KOREA OCEAN BUSINESS CORPORATION

Issue of U.S.$300,000,000 Floating Rate Senior Unsecured Notes due 2030
under the
U.S.$5,000,000,000 Medium Term Note Program (the "Notes")

Issue Price: 100 per cent.

Issue Date: November 18, 2025

This information package includes the offering circular dated April 11, 2025 in relation to U.S.$5,000,000,000 Medium Term Note Program (the "**Offering Circular**") and the Pricing Supplement dated November 4, 2025 (was deemed effective on November 3, 2025) in respect of the Notes (the "**Pricing Supplement,**" together with the Offering Circular, the "**Information Package**").

The Notes will be issued by Korea Ocean Business Corporation (the "**Issuer**").

Application will be made by the Issuer for the Notes to be listed on the Taipei Exchange ("**TPEx**") in the Republic of China (the "**ROC**") and the Singapore Exchange Securities Trading Limited in Singapore.

The Notes will be traded on TPEx pursuant to the applicable rules of TPEx. Effective date of listing and trading of the Notes is on or about November 18, 2025.

TPEx is not responsible for the content of the Information Package and no representation is made by TPEx as to the accuracy or completeness of the Information Package. TPEx expressly disclaims any and all liabilities for any losses arising from, or as a result of, the reliance on, all or part of the contents of this Information Package. Admission for listing and trading of the Notes on the TPEx is not to be taken as an indication of the merits of the Issuer or the Notes.

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1, Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds of the ROC. Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a professional investor.

Lead Manager
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, TAIPEI BRANCH

Joint Managers
BNP PARIBAS SA, TAIPEI BRANCH
NATIXIS TAIPEI BRANCH

Co-Managers

CATHAY UNITED BANK CO., LTD.
KGI SECURITIES CO. LTD.

PRESIDENT SECURITIES CORPORATION
YUANTA SECURITIES CO., LTD.

CTBC BANK CO., LTD.
MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
SINOPAC SECURITIES CORPORATION

IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES

IMPORTANT: You must read the following before continuing. If you are not the intended recipient of this message, please do not distribute or copy the information contained in this e-mail, but instead, delete and destroy all copies of this e-mail including all attachments. The following applies to the offering circular dated April 11, 2025 as supplemented by the pricing supplement dated November 4, 2025 and deemed effective on November 3, 2025 following this page (the "Offering Circular"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES DESCRIBED HEREIN HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act. By accepting this e-mail and accessing the following Offering Circular, you shall be deemed to have represented to us (1) that you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S under the Securities Act and that the electronic e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the following Offering Circular has been delivered to you on the basis that you are a person into whose possession the following Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver or disclose the contents of the following Offering Circular to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Manager (as described in the Offering Circular) or any affiliate of a Manager is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Manager or such affiliate on behalf of Korea Ocean Business Corporation ("Issuer") in such jurisdiction.

The Offering Circular is for distribution only to persons who (i) are outside the United Kingdom; (ii) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")); (iii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iv) are persons to whom an invitation or

inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "Relevant Persons"). The Offering Circular is directed only at Relevant Persons and must not be acted or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which the Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The following Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Issuer, the Managers nor any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard-copy version available to you upon request to the Managers.

For the avoidance of doubt, the Issuer's website does not form part of the Offering Circular.

You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply via e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting this e-mail against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

The distribution of the Offering Circular in certain jurisdictions may be restricted by law. Persons into whose possession the Offering Circular comes are required by the Managers and the Issuer to inform themselves about, and to observe, any such restrictions.

KOREA OCEAN BUSINESS CORPORATION
(a statutory juridical corporation established under the laws of the Republic of Korea)

Issue of U.S.$300,000,000 Floating Rate Senior Unsecured Notes due 2030 (the "Notes")
under the U.S.$5,000,000,000 Medium Term Note Program

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

Lead Manager

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, TAIPEI BRANCH

Joint Managers

BNP PARIBAS SA, TAIPEI BRANCH
NATIXIS TAIPEI BRANCH

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MEGA INTERNATIONAL COMMERCIAL BANK CO., LTD.
PRESIDENT SECURITIES CORPORATION
SINOPAC SECURITIES CORPORATION
YUANTA SECURITIES CO., LTD.

The date of this pricing supplement is November 4, 2025
and this pricing supplement was deemed effective on November 3, 2025.

KOREA OCEAN BUSINESS CORPORATION
(a statutory juridical corporation established under the laws of the Republic of Korea)

Issue of U.S.$300,000,000 Floating Rate Senior Unsecured Notes due 2030
under the U.S.$5,000,000,000 Medium Term Note Program

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the program offering circular dated April 11, 2025 (the "**Offering Circular**"). This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**EU MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**EU Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No. 1286/2014 (the "**EU PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

The Notes have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Notes may not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law of Korea and the regulations thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the "**TPEx Rules**") of the Republic of China ("**ROC**"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to an aforementioned professional investor.

