Board; and
- ii. the supplementary information (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements) that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order and is included within notes 24, 25, 26, 27, 29, 30, 31, 34, 35 and 36 of the half year disclosure statement:
  - does not present fairly, in all material respects, the matters to which it relates;
  - is not disclosed, in all material respects, in accordance with those schedules; and
  - has not been prepared, in all material respects, in accordance with any condition of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

We have completed a review of the accompanying half year disclosure statement which comprises:

- the condensed interim financial statements formed of:
  - the condensed statement of financial position as at 30 June 2025;
  - the condensed statements of comprehensive income, changes in head office account and cash flows for the six-month period then ended; and
  - notes, including material accounting policy information and other explanatory information;
- the supplementary information prescribed in Schedules 5, 7, 12 and 14 of the Order.

## Basis for conclusion

We conducted our review of the half year disclosure statement in accordance with NZ SRE 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (**NZ SRE 2410 (Revised)**). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half year disclosure statement* section of our report.

We are independent of Kookmin Bank Auckland Branch in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual disclosure statement and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements.

Our firm has provided other services to the Branch in relation to statutory audit services. Subject to certain restrictions, partners and employees of our firm may also deal with the Branch on normal terms within the ordinary course of trading activities of the business of the Branch. These matters have not impaired our independence as auditor of the Branch. The firm has no other relationship with, or interest in, the Branch.

## Emphasis of a matter – basis of preparation

We draw attention to Note 1 in the condensed interim financial statements, which indicates that on 15 October 2024, Kookmin Bank publicly issued a notice advising that it will be voluntarily winding down its Auckland Branch operations over the next 16 months. As stated in Note 1, with these events or conditions, along with other matters as set forth in Note 1, the accompanying condensed interim financial statements have not been prepared on a going concern basis. Our conclusion is not modified in respect of this matter.

## Use of this Independent Auditor's Review Report

This report is made solely to the Branch. Our review work has been undertaken so that we might state to the Branch those matters we are required to state to them in the Independent Auditor's Review Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Branch for our review work, this report, or any of the conclusions we have formed.

## Responsibilities of Directors for the half year disclosure statement

The Directors on behalf of the Branch are responsible for:

- the preparation and fair presentation of the Branch half year disclosure statement in accordance with NZ IAS 34 and Schedules 5, 7, 12 and 14 of the Order; and
- for such internal control as Directors determine is necessary to enable the preparation of half year disclosure statement that are free from material misstatement, whether due to fraud or error.

## Auditor's responsibilities for the review of the half year disclosure statement

Our responsibility is to express a conclusion on the half year disclosure statement based on our review.

NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the:

- condensed interim's financial statements, taken as a whole, does not present fairly, in all material respects, the Branch's financial position as at 30 June 2025 and its financial performance and cash flows for the six-month period ended on that date;



- condensed interim's financial statements, taken as a whole, does not, in all material respects, comply with NZ IAS 34; and
- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order.

A review of the half year disclosure statement prepared in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. The auditor performs procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) 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 on the half year disclosure statement.

The engagement partner on the review resulting in this independent auditor's review report is John Kensington.

For and on behalf of:

A handwritten signature in blue ink, appearing to read 'KPMG'.

KPMG

Auckland

28 August 2025



# Independent Limited Assurance Report

To Kookmin Bank Auckland Branch (**the Branch**)

## Conclusion on the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements

Our limited assurance conclusion has been formed on the basis of the matters outlined in this report.

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, disclosed in notes 31, 32, and 33 to the disclosure statement, is not, in all material respects disclosed in accordance with Schedule 9 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (**the Order**).

## Information subject to assurance

We have reviewed the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, as disclosed in notes 31, 32 and 33 of the disclosure statement for the six-month period ended 30 June 2025.

## Criteria

The supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements comprises the information that is required to be disclosed in accordance with Schedule 9 of the Order.

## Standards we followed

We conducted our limited assurance engagement in accordance with Standard on Assurance Engagements 3100 (Revised) Compliance Engagements (**SAE 3100 (Revised)**) issued by the New Zealand Auditing and Assurance Standards Board (**Standard**). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion. In accordance with the Standard, we have:

- used our professional judgement to plan and perform the engagement to obtain limited assurance that the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements, is free from material misstatement and non-compliance, whether due to fraud or error;
- considered relevant internal controls when designing our assurance procedures, however we do not express a conclusion on the effectiveness of these controls; and
- ensured that the engagement team possesses the appropriate knowledge, skills and professional competencies.

## How to interpret limited assurance and material misstatement and non-compliance

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgment, including identifying areas where the risk of material misstatement and non-compliance with Schedule 9 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Misstatements, including omissions, within the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements and non-compliance are considered material if, individually or in aggregate, they it could reasonably be expected to influence the relevant decisions of the intended users taken on the basis of the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements.

## Other matter – Basis of preparation

As disclosed in Note 1 to the condensed interim financial statements, on 15 October 2024, Kookmin Bank publicly issued a notice advising that it will be voluntarily winding down its Auckland Branch operations over the next 16 months. As stated in Note 1, with these events or conditions, along with other matters as set forth in Note 1, the accompanying condensed interim financial statements have not been prepared on a going concern basis. Our conclusion is not modified in respect of this matter.

## Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A limited assurance engagement for the six-month period ended 30 June 2025 does not provide assurance on whether compliance with Schedule 9 of the Order will continue in the future.

## Use of this assurance report

Our report is made solely for Kookmin Bank Auckland Branch. Our assurance work has been undertaken so that we might state to Kookmin Bank Auckland Branch those matters we are required to state to them in the assurance report and for no other purpose.

Our report should not be regarded as suitable to be used or relied on by anyone other than Kookmin Bank Auckland Branch and the Reserve Bank of New Zealand for any purpose or in any context. Any other person who obtains access to our report or a copy thereof and chooses to rely on our report (or any part thereof) will do so at its own risk.

To the fullest extent permitted by law, none of KPMG, any entities directly or indirectly controlled by KPMG, or any of their respective members or employees accept or assume any responsibility and deny all liability to anyone other than Kookmin Bank Auckland Branch for our work, for this independent assurance report, and/or for the opinions or conclusions we have reached.

Our conclusion is not modified in respect of this matter.



## Kookmin Bank Auckland Branch's responsibility for the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements

The Directors of Kookmin Bank Auckland Branch are responsible for the disclosure of the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements in accordance with Schedule 9 of the Order, which the Directors have determined meets the needs of Kookmin Bank Auckland Branch. This responsibility includes such internal control as the Directors determine is necessary to enable compliance and to monitor ongoing compliance and to enable the disclosure of the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements that is free from material misstatement and non-compliance whether due to fraud or error.

### Our responsibility

Our responsibility is to express a conclusion to Kookmin Bank Auckland Branch on whether anything has come to our attention that would lead us to believe that, in all material respects the supplementary information relating to Credit and Market Risk Exposures and Capital Adequacy Requirements has not been disclosed in accordance with Schedule 9 of the Order for the six-month period ended 30 June 2025.

### Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) (**PES 1**) issued by the New Zealand Auditing and Assurance Standards Board, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* (**PES 3**), which requires the firm to design, implement and operate a system of quality control including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm has also provided other services to the Branch in relation to the review of the Branch's half-year disclosure statements and to the statutory audit of the Branch's year-end disclosure statements. Subject to certain restrictions, partners and employees of our firm may also deal with the Branch on normal terms within the ordinary course of trading activities of the business of the Branch. These matters have not impaired our independence as assurance providers of the Branch for this engagement. The firm has no other relationship with, or interest in, the Branch.

KPMG

Auckland

28 August 2025

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### Condensed Statement of Comprehensive Income

For the six months ended 30 June 2025

	Note	(Unaudited) 6 months ended 30 June 2025 (\$)	(Unaudited) 6 months ended 30 June 2024 (\$)	(Audited) 12 months ended 31 December 2024 (\$)
Interest revenue	2	10,857,359	26,197,682	45,471,451
Interest expense	2	(8,839,100)	(18,477,003)	(31,528,458)
<b>Net interest income</b>		<b>2,018,259</b>	<b>7,720,679</b>	<b>13,942,993</b>
Fee and commission revenue	3	453,185	922,203	1,811,355
Fee and commission expense	3	(51,170)	(73,085)	(129,632)
<b>Net fee and commission income</b>		<b>402,015</b>	<b>849,118</b>	<b>1,681,723</b>
Realised and unrealised gains(losses) on financial assets at fair value through profit or loss	4	(2,708,918)	2,962,465	7,175,905
Other operating income	5	2,541,685	131,418	401,735
<b>Income from operations to be discontinued</b>		<b>2,253,041</b>	<b>11,663,680</b>	<b>23,202,356</b>
Impairment recoveries (losses) on loans and advances	34	616,997	463,311	230,723
Administrative expenses		(2,893,305)	(2,407,098)	(5,301,488)
Other operating expenses	6	(151,794)	(2,681,364)	(6,760,629)
<b>Net profit (loss) before tax from operations to be discontinued</b>		<b>(175,061)</b>	<b>7,038,529</b>	<b>11,370,962</b>
Income tax benefit (expense)	8	(663,813)	(2,022,031)	(3,428,339)
<b>Profit (loss) after income tax attributable to Head Office</b>		<b>(838,874)</b>	<b>5,016,498</b>	<b>7,942,623</b>
Other comprehensive income		-	-	-
<b>Total Comprehensive income (loss) from operations to be discontinued attributable to Head Office</b>	7	<b>(838,874)</b>	<b>5,016,498</b>	<b>7,942,623</b>