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

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

1.	Issuer:	Korea Ocean Business Corporation
	LEI Code:	988400706OU5BSJ8ZG26
2.	(i) Series Number:	8
	(ii) Tranche Number:	1
	(iii) Re-opening:	No
3.	Specified Currency or Currencies:	United States Dollars ("**U.S.$**")
4.	Aggregate Nominal Amount:	
	(i) Series:	U.S.$300,000,000
	(ii) Tranche:	U.S.$300,000,000
5.	(i) Issue Price:	100.00% of the Aggregate Nominal Amount
	(ii) Net Proceeds:	U.S.$299,400,000
	(iii) Use of proceeds:	For general corporate purpose
6.	(i) Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.$1,000
7.	(i) Issue Date:	November 18, 2025
	(ii) Interest Commencement Date:	November 18, 2025
8.	Maturity Date:	November 18, 2030
9.	Interest Basis:	Compounded Daily SOFR + 0.73 per cent.
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis:	Not Applicable
12.	Put (other than Condition 8(d)(i))/Call Options:	Not Applicable
13.	(a) Status of the Notes:	Senior
	(b) Date of the Issuer's Board approval for the issues of the Notes obtained:	February 12, 2025

14.	Listing:	Singapore Exchange Securities Trading Limited (the "SGX-ST") Taipei Exchange (the "TPEx") Approval in-principle has been received from the SGX-ST for listing and quotation of the Notes on the SGX-ST. Application will be made by the Issuer to the TPEx for the listing and trading of the Notes on the TPEx. For further information, see "Listing Application" section below.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	Not Applicable
17.	Floating Rate Note Provisions:	Applicable
	(i) Specified Period(s)/Specified Interest Payment Dates:	Quarterly on February 18, May 18, August 18 and November 18 of each year commencing on February 18, 2026 subject to adjustment in accordance with the Business Day Convention specified below
	(ii) Business Day Convention:	Modified Following Business Day Convention
	(iii) Additional Business Center(s):	Seoul, Taipei, London and New York City
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	Screen Rate Determination
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	Not Applicable
	(vi) Screen Rate Determination:	
	— Reference Rate:	SOFR Benchmark
	— Interest Determination Date(s):	Fifth U.S. Government Securities Business Day prior to the last day of each Interest Period (which expression shall mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).
	— Relevant Screen Page:	Not Applicable
	— SOFR Benchmark:	Compounded Daily SOFR
	— Compounded Daily SOFR:	SOFR Lag
	— Lookback Days:	5 U.S. Government Securities Business Days

	— SOFR Observation Shift Days:	Not Applicable
	— SOFR $\text{Index}_{\text{Start}}$:	Not Applicable
	— SOFR $\text{Index}_{\text{End}}$:	Not Applicable
	(vii) ISDA Determination:	
	— Floating Rate Option:	Not Applicable
	— Designated Maturity:	Not Applicable
	— Reset Date:	Not Applicable
	(viii) Margin(s):	0.73% per annum
	(ix) Minimum Rate of Interest:	Not Applicable
	(x) Maximum Rate of Interest:	Not Applicable
	(xi) Day Count Fraction:	Actual 360, adjusted
	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
18.	Zero Coupon Note Provisions:	Not Applicable
19.	Index Linked Interest Note Provisions:	Not Applicable
20.	Dual Currency Note Provisions:	Not Applicable
	PROVISIONS RELATING TO REDEMPTION	
21.	Issuer Call:	Not Applicable
22.	Investor Put (other than Condition 8(d)(i)):	Not Applicable
23.	Final Redemption Amount of each Note:	U.S.$1,000 per Calculation Amount
24.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)):	U.S.$1,000 per Calculation Amount
	GENERAL PROVISIONS APPLICABLE TO THE NOTES	
25.	Form of Notes:	Registered Notes: Regulation S Global Note registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg

26.	Additional Financial Center(s) or other special provisions relating to Payment Dates:	Seoul, Taipei, London and New York City
27.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	Not Applicable
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29.	Details relating to Installment Notes: amount of each installment, date on which each payment is to be made:	Not Applicable
30.	Redenomination applicable:	Not Applicable
31.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

32.	(i) If syndicated, names of Managers:	*Lead Manager* Crédit Agricole Corporate and Investment Bank, Taipei Branch *Joint Managers* BNP Paribas SA, Taipei Branch Natixis Taipei Branch *Co-Managers* Cathay United Bank Co., Ltd. CTBC Bank Co., Ltd. KGI Securities Co. Ltd. Mega International Commercial Bank Co., Ltd. President Securities Corporation SinoPac Securities Corporation Yuanta Securities Co., Ltd.
	(ii) Stabilizing Manager (if any):	Not Applicable
33.	If non-syndicated, name of relevant Dealer:	Not Applicable
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	Not Applicable
35.	Prohibition of sales to EEA retail investors:	Applicable
36.	Prohibition of sales to UK retail investors:	Applicable
37.	Additional selling restrictions:	ROC Selling Restrictions, see Appendix B.

OPERATIONAL INFORMATION

38.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
39.	Delivery:	Delivery against payment
40.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:	Citicorp International Limited, 9/F, Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong
41.	Additional Paying Agent(s) (if any):	Not Applicable
42.	ISIN:	XS3220609047
	Common Code:	322060904

HONG KONG SFC CODE OF CONDUCT

43.	Rebates:	Not Applicable
44.	Contact email addresses of the Overall Coordinators where the underlying investor information in relation to omnibus orders should be sent:	dl.asia.syndicate@asia.bnpparibas.com HKG-Syndicate@ca-cib.com Bond_Syn_APAC@natixis.com
45.	Marketing and Investor Targeting Strategy:	As stated in the Offering Circular

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$5,000,000,000 Medium Term Note Program of Korea Ocean Business Corporation.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

The TPEx is not responsible for the content of this document and the Offering Circular and any amendment and supplement thereto and no representation is made by TPEx to the accuracy or completeness of this document and the Offering Circular and any amendment and supplement thereto. TPEx expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Offering Circular and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEx shall not be taken as an indication of the merits of the Issuer or the Notes. The Notes will be traded on the TPEx pursuant to the applicable rules of the TPEx. Effective date of listing of the Notes is on or about November 18, 2025.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement, which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

669-82-00218

By: KOREA OCEAN BUSINESS CORPORATION
Duly authorized signatory

Name: BYUNGGIL-AN

Title: 38, Marine city 2-ro, Haeundae-gu, Busan

APPENDIX A – AMENDMENTS TO THE OFFERING CIRCULAR

This section provides information that supplements or replaces certain information in the Offering Circular under the headings corresponding to the headings below. Capitalized terms used without definition in this section or elsewhere in this Pricing Supplement have the meanings given to such terms in the Offering Circular. If the information in this section differs from the information in the Offering Circular, potential investors should refer to the information in this section.

RISK FACTORS

Risks Relating to the Notes

Additional Risks

Application will be made for the listing of the Notes on the TPEx. No assurances can be given as to whether the Notes will be, or will remain, listing on TPEx or whether a trading market for the Notes will develop or as to the liquidity of any such trading market. If the Notes fail to or cease to be listed on the TPEx, certain investors may not invest in, or continue to hold or invest in, the Notes.

TAXATION

ROC Taxation

The following is a general description of the principal ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Issuer's understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.

This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold to professional investors as defined under Paragraph 1 of Article 2-1 of the TPEx Rules only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.

Interest on the Notes

As the Issuer of the Notes is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest or deemed interest to be paid by the Issuer on the Notes.

Payments of interest or deemed interest under the Notes to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC-sourced income. However, such holder must include the interest or deemed interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest or deemed interest and other non- ROC-sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below 1 million New Taiwan Dollars ("**NT$**"). If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act) exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes such holder's AMT payable.

ROC corporate holders must include the interest or deemed interest receivable under the Notes as part of their taxable income and pay ROC income tax at a flat rate of 20% (unless the total taxable income for a fiscal year is NT$120,000

or under), as they are subject to ROC income tax on their worldwide income on an accrual basis. The AMT is not applicable.

Sale of the Notes

In general, the sale of corporate bonds or financial bonds is subject to 0.1% securities transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the ROC Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from January 1, 2010 to December 31, 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before December 31, 2026. Starting from January 1, 2027, any sale of the Notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from ROC income tax. Accordingly, ROC individual and corporate holders are not subject to ROC income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT calculated pursuant to the ROC Income Basic Tax Act (also known as the AMT Act) exceeds the annual income tax calculated pursuant to the ROC Income Tax Act, the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

Non-ROC corporate holders with a fixed place of business (e.g., a branch) or a business agent in the ROC are not subject to ROC income tax on any capital gains generated from the sale of the Notes. However, their fixed place of business or business agent should include any such capital gains in calculating their basic income for the purpose of calculating AMT.

As to non-ROC corporate holders without a fixed place of business and a business agent in the ROC, they are not subject to ROC income tax or AMT on any capital gains generated from the sale of the Notes.

BOOK-ENTRY CLERANCE SYSTEMS

ROC Settlement and Trading

The Issuer has not entered into any settlement agreement with Taiwan Depository & Clearing Corporation ("**TDCC**") and has no intention to do so.

In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwanese bank, may settle the Notes through the account of TDCC with Euroclear or Clearstream if it applies to TDCC (by filling in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEx as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following

TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders actually receive such distributions may vary depending upon the daily operations of the Taiwanese banks with which the holder has the foreign currency deposit account.

APPENDIX B – ROC SELLING RESTRICTIONS

The Notes have not been, and shall not be, offered, sold or resold, directly or indirectly, to investors other than "professional investors" as defined under Paragraph 1 of Article 2-1 of the TPEx Rules of the ROC, which currently include:

(a) a "professional institutional investor" as defined under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC, which currently includes: (i) overseas or domestic banks, securities firms, futures firms and insurance companies (excluding insurance agencies, insurance brokers and insurance surveyors), the foregoing as further defined in more detail in Paragraph 3 of Article 2 of the Financial Supervisory Commission Organization Act, (ii) overseas or domestic fund management companies, government investment institutions, government funds, pension funds, mutual funds, unit trusts, and funds managed by financial service enterprises pursuant to the ROC Securities Investment Trust and Consulting Act, the ROC Futures Trading Act or the ROC Trust Enterprise Act or investment assets mandated and delivered by or transferred for trust by financial consumers, and (iii) other institutions recognised by the Financial Supervisory Commission of the ROC;