The accompanying notes on page 20 to 46 form part of these condensed financial statements

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### Condensed Statement of Changes in Head Office Account

For the six months ended 30 June 2025

	Note	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Head Office account at beginning of the period as previously reported</b>		10,815,917	11,726,902	11,726,902
Profit / (loss) for the period		(838,874)	5,016,498	7,942,623
Other comprehensive income from operations to be discontinued		-	-	-
<b>Total comprehensive income for the year from operations to be discounted</b>		<b>(838,874)</b>	<b>5,016,498</b>	<b>7,942,623</b>
<b><i>Other movement</i></b>				
Net amounts repatriated (to)/from Head Office	9	(10,492,251)	(8,853,608)	(8,853,608)
<b>Head Office account at end of the year</b>		<b>(515,208)</b>	<b>7,889,792</b>	<b>10,815,917</b>

The accompanying notes on page 20 to 46 form part of these condensed financial statements

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### Condensed Statement of Financial Position

As at 30 June 2025

	Note	(Unaudited) 30 June 2025 (\$)	(Unaudited) 30 June 2024 (\$)	(Audited) 31 December 2024 (\$)
<b>ASSETS</b>				
Cash and cash equivalents		31,422,941	83,830,492	133,076,935
Loans and advances to customers	10	80,912,734	415,883,299	284,036,375
Due from related parties	11	139,504,471	50,171,162	72,249,792
Derivative financial assets	11,18,28	289,785	-	3,936,698
Current tax assets	8	1,266,967	-	-
Other assets		20,864	15,880	27,408
Property and equipment	12	598,216	1,178,895	895,298
Right-of-use assets	13	819,269	1,454,888	1,099,732
Deferred tax assets	14	-	446,533	663,813
Intangible assets	15	3,769	6,241	5,026
<b>Total assets</b>		<b>254,839,016</b>	<b>552,987,390</b>	<b>495,991,077</b>
<b>LIABILITIES</b>				
Due to other banks	26	29,435	29,644	29,388
Deposit from customers	16	138,331,839	201,867,683	202,362,900
Certificate of deposits	17	-	64,670,624	35,338,735
Due to related parties	11	114,301,031	272,198,019	240,572,326
Derivative financial liabilities	11,18,28	-	741,577	-
Current tax liabilities	8	-	1,667,838	3,129,277
Provisions	19	439,856	162,325	439,856
Other liabilities		1,355,215	2,018,171	2,228,976
Lease liabilities	23	896,848	1,741,717	1,073,702
<b>Total liabilities</b>		<b>255,354,224</b>	<b>545,097,598</b>	<b>485,175,160</b>
<b>EQUITY</b>				
Head Office account		(515,208)	7,889,792	10,815,917
<b>Total equity and liabilities</b>		<b>254,839,016</b>	<b>552,987,390</b>	<b>495,991,077</b>
<b>Additional disclosures</b>				
Total interest earning and discount bearing assets	24	231,690,267	536,370,747	468,812,467
Total interest and discount bearing liabilities	24	252,594,409	538,697,864	478,235,499
Total liabilities net of amounts due to related	24	140,053,193	272,158,002	244,602,834

No assets presented in the Condensed Statement of Financial Position have been used to secure any obligations.

The accompanying notes on page 20 to 46 form part of these condensed financial statements

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### Condensed Statement of Cash Flows

For the six months ended 30 June 2025

	<i>(Unaudited)</i> 6 months ended 30 June 2025	<i>(Unaudited)</i> 6 months ended 30 June 2024	<i>(Audited)</i> 12 months ended 31 December 2024
<i>Note</i>	(\$)	(\$)	(\$)
<b><i>Cash flows from operating activities</i></b>			
Interest received	12,000,415	27,699,777	48,116,183
Other income received	340,378	5,646,804	6,757,013
Interest paid	(12,009,467)	(20,602,286)	(30,716,574)
Interest portion of lease liability	(28,302)	(13,165)	(38,887)
Other operating expenses	(2,205,523)	(4,235,622)	(6,555,755)
Lease liabilities – Short term and low value	-	-	-
Taxation refund	-	3,101,007	3,101,007
Taxation paid	(4,396,244)	(1,400,149)	(1,562,320)
<b>Cash flows (used in) / from operations to be discontinued before changes in operating assets and liabilities</b>	<b>(6,298,743)</b>	<b>10,196,366</b>	<b>19,100,667</b>
Net (increase)/decrease in loans and advances to customers	202,558,567	109,944,651	242,390,955
Net increase/(decrease) in due to other banks	(35,559,651)	(112,459,790)	(144,719,480)
Net increase/(decrease) in deposits from customers	(63,921,915)	(27,772,017)	(28,790,298)
<b>Cash flows from operating assets and liabilities</b>	<b>103,077,001</b>	<b>(30,287,156)</b>	<b>68,881,177</b>
<b>Net cash flows from/(used in) operating activities</b>	<b>7 96,778,258</b>	<b>(20,090,790)</b>	<b>87,981,844</b>
<b><i>Cash flows from investing activities</i></b>			
Purchase of property and equipment	(3,720)	-	-
Intangibles	-	-	-
Deposit paid for right-of-use asset	-	-	-
<b>Net cash flows from investing activities</b>	<b>(3,720)</b>	<b>-</b>	<b>-</b>
<b><i>Cash flows from financing activities</i></b>			
Bankers' acceptance advances received from Head Office	(116,736,858)	113,444,420	95,113,896
Funding received from Head Office	(70,985,027)	(85,913,033)	(128,425,843)
Lease liability principal	(176,854)	(191,992)	(371,426)
Repatriation (to)/from Head Office	9 (10,492,251)	(8,853,608)	(8,853,608)
<b>Net cash flows from financing activities</b>	<b>(198,390,990)</b>	<b>18,485,787</b>	<b>(42,536,981)</b>
Net (decrease)/increase in cash and cash equivalents	(101,616,452)	(1,605,003)	45,444,863
Cash and cash equivalents at the beginning of the year	133,076,935	86,506,868	86,506,868
Effect of exchange rate changes on cash and cash equivalents	(37,542)	(1,071,373)	1,125,204
<b>Cash and cash equivalents at the end of the year</b>	<b>31,422,941</b>	<b>83,830,492</b>	<b>133,076,935</b>

The accompanying notes on page 20 to 46 form part of these condensed financial statements

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### Condensed Statement of Cash Flows (continued)

For the six months ended 30 June 2025

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
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#### *Analysis of cash and cash equivalents*

Cash and demand balances with other banks	31,422,941	83,830,492	133,076,935
	<b>31,422,941</b>	<b>83,830,492</b>	<b>133,076,935</b>

### Notes to the condensed financial statements

For the six months ended 30 June 2025

#### 1. Statement of Accounting Policies

The reporting entity is Kookmin Bank Auckland Branch (the “Branch”), a branch of Kookmin Bank (the “Overseas Bank”). These condensed financial statements have been drawn up in accordance with the requirements of the Overseas Bank Disclosure Statements (Overseas Incorporated Overseas Banks) Order 2014 (as amended). These condensed financial statements have been prepared in accordance with NZ IAS 34 Interim Financial Reporting. These condensed financial statements also comply with IAS 34 Interim Financial Reporting.

These condensed financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (“NZ GAAP”) as appropriate for for-profit entities.

These condensed financial statements were authorised for issue by the General Manager on behalf of all the Directors on 28 August 2025.

#### *Changes in accounting policy*

The accounting policies and methods of computation are consistent with those of the Branch’s financial statements for the full year ended 31 December 2024. There have been no material changes to the accounting policies during the six months ended 30 June 2025.

#### *Basis of preparation*

On 15 October 2024, Kookmin Bank publicly issued a notice advising that it will be voluntarily winding down its Auckland Branch operations over the next 16 months. At this stage, Management is intending to continue to collect contractual payments from that vast majority of its Loans and advances to customers through to maturity, rather than sell these balances to other parties.

Accordingly, these condensed financial statements have not been prepared on a going concern basis.

In preparing these condensed financial statements the Branch has ensured that the specific facts and circumstances related to the Branch’s decision not to continue as a going concern have been considered in the application of the recognition, measurement, presentation and disclosure requirements of the individual NZ IFRSs that are relevant to the Branch and are reflected in its accounting policies, as well as ensuring that the condensed financial statements in present information that is relevant and understandable to users and stakeholders, including:

- Re-assessing the recoverability of deferred tax assets and determining that they are no longer recoverable, therefor fully writing down deferred tax assets as at 30 June 2025.

With the exception of the written-down of deferred tax assets, no additional changes have been recognised in relation to the recognition and measurement of assets and liabilities since 31 December 2024 as at 30 June 2025.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss (refer to Note 22).

This Disclosure Statement has been prepared under the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended)

The preparation of financial statements in conformity with applicable NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Branch’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed financial statements are disclosed in below.