(b) a legal entity or fund having applied in writing to the securities firms for the status of a professional investor that meets all of the following three criteria: (i) its total assets exceed NT$50,000,000 according to its most recent CPA-audited or reviewed financial report, provided that the financial report of a non-ROC offshore legal entity is not required to be audited or reviewed by the CPA, (ii) the person authorized by the investor to handle trades has sufficient professional knowledge and trading experience in financial products, and (iii) it fully understands that the securities firm is exempted from certain responsibilities towards professional investors in connection with bond trading activities and agrees to sign up as a professional investor; and

(c) a natural person who has applied in writing to a securities firm for the status of professional investor and who meets all of the following three criteria: (i)(x) he/she has provided a proof of financial capacity of at least NT$30,000,000, or (y) he/she has made a single trade, the transaction amount of which is higher than NT$3,000,000, and his/her total assets and investments booked at and made through such securities firm are higher than NT$15,000,000 and has provided a statement certifying that the value of his/her total assets exceeds NT$30,000,000, (ii) he/she has sufficient professional knowledge and trading experience in financial products, and (iii) he/she fully understands that the securities firm is exempted from certain responsibilities toward professional investors in connection with bond trading activities and agrees to sign up as a professional investor.

Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to the aforementioned professional investors.

OFFERING CIRCULAR

Korea Ocean Business Corporation

(a statutory juridical corporation established under the laws of the Republic of Korea)

U.S.$5,000,000,000
Medium Term Note Program

This offering circular (the "**Offering Circular**") replaces and supersedes in its entirety the offering circular dated April 9, 2024. Any Notes (as defined below) issued under the Program (as defined below) on or after the date of this Offering Circular are issued subject to the provisions described herein.

Under this U.S.$5,000,000,000 Medium Term Note Program (the "**Program**"), Korea Ocean Business Corporation (the "**Issuer**" or the "**Company**") may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer(s) (as defined below).

The Notes may be issued in bearer or registered form (respectively, "**Bearer Notes**" and "**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Program will not exceed U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under "Summary of the Program" and any additional Dealer appointed under the Program from time to time by the Issuer (each a "**Dealer**" and together, the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "relevant Dealer" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Notes.

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**Singapore Stock Exchange**") in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. Such permission will be granted when such Notes have been admitted for listing and quotation on the Singapore Stock Exchange. The Singapore Stock Exchange assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and listing and quotation of any Notes on, the Singapore Stock Exchange are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein that are applicable to each Tranche (as defined under "Terms and Conditions of the Notes") of Notes will be set out in a pricing supplement (the "**Pricing Supplement**") which, with respect to Notes to be listed and quoted on the Singapore Stock Exchange, will be submitted to the Singapore Stock Exchange before the date of listing of the Notes of such Tranche.

The Program provides that the Notes may be listed or admitted to trading on such other or further stock exchange(s) as may be agreed among the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

The Notes has not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws and, unless so registered, may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Notes will be offered and sold in "offshore transactions" to persons other than "U.S. persons" (each as defined in Regulation S under the Securities Act). See "*Subscription and Sale and Transfer and Selling Restrictions*."

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended and U.S. Treasury regulations promulgated thereunder.

The Issuer may agree with any Dealer that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Singapore Stock Exchange) a supplementary Offering Circular, if appropriate, will be submitted to the Singapore Stock Exchange and made available which will describe the effect of the agreement reached in relation to such Notes.

Arranger
Citigroup

Dealers

BNP PARIBAS	**Citigroup**	**Crédit Agricole CIB**
Deutsche Bank	**HSBC**	**ING**
J.P. Morgan	**Korea Development Bank**	**Société Générale**
Standard Chartered Bank	**UBS**	**Corporate & Investment Banking**

The date of this Offering Circular is April 11, 2025.

The Issuer, having made all reasonable enquiries, confirms that this Offering Circular contains or incorporates all information which is material in the context of the issue and offering of the Notes, that the information contained or incorporated by reference in this Offering Circular is true and accurate in all material respects and is not misleading in any material respect, that the opinions and intentions expressed in this Offering Circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions and that there are no other facts the omission of which would, in the context of the issue and offering of the Notes, make this Offering Circular as a whole or any information or the expression of any opinions or intentions in this Offering Circular misleading in any material respect. The Issuer accepts responsibility accordingly. Information provided in this Offering Circular with respect to Korea, its political status and economy has been derived from information published by the Korean government and other public sources, and the Issuer accepts responsibility only for the accurate extraction of information from such sources.

This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

No person is or has been authorized by the Issuer to give any information or to make any representation which is not contained in or which is not consistent with this Offering Circular or any other information supplied by or on behalf of the Issuer in connection with the Program or the Notes, and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer or any of the Dealers.

Neither this Offering Circular nor any other information supplied in connection with the Program or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Offering Circular or any other information supplied in connection with the Program or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Offering Circular nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Program is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Program or to advise any investor in the Notes of any information coming to their attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference in this Offering Circular when deciding whether or not to purchase any Notes.

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of the Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor any of the Dealers represent that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which would permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of the Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area, the United Kingdom, Japan, Korea, Singapore, Hong Kong and Switzerland. See "*Subscription and Sale and Transfer and Selling Restrictions*".

The Arranger, the Dealers and the Agents have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger, the Dealers or the Agents as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the Issuer in connection with the Program or the Notes or their distribution. None of the Arranger, the Dealers or the Agents accepts any responsibility for any acts or omissions of the Issuer or any other person (other than the relevant Dealers) in connection with the Program.. To the fullest extent permitted by law, none of the Dealers, the Arrangers or the Agents accept any liability in relation to the information contained or incorporated by reference in this Offering Circular, any other information provided by the Issuer in connection with the Program or any other statement, made or purported to be made by an Arranger or a Dealer or any Agent or on its behalf in connection with the Issuer or the issue and offering of the Notes. Each Arranger, each Dealer and each Agent accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement. None of the Arranger, the Dealers or the Agents or any of their respective affiliates, directors or advisors undertakes to review the results of operations, financial condition or affairs of the Issuer or any of its affiliates during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Securities of any information coming to the attention of the Arranger, the Dealers or the Agents.

In making an investment decision, investors must rely on their own examination of the Issuer and the terms of the Notes being offered, including the merits and risks involved. The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities approved this Offering Circular or confirmed the accuracy or determined the adequacy of the information contained in this Offering Circular. Any representation to the contrary is unlawful.

None of the Dealers or the Issuer makes any representation to any investor in the Notes regarding the legality of its investment in the Notes under any applicable laws. The contents of this Offering Circular should not be construed as providing legal, business, accounting or tax advice. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

U.S. INFORMATION

The Notes may be offered and sold outside the United States to non-U.S. persons pursuant to Regulation S under the Securities Act ("**Regulation S**").

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to U.S. persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

The distribution of this Offering Circular and the offer, sale or delivery of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Offering Circular or any Notes come must inform themselves about, and observe, any such restrictions. The Notes have not been and will not be registered under the Securities Act, and include Notes that are in bearer form that are subject to U.S. tax law requirements and limitations. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Circular, see "*Subscription and Sale and Transfer and Selling Restrictions*" below.

MIFID II PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to Directive 2014/65/EU (as amended, "**MiFID II**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET

The applicable Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

NOTICE TO EEA RETAIL INVESTORS

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors" or otherwise specifies "Prohibition of Sales to EEA Retail Investors" as "Applicable", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

NOTICE TO UK RETAIL INVESTORS

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors" or otherwise specifies "Prohibition of Sales to UK Retail Investors" as "Applicable", such Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom (the **UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA or (iii) not a "qualified investor" as defined in Article 2 of the Prospectus Regulation as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

SINGAPORE INFORMATION

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B(1) OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE – The Pricing Supplement in respect of any Notes may include a legend entitled "*Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA")*" which will state the product classification of the Notes pursuant to Section 309B(1) of the Securities and Futures Act 2001 of Singapore (the "**SFA**"). The Issuer will make a determination in relation to each issue about the classification of the Notes being offered for purposes of Section 309B(1)(a) of the SFA. Any such legend included in the relevant Pricing Supplement will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the SFA.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT

Prospective investors should be aware that certain intermediaries in the context of certain offerings of the Notes pursuant to this Program (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" ("**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Hong Kong Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the SFC Code as having an association (an "**Association**") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer, or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the Issuer to all private banks for orders they place (other than in relation to the Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with the relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

NOTICE TO PERSONS IN THE UNITED KINGDOM

This Offering Circular is for distribution only to persons who (i) are outside the United Kingdom; (ii) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**")); (iii) fall within Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the Financial Promotion Order; or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as "**Relevant Persons**"). This Offering Circular is directed only at Relevant Persons and must not be acted or relied upon by persons who are not Relevant Persons. Any investment or investment activity to which this Offering Circular relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

KOREAN SELLING RESTRICTIONS

The Notes have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the "**FSCMA**"). Accordingly, the Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree), or to any other person for reoffering, resale or re-delivery, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, except as otherwise permitted by applicable Korean laws and regulations.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute "forward-looking statements", including statements regarding the Issuer's expectations and projections for future operating performance and business prospects. The words "believe", "expect", "anticipate", "estimate", "project", "will", "aim", "will likely result", "will continue", "intend", "plan", "contemplate", "seek to", "future", "objective", "goal", "should", "will pursue" and similar expressions or variations of these expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, without limitation, those regarding the Issuer's financial position and results, business strategy, plans and objectives of management for future operations, including development plans and objectives relating to the Issuer's products and services, are forward-looking statements. Such forward-looking statements and any other projections contained in this Offering Circular (whether made by the Issuer or any third party) involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from the future results, performance or achievements expressed or implied by forward-looking statements. Such forward-looking statements are based on current beliefs, assumptions, expectations, estimates and projections regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Among the important factors that could cause some or all of those assumptions not to occur or cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things, the Issuer's ability to successfully implement its business strategy, the condition of and changes in the Korean, Asian or global economies, future levels of non-performing assets, the Issuer's growth and expansion, changes in interest rates, changes in government regulations and strategies for maritime transport industry in Korea and in other jurisdictions where the Issuer may operate and competition in the maritime transport and ship financing industries. Additional factors that could cause the Issuer's actual results, performance or achievements to differ materially include, but are not limited to, those discussed