### 1. Statement of Accounting Policies (continued)

#### **Key assumptions and sources of estimation uncertainty**

##### **Impairment losses on loans and advances**

The Branch reviews its loan portfolios to assess impairment at least on an annual basis. In determining whether an impairment loss should be recorded in the statement of comprehensive income, the Branch makes judgements as to whether there is any observable data indicating an impairment trigger followed by measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio. Refer to note 10 for more information.

The Expected Credit Loss (ECL) is measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is to be considered credit-impaired. Expected credit losses are the discounted product of:

- Probability of default (PD): The PD represents the estimated probability that a borrower defaults, either over the next 12 months or over the remaining lifetime of the obligation;
- Exposure at default (EAD): The EAD is the estimated exposure amount that may be outstanding in the event of a default, over the next 12 month or over the remaining lifetime;
- Loss given default (LGD): The LGD represents the estimated amount that is not expected to be recovered following default. LGD is calculated on a 12-month basis or lifetime basis;

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

The 12-month and lifetime EADs are determined based on the expected payment profile, which varies by product type.

The 12-month and lifetime LGDs are determined based on the factors which impact the recoveries made post default. These vary by product type.

The Branch uses forward-looking information in determining the 12-month and lifetime PD, EAD and LGD. The assumptions underlying the ECL are reviewed on an annual basis.

##### *Forward looking information incorporated in the ECL models*

The assessment of significant increase in credit risk and the calculation of ECL both incorporate forward looking information. The Branch has performed historical analysis and identified the key economic variables impacting credit risk and ECL.

The Branch produced a “base economic scenario” using forecast economic factors (e.g. Yield of Corporate Bond (AA- 3 years), CAB (Current Account Balance), unemployment and GDP, and NZX 50 amongst other factors). The impact of these economic factors on PD, EAD and LGD has been determined by performing statistical regression analysis to understand the impact changes in these variables have had historically on default rates and on the components of LGD and EAD.

In addition to the base economic scenario, the Branch produced other possible scenarios along with scenario weightings. The Downside scenario has been formed considering slow growth in the New Zealand economy and the expected impact on the portfolio. The most likely outcome is a third scenario based on a weighting of the economic base scenario and the downside scenario. The Branch has used these three scenarios for calculating the ECL.

##### **Critical accounting judgments in applying the Branch's accounting policies**

Key judgments applied by management in the measurement of the ECL including:

- (i) Determining what is considered to be a significant increase in credit risk; and
- (ii) Determining assumptions used in the ECL model such as estimating forward looking PD, LGD and forward looking macro-economic scenarios and weightings.

Management uses their knowledge of the related assets and historical experience to make these judgments.

### 1. Statement of Accounting Policies (continued)

#### 1) Property, equipment and intangible assets

The Branch has assessed the residual values and useful lives of property, equipment, and intangible assets. Management has made the judgment to apply an accelerated depreciation/amortization profile prospectively from September 2024 onwards. It is anticipated that all assets will be disposed of upon the Branch's ultimate liquidation, expected by December 2026. As such, Management has made the assumption that these assets will not have any residual value, meaning they are to be depreciated/amortized down to \$nil.

#### 2) Right-of-use assets and lease liabilities

The Branch has formally modified the terms of the office lease with the landlord in September 2024, setting a non-cancellable period ending on 31 August 2027, while allowing for early termination if all lease payments due up to that date are made. As a result, the lease liability and ROU asset have been remeasured. Additionally, the branch recognised the cost of restoring the office in the ROU asset regarding Make good provision. The Branch has made the judgement to estimate an exit date of 31 December 2026, adjust the lease payment profile to include a one-off payment on that date for the lease period from January to August 2027.

Our modified contract contains a Lease extension option which allows us to extend for one more year. This option can maximize the flexibility of the operational managements. However, since the Branch has made its decision to cease the operations, we have assumed that the extension option is unlikely to be exercised.

#### 3) Provisions

The reporting of provision in terms of identifying whether a present obligation exists and estimating the probability, timing, and quantum of outflows arising from past events requires a significant degree of judgement and can be complex. The amount that is recognised as a provision can be sensitive to the assumptions made in calculating it. This gives rise to a large range of potential outcomes which requires judgement in determining an appropriate provision level.

For the management's decision to wind down the operations to be followed by solvent liquidation. The Branch has recognised a provision for the anticipated cost of restructuring the New Zealand office. The amount that is recognised is based upon quotations from specialized companies for estimating the restructuring costs.

#### *Standards and Interpretation approved but not yet effective*

The Branch has not yet assessed the impact of IFRS 18 Presentation and Disclosure in Financial Statements, IFRS 9 Financial Instruments, and IFRS 7 Financial Instruments: Disclosures but the standard is expected to impact the way the disclosure statements are presented.

As the Branch's ultimate liquidation is expected by December 2026, NZ IFRS 18 will not be effective for the Branch's financial reporting periods. Therefore, the Branch has not assessed the potential impact of NZ IFRS 18, as it is not expected to be applicable.

At the date of authorization of this disclosure statement, the Branch has not applied new and revised NZ IFRS standards and amendments that have been issued but are not yet effective. It is not expected that the adoption of any other standards and amendments will have a material impact on the disclosure statements of the Branch.

2. Net interest income

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Interest revenue</b>			
Cash and cash equivalents	1,052,762	2,338,304	3,853,249
Loans and advances	7,590,623	19,888,210	35,640,328
Other	97	28	135
	<b>8,643,482</b>	<b>22,226,542</b>	<b>39,493,712</b>
Amounts received from related parties	2,213,877	3,971,140	5,977,739
	<b>10,857,359</b>	<b>26,197,682</b>	<b>45,471,451</b>
<b>Interest expense</b>			
Due to other banks	-	250,378	250,378
Deposits from customers	3,935,038	4,553,353	9,474,387
Certificate of deposits	84,573	1,837,362	2,839,193
Other	28,302	13,165	38,887
	<b>4,047,913</b>	<b>6,654,258</b>	<b>12,602,845</b>
Amounts paid to related parties	4,791,187	11,822,745	18,925,613
	<b>8,839,100</b>	<b>18,477,003</b>	<b>31,528,458</b>

3. Net fee and commission revenue

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Fee and commission revenue</b>			
Retail banking customer fees	394,802	626,087	1,306,120
Commercial finance	58,383	296,116	505,235
	<b>453,185</b>	<b>922,203</b>	<b>1,811,355</b>
<b>Fee and commission expense</b>			
Interbank transaction fees	51,170	73,085	129,632
	<b>51,170</b>	<b>73,085</b>	<b>129,632</b>

4. Realised and unrealised gain on financial assets at fair value through profit or loss

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Realised and unrealised gain(losses) on financial instruments</b>			
Realised gains on financial assets at fair value through profit or loss	(1,460,211)	2,371,477	3,239,207
Unrealised gains on financial assets at fair value through profit or loss	(1,248,707)	590,988	3,936,698
	<b>(2,708,918)</b>	<b>2,962,465</b>	<b>7,175,905</b>

5. Other operating income

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
Gain on Foreign Exchange rate change	2,467,689	74,903	157,509
Movement in provision for unused commitment	8,723	13,667	7,931
Movement in provision for guarantee	6	503	487
Other Revenues and Gains	65,267	42,345	235,808
	<b>2,541,685</b>	<b>131,418</b>	<b>401,735</b>

6. Other operating expenses

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
Foreign exchange losses	58	2,491,121	6,247,220
Other	151,736	190,243	513,409
	<b>151,794</b>	<b>2,681,364</b>	<b>6,760,629</b>

7. Reconciliation of profit for the year to net cash flows from operating activities

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Profit for the year</b>	<b>(838,874)</b>	<b>5,016,498</b>	<b>7,942,623</b>
<b>Add: Non-cash items</b>			
Unrealised foreign exchange gain	(2,420,623)	2,489,503	6,245,351
Fair value on derivatives	1,248,707	-	(3,936,698)
Leased assets	280,463	180,364	394,156
Depreciation	302,057	79,659	364,471
Change in loan impairment provision	(616,997)	(463,311)	(230,723)
Change in provision for unused commitment	(8,723)	(13,667)	(7,931)
Change in provision for guarantee	(6)	(503)	(487)
	<b>(1,215,122)</b>	<b>2,272,045</b>	<b>2,828,139</b>
<b>Add: Movements in statement of financial position items</b>			
Movement in interest accruals	(2,256,027)	(785,537)	3,045,364
Movement in operating expense accruals	2,097,403	(1,540)	(360,353)
Movement in other accruals	(353,692)	(27,967)	677,868
Movement in income tax payable	(4,396,244)	3,580,888	5,042,327
Movement in deferred tax	663,813	141,979	(75,301)
Movement in loans and advances to customers	202,558,567	109,944,651	242,390,955
Movement in amounts due to other banks	(35,559,651)	(112,459,790)	(144,719,480)
Movement in deposits from customers	(63,921,915)	(27,772,017)	(28,790,298)
	<b>98,832,254</b>	<b>(27,379,333)</b>	<b>77,211,082</b>
<b>Net cash flows from operating activities</b>	<b>96,778,258</b>	<b>(20,090,790)</b>	<b>87,981,844</b>

8. Income tax expense

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Recognised in the Statement of Comprehensive Income</b>			
Current taxation	-	1,880,052	3,503,640
<b>Deferred taxation</b>			
Origination and reversal of temporary differences	-	141,979	(75,301)
Write-off deferred tax assets	663,813	-	-
<b>Total income tax expense (benefit) in Statement of Comprehensive Income</b>	<b>663,813</b>	<b>2,022,031</b>	<b>3,428,339</b>

\*As at 30 June 2025, current tax assets amounted to \$1,266,967 (30 June 2024: current tax liabilities of \$1,667,838, 31 December 2024: current tax liabilities of \$3,129,277).

	<i>(Unaudited)</i> 6 months ended 30 June 2025 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Audited)</i> 12 months ended 31 December 2024 (\$)
<b>Reconciliation of effective tax rate</b>			
Profit / (loss) before tax	(175,061)	7,038,529	11,370,962
Income tax using the domestic corporation rate	(49,017)	1,970,788	3,183,870
Tax effect of non-deductible expenses	712,830	51,243	244,469
<b>Total income tax expense (benefit) in Statement of Comprehensive Income</b>	<b>663,813</b>	<b>2,022,031</b>	<b>3,428,339</b>
Effective tax rate	-379.2%	28.7%	30.1%

The relevant domestic corporate rate is 28%.

\*As at 30 June 2025, the Branch has not recognised deferred tax assets, on the basis that no recoverable amount is expected due to the wind down of the Branch's operations.

9. Repatriation of funds to Head Office

During the interim period, the Branch has repatriated \$10,492,251 to the Head Office (6 months ended 30 June 2024: \$8,853,608 reimbursed from the Head Office, 12 months ended 31 December 2024: \$8,853,608 reimbursed from the Head Office).

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 10. Loans and advances to customers

#### Loans and advances to customers at amortised cost

	<i>(Unaudited)</i> 30 June 2025			<i>(Unaudited)</i> 30 June 2024			<i>(Audited)</i> 31 December 2024		
	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)
<b>Current assets</b>									
Residential Mortgage	8,771,363	(1,685)	8,769,678	89,166,803	(10,210)	89,156,593	51,496,833	(18,414)	51,478,419
Corporate	51,062,606	(256,648)	50,805,958	301,276,022	(631,583)	300,644,439	207,651,344	(848,075)	206,803,269
Other retail	7	-	7	15	-	15	6	-	6
	<b>59,833,976</b>	<b>(258,333)</b>	<b>59,575,643</b>	<b>390,442,840</b>	<b>(641,793)</b>	<b>389,801,047</b>	<b>259,148,183</b>	<b>(866,489)</b>	<b>258,281,694</b>
<b>Non-current assets</b>									
Residential Mortgage	1,347,187	(308)	1,346,879	1,393,972	(347)	1,393,625	1,375,108	(513)	1,374,595
Corporate	20,003,699	(13,487)	19,990,212	24,703,024	(14,397)	24,688,627	24,402,209	(22,123)	24,380,086
Other retail	-	-	-	-	-	-	-	-	-
	<b>21,350,886</b>	<b>(13,795)</b>	<b>21,337,091</b>	<b>26,096,996</b>	<b>(14,744)</b>	<b>26,082,252</b>	<b>25,777,317</b>	<b>(22,636)</b>	<b>25,754,681</b>
	<b>81,184,862</b>	<b>(272,128)</b>	<b>80,912,734</b>	<b>416,539,836</b>	<b>(656,537)</b>	<b>415,883,299</b>	<b>284,925,500</b>	<b>(889,125)</b>	<b>284,036,375</b>

### 11. Related party transactions

#### *Identity of related parties*

The Branch has related party transactions with its immediate parent, Kookmin Bank (the Overseas Bank).

During the period ended 30 June 2025, the Branch has entered into, or had in place, various financial transactions with the Overseas Banking Group. The Overseas Banking Group provides administrative functions to the Branch where there is no obligation of payments. (31 December 2024: Same). In all other cases, arrangements with the Overseas Banking Group were conducted on normal commercial terms. All loans and borrowings from related parties are not secured and rates of interest paid to the Overseas Bank is set by the Overseas Bank.

#### *Transactions with related entities*

The Branch received interest revenue of \$2,213,877 from the Overseas Bank for related party receivables (30 June 2024: \$3,971,140, 31 December 2024: \$5,977,739).

The Branch paid interest expense of \$4,791,187 to the Overseas Bank for related party receivables (30 June 2024: \$11,822,745, 31 December 2024: \$18,925,613).

The Branch received commissions on bankers' acceptance transactions from the Overseas Bank of \$28,149 from the Overseas Bank for related party receivables (30 June 2024: \$211,033, 31 December 2024: \$350,566).

The Branch paid \$151,736 to the Overseas Bank for insurance on Deposit (30 June 2024: \$179,952, 31 December 2024: \$364,193).

The Branch's gain on derivative financial assets and liabilities with the Overseas Bank for foreign exchange forward is \$ nil (30 June 2024: \$4,784,527, 31 December 2024: \$8,997,967).

The Branch's losses on derivative financial assets and liabilities with the Overseas Bank for foreign exchange forward is \$2,708,918 (30 June 2024: \$1,822,062, 31 December 2024: \$1,822,062).

The Branch repatriated profits \$10,492,251 to the Overseas Bank (31 December 2024: \$8,853,608).

During this period, no provisions for impairment losses have been recognised in respect of loans and other amounts due from related parties. No amounts owed by related parties have been written off or forgiven during the period.

#### *Balances with related entities*

At 30 June 2025, the Branch has \$139,504,471 due from the Overseas Bank for short term advances (30 June 2024: \$50,171,162, 31 December 2024: \$72,249,792).

At 30 June 2025, the Branch has \$114,301,031 due to the Overseas Bank for funding purposes (30 June 2024: \$272,198,019, 31 December 2024: \$240,572,326).

At 30 June 2025, the Branch has \$289,785 of fair value on derivative financial assets of foreign exchange forward with Overseas Bank for trading (30 June 2024: \$ nil, 31 December 2024: \$3,936,698).

At 30 June 2025, the Branch has \$0 fair value on derivative financial liabilities of foreign exchange forward with Overseas Bank for trading (30 June 2024: \$741,577, 31 December 2024: \$ nil).

At 30 June 2025, there was \$0 letter of credit provided by the related party as security (30 June 2024: US\$12,000,000, 31 December 2024: US\$12,000,000) for loans lent by the Branch.

#### *Off Balances with related entities*

At 30 June 2025, the Branch has derivatives instruments with the Overseas Bank for foreign exchange forwards. The forwards will be paid or received on a notional principal amount at a future date. The received notional amount is USD \$10,000,000 (30 June 2024: \$10,000,000, 31 December 2024: \$25,000,000). The paid notional amount is NZD \$16,144,656 (30 June 2024: \$17,131,504, 31 December 2024: \$40,349,136).

#### **Key management personnel compensation**

Key management personnel are those persons (including directors) having authority and responsibility for planning, directing and controlling the activities of the Branch. All key management personnel are employed by the Overseas Bank. The Branch provided \$221,648 (30 June 2024: \$226,625, 31 December 2024: \$443,810) of short-term employment benefits to key management personnel<sup>1</sup>. No other benefits were paid to key management personnel.

12. Property and equipment

<i>(Unaudited)</i> As at 31 June 2025	Leasehold improvements (\$)	Equipment (\$)	Total (\$)
Opening cost	1,804,288	1,150,795	2,955,083
Accumulated depreciation and impairment losses	(991,431)	(1,068,354)	(2,059,785)
<b>Opening net book value</b>	<b>812,857</b>	<b>82,441</b>	<b>895,298</b>
Additions	-	3,720	3,720
Disposals at cost	-	-	-
Disposals: Accumulated depreciation	-	-	-
Loss on disposal	-	-	-
Depreciation	(272,307)	(28,495)	(300,802)
Prior Period Adjustment	-	-	-
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>540,550</b>	<b>57,666</b>	<b>598,216</b>
Closing cost	1,804,288	1,154,515	2,958,803
Accumulated depreciation and impairment losses	(1,263,738)	(1,096,849)	(2,360,587)
<b>Closing net book value</b>	<b>540,550</b>	<b>57,666</b>	<b>598,216</b>

The Branch has assessed the residual values and useful lives of property, equipment, and intangible assets. Management has made the judgment to apply an accelerated depreciation/amortization profile prospectively from September 2024 onwards. It is anticipated that all assets will be disposed of upon the Branch's ultimate liquidation, expected by December 2026. As such, Management has made the assumption that these assets will not have any residual value, meaning they are to be depreciated/amortized down to \$nil.