under "*Risk Factors*". Any forward-looking statements contained in this Offering Circular speak only as of the date of this Offering Circular. Each of the Issuer and the Dealers expressly disclaims any obligation or undertaking to release, publicly or otherwise, any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions, assumptions or circumstances on which any such statement was based.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Issuer is a corporation organized under the laws of Korea. All of the officers and directors named herein reside outside the United States and all or a substantial portion of the assets of the Issuer and its officers and directors are located outside the United States. As a result, it may not be possible for investors to effect service of process outside Korea upon the Issuer or such persons, or to enforce judgments against them obtained in courts outside Korea predicated upon civil liabilities of the Issuer or its directors and officers under laws other than Korean law, including any judgment predicated upon U.S. federal securities laws. The Issuer has been advised by Lee & Ko, its Korean counsel, that there is doubt as to the enforceability in Korea in original actions or in actions for enforcement of judgments of United States courts of civil liabilities predicated solely upon the federal securities laws of the United States.

CERTAIN DEFINED TERMS AND CONVENTIONS

The Issuer has prepared this Offering Circular using a number of conventions that should be considered when reading the information contained in this Offering Circular. References to the "**Company**", "**KOBC**" or the "**Issuer**" are to Korea Ocean Business Corporation, a statutory juridical entity established under the Korea Ocean Business Corporation Act, as amended (the "**KOBC Act**") or Korea Ocean Business Corporation and its consolidated subsidiaries collectively, indicated or as required by context. All references to "**FSS**" are to the Financial Supervisory Service of Korea, "**FSC**" are to the Financial Services Commission of Korea, "**MOF**" are to the Ministry of Oceans and Fisheries of Korea and "**MOEF**" are to the Ministry of Economy and Finance of Korea. References herein to "**Korea**" are to the Republic of Korea, and references to the "**Government**" are to the Government of Korea.

All references in this Offering Circular to "**U.S. dollars**"**,** "**dollars**", "**US$**" and "$" refer to the currency of the United States of America, all references to "**Won**" and "**₩**" refer to the currency of Korea, all references to "**€**", "**Euro**" and "**euro**" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended, and all references to "**Sterling**" and "**£**" refer to the currency of the United Kingdom. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding. The Issuer maintains its accounts in Won. No representation is made that the Won or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all. See "*Exchange Rates*".

Unless otherwise stated or the context otherwise requires, the financial data included in this Offering Circular are presented on a consolidated basis.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The Issuer maintains its financial books and records and prepares its financial statements in Won in accordance with the Korean equivalent of International Financial Reporting Standards ("**K-IFRS**"), which differ in certain significant respects from generally accepted accounting principles in other countries, including generally accepted accounting principles in the United States ("**U.S. GAAP**"). The Issuer has made no attempt to identify or quantify the impact of differences between K-IFRS and U.S. GAAP.

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In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilizing Manager(s) (or persons acting on behalf of any Stabilizing Manager(s)) in the applicable Pricing Supplement may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilization may not necessarily occur. Any stabilization action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilization action or over-allotment must be conducted by the relevant Stabilizing Manager(s) (or person(s) acting on behalf of any Stabilizing Manager(s)) in accordance with all applicable laws and rules.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated into, and to form part of, this Offering Circular:

(a) the publicly available English version of the most recently published audited consolidated annual financial statements and, if published later, the most recently published interim consolidated financial statements (if any) of the Issuer from time to time;

(b) each relevant Pricing Supplement; and

(c) all supplements or amendments to this Offering Circular circulated by the Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

The Issuer will provide, without charge, to each person to whom a copy of this Offering Circular has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its office set out at the end of this Offering Circular.

The Issuer will, in connection with the listing and quotation of the Notes on the Singapore Stock Exchange, so long as the rules of the Singapore Stock Exchange so require, in the event of any material change which is not reflected in this Offering Circular, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of the Notes to be listed on the Singapore Stock Exchange.

If the terms of the Program are modified or amended in a manner that would make this Offering Circular, as so modified or amended, inaccurate or misleading, a new offering circular will be prepared.

GENERAL DESCRIPTION OF THE PROGRAM

Under the Program, the Issuer may from time to time issue Notes denominated in any currency, subject to the terms and conditions as set out herein. A summary of the terms and conditions of the Program and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes and will be set out in the "*Terms and Conditions of the Notes*" endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Pricing Supplement attached to, or endorsed on, such Notes, as more fully described under "Form of the Notes" below.

This Offering Circular and any supplement will only be valid for the issue of Notes in an aggregate nominal amount of the Notes which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Program, does not exceed U.S.$5,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Program from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case on the basis of the spot rate for the sale of the U.S. dollar against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of Dual Currency Notes, Index Linked Notes and Partly Paid Notes (each as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Notes (in the case of Partly Paid Notes, regardless of the subscription price paid); and

(c) the U.S. dollar equivalent of Zero Coupon Notes (as specified in the applicable Pricing Supplement in relation to the relevant Notes, described under "*Form of the Notes*") and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

SUMMARY OF THE PROGRAM

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Pricing Supplement. Words and expressions defined in "Form of the Notes" and "Terms and Conditions of the Notes" below shall have the same meanings in this summary.