<i>(Unaudited)</i> As at 30 June 2024	Leasehold improvements (\$)	Equipment (\$)	Total (\$)
Opening cost	1,804,288	1,171,515	2,975,803
Accumulated depreciation and impairment losses	(675,749)	(1,042,635)	(1,718,384)
<b>Opening net book value</b>	<b>1,128,539</b>	<b>128,880</b>	<b>1,257,419</b>
Additions	-	-	-
Disposals at cost	-	(20,720)	(20,720)
Disposals: Accumulated depreciation	-	20,720	20,720
Loss on disposal	-	-	-
Depreciation	(61,457)	(17,148)	(78,605)
Prior Period Adjustment	-	81	81
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>1,067,082</b>	<b>111,813</b>	<b>1,178,895</b>
Closing cost	1,804,288	1,150,795	2,955,083
Accumulated depreciation and impairment losses	(737,206)	(1,038,982)	(1,776,188)
<b>Closing net book value</b>	<b>1,067,082</b>	<b>111,813</b>	<b>1,178,895</b>

12. Property and equipment (continued)

<i>(Audited)</i> As at 31 December 2024	Leasehold improvements (\$)	Equipment (\$)	Total (\$)
Opening cost	1,804,288	1,171,515	2,975,803
Accumulated depreciation and impairment losses	(675,749)	(1,042,635)	(1,718,384)
<b>Opening net book value</b>	<b>1,128,539</b>	<b>128,880</b>	<b>1,257,419</b>
Additions	-	-	-
Disposals at cost	-	(20,720)	(20,720)
Disposals: Accumulated depreciation	-	20,720	20,720
Loss on disposal	-	-	-
Depreciation	(315,682)	(46,520)	(362,202)
Prior Period Adjustment	-	81	81
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>812,857</b>	<b>82,441</b>	<b>895,298</b>
Closing cost	1,804,288	1,150,795	2,955,083
Accumulated depreciation and impairment losses	(991,431)	(1,068,354)	(2,059,785)
<b>Closing net book value</b>	<b>812,857</b>	<b>82,441</b>	<b>895,298</b>

13. Right-of-use Asset

<i>(Unaudited)</i> As at 31 June 2025	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	2,966,987	46,840	3,013,827
Accumulated depreciation and impairment losses	(1,876,363)	(37,732)	(1,914,095)
<b>Opening net book value</b>	<b>1,090,624</b>	<b>9,108</b>	<b>1,099,732</b>
Additions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Disposals: Accumulated depreciation	-	-	-
Depreciation	(272,656)	(7,807)	(280,463)
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>817,968</b>	<b>1,301</b>	<b>819,269</b>
Closing cost	2,966,987	46,840	3,013,827
Accumulated depreciation and impairment losses	(2,149,019)	(45,539)	(2,194,558)
<b>Closing net book value</b>	<b>817,968</b>	<b>1,301</b>	<b>819,269</b>

Expense relating to lease of low-value assets & short-term leases that are not shown above (included in \$4,804 administrative expenses) (30 June 2024: \$4,987, 31 December 2024: \$10,543). During the year ended 30 June 2025, the total cash outflow for leases was \$205,156 (30 June 2024: \$205,157, 31 December 2024: \$410,312).

The Branch has formally modified the terms of the office lease with the landlord in September 2024, setting a non-cancellable period ending on 31 August 2027, while allowing for early termination if all lease payments due up to that date are made. As a result, the lease liability and ROU asset have been remeasured. Additionally, the branch recognised the cost of restoring the office in the ROU asset regarding Make good provision. The Branch has made the judgement to estimate an exit date of 31 December 2026, adjust the lease payment profile to include a one-off payment on that date for the lease period from January to August 2027.

Our modified contract contains a Lease extension option which allows us to extend for one more year. This option can maximize the flexibility of the operational managements. However, since the Branch has made its decision to cease the operations, we have assumed that the extension option is unlikely to be exercised.

13. Right-of-use Asset (continued)

<i>(Unaudited)</i> As at 30 June 2024	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,497,924)	(56,800)	(1,554,724)
<b>Opening net book value</b>	<b>1,610,427</b>	<b>24,825</b>	<b>1,635,252</b>
Additions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Disposals: Accumulated depreciation	-	-	-
Depreciation	(172,557)	(7,807)	(180,364)
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>1,437,870</b>	<b>17,018</b>	<b>1,454,888</b>
Closing cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,670,481)	(64,607)	(1,735,088)
<b>Closing net book value</b>	<b>1,437,870</b>	<b>17,018</b>	<b>1,454,888</b>

<i>(Audited)</i> As at 31 December 2024	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,497,924)	(56,800)	(1,554,724)
<b>Opening net book value</b>	<b>1,610,427</b>	<b>24,825</b>	<b>1,635,252</b>
Additions	277,531	-	277,531
Revaluation	(73,781)	-	(73,781)
Disposals	(345,114)	(34,785)	(379,899)
Disposals: Accumulated depreciation	-	34,785	34,785
Depreciation	(378,439)	(15,717)	(394,156)
Impairment losses	-	-	-
<b>Closing net book value</b>	<b>1,090,624</b>	<b>9,108</b>	<b>1,099,732</b>
Closing cost	2,966,987	46,840	3,013,827
Accumulated depreciation and impairment losses	(1,876,363)	(37,732)	(1,914,095)
<b>Closing net book value</b>	<b>1,090,624</b>	<b>9,108</b>	<b>1,099,732</b>

14. Deferred tax asset

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
<b>The balance comprises temporary differences attributable to:</b>			
Property and equipment	-	16,803	71,365
Loan loss provision	-	184,669	251,404
Sundry accruals	-	47,624	56,278
Make good provision	-	45,451	123,160
Leases	-	151,986	161,606
<b>Deferred tax asset</b>	<b>-</b>	<b>446,533</b>	<b>663,813</b>

\*As at 30 June 2025, the Branch has not recognised deferred tax assets, on the basis that no recoverable amount is expected due to the wind down of the Branch's operations.

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 15. Intangible assets

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
Opening cost	9,078	9,078	9,078
Accumulated amortisation brought forward	(4,052)	(1,702)	(1,702)
<b>Opening net book value</b>	<b>5,026</b>	<b>7,376</b>	<b>7,376</b>
Additions	-	-	-
Amortisation charge for the year	(1,257)	(1,135)	(2,350)
<b>Closing net book value</b>	<b>3,769</b>	<b>6,241</b>	<b>5,026</b>

The Branch has assessed the residual values and useful lives of property, equipment, and intangible assets. Management has made the judgment to apply an accelerated depreciation/amortization profile prospectively from September 2024 onwards. It is anticipated that all assets will be disposed of upon the Branch's ultimate liquidation, expected by December 2026. As such, Management has made the assumption that these assets will not have any residual value, meaning they are to be depreciated/amortized down to \$nil.

### 16. Deposits from customers

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
<b>Current liabilities</b>			
Retail customers			
- Term deposits	101,081,291	121,807,229	127,360,388
- Current deposits	6,039,513	15,230,513	9,867,053
- Installment deposits	263,207	429,096	422,677
Commercial customers			
- Term deposits	19,859,715	34,732,141	33,396,725
- Current deposits	6,769,801	24,624,870	26,945,596
- Installment deposits	125	18,843	19,004
	<b>134,013,652</b>	<b>196,842,692</b>	<b>198,011,443</b>
<b>Non-current liabilities</b>			
Retail customers			
- Term deposits	4,318,187	4,921,410	4,262,721
- Installment deposits	-	103,581	88,736
Commercial customers			
- Term deposits	-	-	-
- Installments deposits	-	-	-
	<b>4,318,187</b>	<b>5,024,991</b>	<b>4,351,457</b>
<b>Total Deposits</b>	<b>138,331,839</b>	<b>201,867,683</b>	<b>202,362,900</b>

### 17. Certificate of deposits

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
Certificates of deposit issued	-	64,670,624	35,338,735
<b>Total Certificate of deposits</b>	<b>-</b>	<b>64,670,624</b>	<b>35,338,735</b>
Current	-	64,670,624	35,338,735
Non-Current	-	-	-
<b>Certificates of deposit issued</b>	<b>-</b>	<b>64,670,624</b>	<b>35,338,735</b>

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 18. Derivative financial instruments

The Branch uses derivatives to manage its financial position with the Overseas bank. The derivative financial instruments are forwards based on exchange currency. The following table summarises the notional amounts and fair value by maturity date of the Branch's derivatives at 30 June 2025.

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
<b>Spot and forward contracts:</b>			
Notional principal Amount < 1 year	16,144,656	17,131,501	40,349,136
Notional principal Amount 1 to 2 years	-	-	-
<b>Total notional principal amount of derivatives</b>	<b>16,144,656</b>	<b>17,131,501</b>	<b>40,349,136</b>
Fair value < 1 year	289,785	(741,577)	3,936,698
Fair value 1 to 2 years	-	-	-
<b>Total fair value of derivatives</b>	<b>289,785</b>	<b>(741,577)</b>	<b>3,936,698</b>

### 19. Provisions

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
Balance at beginning of the period	439,856	190,315	190,315
Provisions made during the period	-	-	277,531
Provisions used during the period	-	(27,990)	(27,990)
Provisions reversed during the period	-	-	-
<b>Balance at end of the period</b>	<b>439,856</b>	<b>162,325</b>	<b>439,856</b>

The reporting of provision in terms of identifying whether a present obligation exists and estimating the probability, timing, and quantum of outflows arising from past events requires a significant degree of judgement and can be complex. The amount that is recognised as a provision can be sensitive to the assumptions made in calculating it. This gives rise to a large range of potential outcomes which requires judgement in determining an appropriate provision level.

As at 1 January 2024, the balance of provision consists of Make good provision of \$162,325 and Remediation costs of \$27,990 which aggregated to \$190,315.

For the prior financial year 2024, the Branch recognised \$277,531 for additional Make good provision for the anticipated costs of restructuring the New Zealand office. Together with the 2024 opening balance of \$162,325 and the amount recognised for the prior financial year 2024 of \$277,531, the balance of Make good provision at the end of 31 December 2024 is \$439,856.

The 2024 opening for Remediation costs of \$27,990 was reclassified from Provisions to Deposits from customers during the year and expect to be sent to IRD by the end of 2025. This brings the 2024 closing balance for Remediation costs provision to \$nil.

For the six-month period ended 30 June 2025, there are no changes in circumstances or events requiring a change in estimates for the provision.

### 20. Contingencies

As at 30 June 2025, the Branch has contingent liabilities in the form of guarantees \$250,000. (30 June 2024: \$ nil, 31 December 2024: \$250,000). These guarantee the performance of customers by issuing standard guarantees to third parties. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers.

The Branch also carries off-balance sheet credit exposures pertaining to lending commitments approved but not yet advanced of \$146,156 (refer to Note 25).

**21. Events after the end of the reporting period**

There have been no subsequent events materially affecting the financial statements of the Registered Bank for the 6 months ended 30 June 2025.

**22. Additional Information on the Condensed Statement of Comprehensive Income**

There have been no net trading gains or losses, no credit risk adjustments on financial assets at fair value through profit or loss. A loss of \$1,248,707 on fair value adjustments of foreign exchange forward was recognised during this period (30 June 2024: \$ nil, 31 December 2024: \$ nil) and no gain was recognised (30 June 2024: \$590,988, 31 December 2024: \$3,936,698).

**23. Lease liabilities**

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
Current lease liabilities	396,113	388,155	370,891
Non-current lease liabilities	500,735	1,353,562	702,811
	<b>896,848</b>	<b>1,741,717</b>	<b>1,073,702</b>

The interest expense on lease liability is \$28,302 as at 30 June 2025. The interest expense is under interest expense. (30 June 2024: \$13,165, 31 December 2024: \$38,887).

The Branch has formally modified the terms of the office lease with the landlord in September 2024, setting a non-cancellable period ending on 31 August 2027, while allowing for early termination if all lease payments due up to that date are made. As a result, the lease liability and ROU asset have been remeasured. The Branch has made the judgement to estimate an exit date of 31 December 2026, adjust the lease payment profile to include a one-off payment on that date for the lease period from January to August 2027.

Our modified contract contains a Lease extension option which allows us to extend for one more year. This option can maximize the flexibility of the operational managements. However, since the Branch has made its decision to cease the operations, we have assumed that the extension option is unlikely to be exercised.

**24. Additional Information on the Condensed Statement of Financial Position**

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
Total Interest earning and discount bearing assets	231,690,267	536,370,747	468,812,467
Total Interest and discount bearing liabilities	252,594,409	538,697,864	478,235,499
Financial assets pledged as collateral for liabilities or contingent liabilities	-	-	-
Total Amount due from Related entities (excluding key management personnel)	139,504,471	50,171,162	72,249,792
Total Amount due to Related entities (excluding key management personnel)	114,301,031	272,198,019	240,572,326
Liabilities of the Overseas Bank in New Zealand – net of amounts due to related parties	141,053,193	272,158,002	244,602,834
Total Retail deposits with the Overseas Bank in New Zealand	111,702,198	142,491,829	154,040,664

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 25. Concentration of Credit Risk

The following tables present the Branch's concentration of credit risk in terms of industry sector and geographical region and are presented at carrying value, net of any provision for credit impairment. The credit exposure does not take into account the fair value of any collateral, in the event of other parties failing to perform their obligations under financial instruments.

The Branch achieves credit risk mitigation through collateralisation, where the exposure is secured by eligible collateral. Collateral security in the form of real property or security interest in personal property is generally taken for business credit except for major government, bank and corporate counterparties of strong financial standing. Longer term consumer finance (e.g. household loans), is generally secured against real estate while short term revolving consumer credit is generally unsecured. Credit risk also arises from the possibility that the counterparty to a derivative financial instrument will not adhere to the terms of the contract with the Branch when settlement becomes due.

The main types of collateral taken vary and include residential mortgages, charge over properties being financed, cash and deposits.

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
<b>On-Balance Sheet credit exposures</b>			
Cash and cash equivalents	31,422,941	83,830,492	133,076,935
Loans and advances to customers	80,912,734	415,883,299	284,036,375
Due from related parties	139,504,471	50,171,162	72,249,792
Derivative financial assets	289,785	-	3,936,698
Other assets	20,864	15,880	27,408
<b>Total</b>	<b>252,150,795</b>	<b>549,900,833</b>	<b>493,327,208</b>
<b>Off- Balance Sheet credit exposures</b>			
Lending commitments approved but not yet advanced	146,156	11,620,864	11,890,104
Contingent related financial guarantees	250,000	-	250,000
<b>Total</b>	<b>396,156</b>	<b>11,620,864</b>	<b>12,140,104</b>
<b>Customer's industry sectors</b>			
Banks and financial institutions	171,238,061	134,017,535	209,290,833
Accommodation, cafes, restaurants	-	422,242	321,449
Wholesale and retail	-	9,887,830	10,031,246
Manufacturing	-	28,001,886	28,607,817
Property	50,445,238	274,472,421	180,002,130
Services	-	-	-
Foreign government representation	250,000	-	250,000
Other corporate	20,350,932	23,880,940	23,889,962
Retail lending	10,262,720	90,838,843	53,073,875
<b>Total</b>	<b>252,546,951</b>	<b>561,521,697</b>	<b>505,467,312</b>
<b>Geographical areas</b>			
New Zealand	90,257,478	413,073,235	304,343,084
Republic of Korea	159,784,468	90,099,832	117,612,942
Australia	173,626	160,290	73,254
United States of America	2,205,746	414,309	3,684,296
Europe	125,633	121,317	120,155
Malaysia	-	-	79,633,581
Hong Kong	-	-	-
Singapore	-	57,652,714	-
<b>Total</b>	<b>252,546,951</b>	<b>561,521,697</b>	<b>505,467,312</b>

26. Concentration of Funding

The following tables present the Branch's concentration of funding which are reported at carrying value by product, industry and geographic region:

	<i>(Unaudited)</i> As at 30 June 2025 (\$)	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Audited)</i> As at 31 December 2024 (\$)
<b>a) Category of products</b>			
Due to other banks	29,435	29,644	29,388
Customer current deposits	12,809,313	39,855,383	36,812,648
Customer savings and term deposits	125,522,526	162,012,300	165,550,252
Certificate of deposits	-	64,670,624	35,338,735
Due to related parties	114,301,031	272,198,019	240,572,326
Derivatives financial liabilities	-	741,577	-
Other liabilities	583,693	759,737	1,165,329
<b>Total</b>	<b>253,245,998</b>	<b>540,267,284</b>	<b>479,468,678</b>
<b>b) Customer's industry sectors</b>			
Banks and financial institutions	123,257,293	353,037,724	291,583,731
Individuals	111,702,198	142,491,830	142,001,575
Property and retail trade	5,470,081	14,382,670	11,812,797
Accommodation and restaurants	56,786	187,137	72,610
Other	12,759,640	30,167,923	33,997,965
<b>Total</b>	<b>253,245,998</b>	<b>540,267,284</b>	<b>479,468,678</b>
<b>c) Geographical areas</b>			
New Zealand	138,944,967	202,657,064	203,557,617
Republic of Korea	114,301,031	272,939,596	240,572,326
United Kingdom	-	64,670,624	35,338,735
Taiwan	-	-	-
<b>Total</b>	<b>253,245,998</b>	<b>540,267,284</b>	<b>479,468,678</b>

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 27. Interest Rate Risk

Interest rate risk is the risk of earnings fluctuations from movements in interest rates.

Interest rate risk in the Branch arises primarily from 'borrowing from', 'lending to customers', and 'related parties' and trade finance transactions.

Procedures are in place to evaluate in advance the effect that large loans, investments and other transactions will have on the interest rate risk of the Branch. Exposure to interest rate risk is monitored on a weekly basis.

The following tables include the Branch's assets and liabilities at their carrying amounts, categorised by the earlier of contractual re-pricing or maturity date.