Issuer	Korea Ocean Business Corporation (Legal Entity Identifier: 988400706OU5BSJ8ZG26)
Description	Medium Term Note Program
Arranger	Citigroup Global Markets Limited
Dealers	BNP PARIBAS, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, Hong Kong Branch, The Hongkong and Shanghai Banking Corporation Limited, ING Bank N.V., Singapore Branch, J.P. Morgan Securities plc, The Korea Development Bank, Société Générale, Standard Chartered Bank and UBS AG Hong Kong Branch and any other Dealers appointed in accordance with the Program Agreement.
Certain Restrictions	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*") including the following restrictions applicable at the date of this Offering Circular. **Notes with a maturity of less than one year:** Notes having a maturity of less than one year from the date of issue will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent. See "*Subscription and Sale and Transfer and Selling Restrictions*".
Issuing and Paying Agent, Transfer Agent and Calculation Agent	Citibank, N.A., London Branch
Fiscal Agent and Registrar	Citicorp International Limited
Program Size	Up to U.S.$5,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Program*") outstanding at any time. The Issuer may increase the amount of the Program in accordance with the terms of the Program Agreement.
Distribution	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.
Currencies	Subject to any applicable legal or regulatory restrictions, any currency agreed between the Issuer and the relevant Dealer.

Redenomination	The applicable Pricing Supplement may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination are contained in Condition 5.
Maturities	Such maturities as may be agreed between the Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.
Issue Price	Notes may be issued on a fully paid or a partly paid basis and at an issue price which is at par or at a discount to, or premium over, par.
Form of Notes	The Notes will be issued in registered form or in bearer form as described in "*Form of the Notes*." Registered Notes will not be exchangeable for Bearer Notes and vice versa.
Fixed Rate Notes	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction (as defined in "*Terms and Conditions of the Notes*") as may be agreed between the Issuer and the relevant Dealer.
Floating Rate Notes.....	Floating Rate Notes will bear interest at a rate determined: i. on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of Notes of the relevant Series); or ii. on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or iii. on such other basis as may be agreed between the Issuer and the relevant Dealer, all as indicated in the applicable Pricing Supplement. The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.
Index Linked Notes.....	Payments of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or to such other factors as the Issuer and the relevant Dealer may agree, to the extent permitted by applicable law.

Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes.....	Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes and Index Linked Interest Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer.
Dual Currency Notes.....	Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer may agree.
Zero Coupon Notes.....	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.
Change of Control.....	Upon the occurrence of a Change of Control, each holder of Notes will have the right to require the Issuer to redeem all or any part of such holder's Notes at a redemption price equal to 100% of the principal amount thereof plus accrued but unpaid interest, if any, to the date of redemption, as further described in Condition 8(d)(i).
Redemption.....	The applicable Pricing Supplement will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified installments, if applicable, or for taxation reasons or following an occurrence of a Change of Control or an Event of Default (each as defined in "*Terms and Conditions of the Notes*"), or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders (as defined in "*Terms and Conditions of the Notes*") upon giving notice to the Noteholders or the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer. The applicable Pricing Supplement may provide that the Notes may be redeemable in two or more installments of such amounts and on such dates as are indicated in the applicable Pricing Supplement.
Denomination of Notes.....	The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency. Unless otherwise stated in the applicable Pricing Supplement, the minimum denomination of each Definitive IAI Registered Note will be U.S.$500,000 or its approximate equivalent in other Specified Currencies.
Taxation.....	All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by a Tax Jurisdiction (as defined in "*Terms and Conditions of the Notes*"), subject as provided in Condition 9. In the event that any such deduction is made, the Issuer will, save in certain limited circumstances provided in Condition 9, be required to pay additional amounts to cover the amounts so deducted.

Certain Covenants	The terms of the Notes will contain a negative pledge provision and certain other covenants, as further described in Condition 4.
Cross Default	The terms of the Notes will contain a cross default provision as further described in Condition 11.
Status of the Notes	The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured general obligations of the Issuer and will rank *pari passu*, without any preference among themselves and (except for certain obligations required to be preferred by applicable law) equally with all other unsecured (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.
Listing	Approval in-principle has been received from the Singapore Stock Exchange in connection with the Program and application will be made for the listing and quotation of Notes that may be issued pursuant to the Program and which are agreed, at or prior to the time of issue thereof, to be so listed on the Singapore Stock Exchange. For so long as any Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, such Notes, if traded on the Singapore Stock Exchange, will be traded in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies). The Notes may also be listed on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The applicable Pricing Supplement will state whether or not the relevant Notes are to be listed or admitted to trading and, if so, on which stock exchange(s).
Governing Law	The Notes will be governed by, and construed in accordance with, New York law.
Notes Issued as Green, Social or Sustainability Bonds	The applicable Pricing Supplement may indicate that the Notes are being issued as Green Bonds, Social Bonds or Sustainability Bonds" in accordance with the Issuer's Sustainable Finance Framework. See "*Use of Proceeds*."
Selling Restrictions	There are restrictions on the offer, sale and transfer of the Notes in the United States of America, the EEA, the United Kingdom, Japan, Hong Kong, Singapore, Switzerland and Korea and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes. See "*Subscription and Sale and Transfer and Selling Restrictions*."