(Unaudited) As at 30 June 2025	0 – 3 months	3 – 6 months	6 – 12 months	1 – 2 years	over 2 years	Non-Interest Bearing	Total
Cash and cash equivalents	11,000,934	-	-	-	-	20,422,007	31,422,941
Loans and advances to customers	59,009,673	824,303	1,347,187	20,003,699	-	(272,128)	80,912,734
Due from Related Parties	139,407,152	97,319	-	-	-	-	139,504,471
Derivative financial assets	-	-	-	-	-	289,785	289,785
Other Financial Assets	-	-	-	-	-	20,864	20,864
<b>Total Financial Assets</b>	<b>209,417,759</b>	<b>921,622</b>	<b>1,347,187</b>	<b>20,003,699</b>	<b>-</b>	<b>20,460,528</b>	<b>252,150,795</b>
Due to Other Banks	-	-	-	-	-	29,435	29,435
Deposits from Customers	118,569,939	8,911,547	6,493,704	72,295	4,245,893	38,461	138,331,839
Certificate of deposits	-	-	-	-	-	-	-
Due to Related Parties	88,851,056	25,449,975	-	-	-	-	114,301,031
Derivative financial liabilities	-	-	-	-	-	-	-
Lease Liabilities	-	-	-	-	-	896,848	896,848
CCCFA Provision	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	583,693	583,693
<b>Total Financial Liabilities</b>	<b>207,420,995</b>	<b>34,361,522</b>	<b>6,493,704</b>	<b>72,295</b>	<b>4,245,893</b>	<b>1,548,437</b>	<b>254,142,846</b>
<b>Off Balance sheet (Notional Amount) *</b>							
Derivative financial – receive	-	-	-	-	-	16,531,658	16,531,658
Derivative financial - pay	-	-	-	-	-	(16,144,656)	(16,144,656)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>387,002</b>	<b>387,002</b>

\* off-balance sheet items related to the inflows and outflows of funds as Foreign exchange forward of derivative instruments.

28. Fair Value

*Fair Value hierarchy*

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

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

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

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

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

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

Branch	As at 30 June 2025		As at 30 June 2024	
	Level 1 (\$)	Level 2 (\$)	Level 1 (\$)	Level 2 (\$)
<b>Derivative financial instruments held for trading</b>				
Derivative financial assets				
Foreign exchange forward	-	289,785	-	-
<b>Total derivative financial assets</b>	-	<b>289,785</b>	-	-
Derivative financial liabilities				
Foreign exchange forward	-	-	-	741,577
<b>Total derivative financial liabilities</b>	-	-	-	<b>741,577</b>

There were no financial assets and liabilities carried at fair value categorised under Level 3 in this Period.

**Derivatives**

Derivative financial instruments are initially recognized at fair value. After initial recognition, derivative financial instruments are measured at fair value, and changes therein are accounted for as described below.

The fair values of foreign exchange forward contracts were obtained from quoted market prices or discounted cash flow models. Inputs applied in getting the fair value of derivative financial instruments are market observable inputs which include interest rates and forward curves observable at commonly reported intervals where required

**Derivative financial instruments held for trading**

All derivative financial instruments are measured at fair value. Gains or losses arising from changes in fair value are recognized in profit or loss as part of net gains or losses on financial instruments at fair value through profit or loss. All derivative financial instruments do not qualify for hedge accounting.



29. Additional Information on Liquidity Risk

The table below presents the Branch's cash flows by remaining contractual maturities as at reporting date. The amounts disclosed in the tables are the contractual undiscounted cash flows and therefore will not agree to the carrying values on the Statement of Financial Position. The Branch manages liquidity based on a contractual basis and therefore expected maturities are not shown.

(Unaudited) As at 30 June 2025	On Demand (\$)	1 month or less (\$)	1 to 3 months (\$)	3 months to 1 year (\$)	Between 1 – 5 years (\$)	More than 5 years (\$)	Total (\$)
<b>Contractual maturities of financial liabilities</b>							
Due to other banks	29,435	-	-	-	-	-	29,435
Deposit from customers	12,809,313	40,196,973	67,249,985	15,351,636	4,275,087	-	139,882,994
Certificate of deposits	-	-	-	-	-	-	-
Due to related parties	20,915,988	3,980,834	65,441,649	25,002,375	-	-	115,340,846
Lease liabilities	-	34,193	73,214	329,463	512,497	-	949,367
CCCFA Provision	-	-	-	-	-	-	-
Other financial liabilities	583,693	-	-	-	-	-	583,693
<b>Total non-derivative financial liabilities</b>	<b>34,338,429</b>	<b>44,212,000</b>	<b>132,764,848</b>	<b>40,683,474</b>	<b>4,787,584</b>	<b>-</b>	<b>256,786,335</b>

**Total Contingent Liabilities and Commitments**

Lending commitments approved but not yet advanced	146,156	-	-	-	-	-	146,156
Other commitments to provide financial guarantees to external parties	250,000	-	-	-	-	-	250,000
<b>Total undiscounted contingent liabilities and commitments</b>	<b>396,156</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>396,156</b>

\* Paying liabilities with maturities between 1 to 5 years will be fully settled through negotiations with customers as the winding-down date approaches.

**Management of liquidity risk**

The Overseas Bank supervises the Branch's liquidity under its global liquidity management policy. The Branch obtains funding from its Overseas Bank when necessary. Maturity reports are used to monitor the Branch's capability in managing its day to day liquidity needs and to ensure it can meet its obligations when they fall due. This monitoring of liquidity risk is performed daily by the product manager and reviewed weekly by the General Manager of the Branch.

**Liquid Assets**

A key measure used by the Branch for managing liquidity risk is the ratio of net liquid assets to deposits from customers. Generally, liquid assets include cash and cash equivalents, short term interbank deposits and highly rated debt securities available for immediate sale and for which there exists a deep and liquid market. Net liquid assets are liquid assets less any deposits from banks, debt securities issued and other borrowings maturing within the next 30 days. A similar, but not identical, calculation is used to measure the Overseas Bank's compliance with the liquidity limit established by the Overseas Bank's lead regulator.

The below table represents the Branch's liquid assets as at 30 June 2025.

	(Unaudited) As at 30 June 2025 (\$)
Cash and cash equivalents	31,422,941
Due from other banks	-
Due from related parties	-
	<b>31,422,941</b>

30. Overseas Banking Group Profitability and Size

The most recent period for which information is publicly available is the 12 months ended 31 December 2024.

<b>Profitability</b>	<b>(Audited)</b> Year ended 31 December 2024 <b>(Korea Won Billions)</b>	<b>(Audited)</b> Year ended 31 December 2023 <b>(Korea Won Billions)</b>
Net profit after tax	3,151	3,150
Net profit after tax as a percentage of average of total assets over the 12 months ended on 31 December	0.58%	0.60%

<b>Size</b>	<b>(Audited)</b> 31 December 2024 <b>(Korea Won Billions)</b>	<b>(Audited)</b> 31 December 2023 <b>(Korea Won Billions)</b>
Total assets	562,887	530,013
Percentage change in total assets over the 12 months ended on that date	6.20%	2.36%

31. Loan to valuation ratio

The information below has been derived in accordance with the definition of loan-to-valuation ratio specified in the Reserve Bank of New Zealand Banking Prudential Requirements (BPR).

Residential mortgages by loan-to-valuation ratio at 30 June 2025(Unaudited)

<b>LVR range</b>	<b>0% - 80%</b>	<b>80% -90%</b>	<b>Over 90%</b>
Value of exposure	10,262,713	-	-

Reconciliation of residential mortgage-related amounts

	<b>(Unaudited)</b> 30 June 2025 <b>(\$)</b>
Gross residential mortgage (as disclosed in note 10)	10,118,550
Impairment allowance	(1,993)
Residential lending commitments approved but not yet advanced	146,156
<b>Residential Mortgages by loan-to-valuation ratio</b>	<b>10,262,713</b>

**32. Exposures to Market Risk**

**Market risk notional capital charges**

The Branch's aggregate market risk exposure is derived in accordance with the Reserve Bank of New Zealand Banking Prudential Requirement (BPR). The peak-end-of-day exposures below have been calculated by determining the maximum end-of-day aggregate market risk exposure over the six months in accordance with BPR.

<i>End-of-period</i>	<i>(Unaudited)</i> 30 June 2025	
	Implied risk weighted exposure NZD(\$000)	Notional Capital Charge NZD(\$000)
Interest Rate Risk	5,087	407
Foreign Currency Risk	360	29
Equity Risk	-	-

**Market risk peak end of day notional capital charges**

The Branch's Peak end of day notional capital charge has been derived by determining the maximum aggregate capital charge for each category at the close of each business day in accordance with Reserve Bank of New Zealand Banking Prudential Requirement (BPR).

<i>Peak end-of-day</i>	<i>(Unaudited)</i> 30 June 2025	
	Implied risk weighted exposure NZD(\$000)	Notional Capital Charge NZD(\$000)
Interest Rate Risk	28,374	2,270
Foreign Currency Risk	2,684	215
Equity Risk	-	-

**33. Capital Adequacy of the Overseas Banking Group**

<b>Overseas Banking Group</b> <i>(Unaudited)</i>	<b>Minimum Percentage required by FSS</b>		<b>Minimum Percentage required by FSS</b>	
	31 Dec. 2024	31 Dec. 2023	31 Dec. 2024	31 Dec. 2023
Common Equity Tier One Capital as a percentage of risk weighted exposures	14.50%	14.91%	4.50%	4.50%
Tier One Capital as a percentage of risk weighted exposures	14.95%	15.50%	6.00%	6.00%
Total Capital as a percentage of risk weighted exposures	17.31%	18.08%	8.00%	8.00%

The information stated for the Overseas Banking Group is presented for the most recent period for which information is publicly available based on the consolidated Overseas Banking Group Figures.

FSS stands for Financial Supervisory Service of the Republic of Korea. The ratios were calculated in accordance with the Bank of International Settlements (BIS III) framework and the Overseas Bank meets the requirements. The capital adequacy information of the Overseas Banking Group can be accessed through the Kookmin Bank website at <https://www.kbstar.com>.



## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 34. Asset Quality

Credit quality of loans that include both past due and impaired are as follows

Corporate	<i>(Unaudited)</i> 30 June 2025		Total (\$)
	Gross carrying amount (\$)	Allowances (\$)	
Grade 1	-	-	-
Grade 2	36,032,328	(27,240)	36,005,088
Grade 3	33,846,165	(81,998)	33,764,167
Grade 4	1,020,491	(3,427)	1,017,064
Grade 5	167,321	(157,470)	9,851
	<b>71,066,305</b>	<b>(270,135)</b>	<b>70,796,170</b>

The total amount of residential mortgages (net of impairment allowance) is \$10,116,557 and for other retail loans of \$7 are ungraded.

Credit quality of loans graded according to internal credit ratings are as follows.

Overall credit grade	Corporate grade	Classification
Grade 1	AAA to BBB+	Corporate facilities demonstrating financial condition and capacity to repay that are good to exceptional.
Grade 2	BBB to BB	Corporate facilities demonstrating financial condition and capacity to repay that are average to good.
Grade 3	BB- to B	Corporate facilities demonstrating financial condition and capacity to repay that are stable to average.
Grade 4	B- to CCC	Corporate facilities demonstrating financial condition and capacity to repay that are unstable.
Grade 5	CC or under	Corporate facilities that are at a high risk of default

### Asset quality information for loans and advances to customers

Branch Past due but not impaired As at 30 June 2025	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Past due up to 30 days	-	1,572,565	-	1,572,565
Past due 30 – 60 days	-	-	-	-
Past due 60 – 90 days	-	-	-	-
Past due 90+ days	-	167,321	-	167,321
Total	-	1,739,886	-	1,739,886

### Loan Reconciliation

	<i>(Unaudited)</i> 30 June 2025 (\$)	<i>(Unaudited)</i> 30 June 2024 (\$)	<i>(Audited)</i> 31 December 2024 (\$)
Total loans and advances to customers	81,184,862	416,539,836	284,925,500
Less Allowance for Loan losses	(272,128)	(656,537)	(889,125)
<b>Loans and advances to customers</b>	<b>80,912,734</b>	<b>415,883,299</b>	<b>284,036,375</b>

## Condensed Financial Statements – Kookmin Bank Auckland Branch

### 34. Asset Quality (continued)

Branch Individually impaired assets For the 6 months ended 30 June 2025	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Balance at beginning of period	-	-	-	-
Additions	-	-	-	-
Deletions	-	-	-	-
Amount written off	-	-	-	-
Balance at end of period	-	-	-	-
Aggregate amount of individual credit impairment allowance	-	-	-	-

Branch Individual credit impairment allowances For the 6 months ended 30 June 2025	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Opening Balance	-	-	-	-
Charge/(credit) to statement of financial performance	-	-	-	-
Amounts written off	-	-	-	-
Recoveries of previous write offs	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Other Movements	-	-	-	-
Closing Balance	-	-	-	-

<i>(Unaudited)</i> Branch Collective credit impairment allowances For the 6 months ended 30 June 2025	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Opening Balance	18,927	870,198	-	889,125
Charge/(Credit) to statement of comprehensive income	-	(600,063)	-	(600,063)
Other movements	(16,934)	-	-	(16,934)
Closing Balance	<b>1,993</b>	<b>270,135</b>	-	<b>272,128</b>

34. Asset Quality (continued)

Movements in components of collective credit impairment allowances (NZ IFRS 9) are as follows

<i>(Unaudited)</i> Residential Mortgages Collective credit impairment allowances For the 6 months ended 30 June 2025	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	18,927	-	-	-	18,927
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income	(16,934)	-	-	-	(16,934)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>1,993</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,993</b>

<i>(Unaudited)</i> Corporate Collective credit impairment allowances For the 6 months ended 30 June 2025	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	713,629	165	156,404	-	870,198
Transfers :					
Transfer from Stage 1 to Stage 2	(1,037)	1,037	-	-	-
Transfer from Stage 2 to Stage 1	165	(165)	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income	(601,783)	654	1,066	-	(600,063)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>110,974</b>	<b>1,691</b>	<b>157,470</b>	<b>-</b>	<b>270,135</b>

<i>(Unaudited)</i> Other Retail Collective credit impairment allowances For the 6 months ended 30 June 2025	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	-	-	-	-	-
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
(Credit) /charge to statement of comprehensive income	-	-	-	-	-
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

34. Asset Quality (continued)

<i>Total</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Purchased credit-impaired</b>	<b>Total (\$)</b>
<b>Collective credit impairment allowances</b>	12 month	Lifetime	Lifetime		
<b>For the 6 months ended 30 June 2025</b>	ECL	ECL	ECL		
Opening Balance	732,556	165	156,404	-	889,125
Transfers :					
Transfer from Stage 1 to Stage 2	(1,037)	1,037	-	-	-
Transfer from Stage 2 to Stage 1	165	(165)	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Charge to statement of comprehensive income	(618,717)	654	1,066	-	(616,997)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>112,967</b>	<b>1,691</b>	<b>157,470</b>	<b>-</b>	<b>272,128</b>

The changes in the 30 June 2025 ECL outputs are the combined result of movement in the loan portfolio balances and the routine refresh of the PD factors during the six months ending 30 June 2025. This has resulted in an ECL impairment reversals of \$616,997 for the Branch's loan portfolio.

The gross carrying amounts of loans that affect credit impairment allowances (NZ IFRS 9) are as follows

<i>(Unaudited)</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Purchased credit-impaired</b>	<b>Total (\$)</b>
<b>Residential Mortgages</b>	12 month	Lifetime	Lifetime		
<b>Gross carrying amount</b>	ECL	ECL	ECL		
<b>For the 6 months ended 30 June 2025</b>					
Opening Balance	52,871,940	-	-	-	52,871,940
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Additions	331,086	-	-	-	331,086
Repayments	(43,084,476)	-	-	-	(43,084,476)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>10,118,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,118,550</b>

<i>(Unaudited)</i>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Purchased credit-impaired</b>	<b>Total (\$)</b>
<b>Corporate</b>	12 month	Lifetime	Lifetime		
<b>Gross carrying amount</b>	ECL	ECL	ECL		
<b>For the 6 months ended 30 June 2025</b>					
Opening Balance	229,856,042	607,073	160,742	-	230,623,857
Transfers :					
Transfer from Stage 1 to Stage 2	(310,541)	310,541	-	-	-
Transfer from Stage 2 to Stage 1	607,073	(607,073)	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Additions	4,654,482	-	6,579	-	4,661,061
Repayments	(164,218,459)	(154)	-	-	(164,218,613)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>70,588,597</b>	<b>310,387</b>	<b>167,321</b>	<b>-</b>	<b>71,066,305</b>

34. Asset Quality (continued)

<i>(Unaudited)</i> Other Retail Gross carrying amount For the 6 months ended 30 June 2025	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	6	-	-	-	6
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Additions	1	-	-	-	1
Repayments	-	-	-	-	-
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7</b>

<i>Total</i> Gross carrying amount For the 6 months ended 30 June 2025	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	282,727,988	607,073	160,742	-	283,495,803
Transfers :					
Transfer from Stage 1 to Stage 2	(310,541)	310,541	-	-	-
Transfer from Stage 2 to Stage 1	607,073	(607,073)	-	-	-
Transfer from Stage 1 to Stage 3	-	-	-	-	-
Additions	4,985,569	-	6,579	-	4,992,148
Repayments	(207,302,935)	(154)	-	-	(207,303,089)
Write-offs	-	-	-	-	-
<b>Closing Balance</b>	<b>80,707,154</b>	<b>310,387</b>	<b>167,321</b>	<b>-</b>	<b>81,184,862</b>

Overseas Banking Group Asset Quality	<i>(Audited)</i> 31 December 2024 <i>(Korea Won in Billions)</i>
Total assets	562,887
Total impaired assets	3,691
As a % of total assets	0.66%
Total Stage 3 credit impairment allowance*	1,597
As a % of total impaired assets	43.27%
Total Stage 1 credit impairment allowance*	1,139
Total Stage 2 credit impairment allowance*	982

\* Information is not defined in the published statutory financial reporting but in accordance with schedule 7, section 8(2) of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended), the Branch has disclosed information that corresponds as closely as possible with that which is publicly available in the Overseas Banking Group's consolidated financial statements.

**35. Risk management policies of the Branch**

There has been no material change in the six months prior to 30 June 2025 in the Branch's risk management policies.

The Branch has not been exposed to any new categories of risk since the previous Disclosure Statement publication date.

**36. Insurance business and non-financial activities**

The Branch does not conduct any insurance business and is not involved in the marketing and distribution of insurance products. The Branch does not conduct any non-financial activities in New Zealand. The Branch is not involved in the establishment, marketing, or sponsorship of any trust, custodial, funds management, and other fiduciary activities. The Branch is also not involved in the origination of securitised assets and the marketing or servicing of securitisation schemes.