FORM OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States to non-U.S. persons in reliance on Regulation S and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or Regulation D under the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be in bearer form and will be initially issued in the form of either a temporary bearer global note (a "**Temporary Bearer Global Note**") or a permanent bearer global note (a "**Permanent Bearer Global Note**") as indicated in the applicable Pricing Supplement, which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). While any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Issuing and Paying Agent ("**non-U.S. beneficial ownership certification**").

On and after the date (the "**Exchange Date**") which is 40 days after the Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Pricing Supplement and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Pricing Supplement), in each case against non-U.S. beneficial ownership certification as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused. For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that a Temporary Bearer Global Note is exchanged for definitive Bearer Notes, the Issuer will appoint and maintain a paying agent in Singapore (the "**Singapore Paying Agent**"), where the definitive Bearer Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Temporary Bearer Global Note is exchanged for definitive Bearer Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive Bearer Notes, including details of the Singapore Paying Agent.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any further requirement for certification beyond the initial non-U.S. beneficial ownership certification as described above.

The applicable Pricing Supplement will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Issuing and Paying Agent as described therein or (ii) only upon the occurrence of an Exchange Event. In the case of definitive Bearer notes that are issued in exchange for any Permanent Bearer Global Notes, such exchange shall only be permitted if the definitive Bearer Notes are issued in integral multiples of the Specified Denomination. For these purposes, an "**Exchange Event**" means

that (i) an Event of Default (as defined in Condition 11) has occurred and is continuing, (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no alternative clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive form (provided that, in certain circumstances where the Notes are held through Euroclear and Clearstream, Luxembourg, such adverse tax consequences are the result of a change in, or amendment to, the laws and regulations (taxation or otherwise) of a Tax Jurisdiction). For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that a Permanent Bearer Global Note is exchanged for definitive Bearer Notes, the Issuer will appoint and maintain a Singapore Paying Agent, where the definitive Bearer Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Permanent Bearer Global Note is exchanged for definitive Bearer Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive Bearer Notes, including details of the Singapore Paying Agent. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Issuing and Paying Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Issuing and Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Issuing and Paying Agent.

The following legend will appear on all Bearer Notes that have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY U.S. PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes.

Notes that are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

The Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a global note in registered form (a "**Regulation S Global Note**"). Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Regulation S Global Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions (i) to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") or (ii) to "accredited investors" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions ("**Institutional Accredited Investors**") who agree to purchase the Notes for their own account and not with a view to the distribution thereof. The Registered Notes of each Tranche sold to QIBs will be represented by a global note in registered form (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

The Registered Global Notes will either (a) be deposited with a custodian for, and registered in the name of a nominee of, the Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream, Luxembourg or (b) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Pricing

Supplement. Persons holding beneficial interests in the Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of definitive Notes in fully registered form. The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof ("**Definitive IAI Registered Notes**"). Unless otherwise set forth in the applicable Pricing Supplement, Definitive IAI Registered Notes will be issued only in minimum denominations of U.S.$500,000 and integral multiples of U.S.$1,000 in excess thereof (or the approximate equivalents in the applicable Specified Currency). Definitive IAI Registered Notes will be subject to the restrictions on transfer set forth therein and will bear the restrictive legend described under "*Subscription and Sale and Transfer and Selling Restrictions*." Institutional Accredited Investors that hold Definitive IAI Registered Notes may elect to hold such Notes through DTC, but transferees acquiring the Notes in transactions exempt from Securities Act registration pursuant to Regulation S or Rule 144 under the Securities Act (if available) may do so upon satisfaction of the requirements applicable to such transfer as described under "*Subscription and Sale and Transfer and Selling Restrictions*." The Rule 144A Global Note and the Definitive IAI Registered Notes will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Payments of principal, interest and any other amount in respect of the Registered Global Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 7(d)) as the registered holder of the Registered Global Notes. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Notes in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 7(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, an "**Exchange Event**" means that (a) an Event of Default has occurred and is continuing, (b) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act, (c) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (d) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Registered Global Note in definitive form (provided that, in certain circumstances where the Notes are held through Euroclear and Clearstream, Luxembourg, such adverse tax consequences are the result of a change in, or amendment to, the laws and regulations (taxation or otherwise) of a Tax Jurisdiction).

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that a Registered Global Note is exchanged for definitive Registered Notes, the Issuer will appoint and maintain a Singapore Paying Agent, where the definitive Registered Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Registered Global Note is exchanged for definitive Registered Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive Registered Notes, including details of the Singapore Paying Agent. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (d) above, the Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than ten days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note or in the form of a Definitive IAI Registered Note and Definitive IAI Registered Notes may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such Notes in the form of an interest in a Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*."

General

Pursuant to the Agency Agreement (as defined under "*Terms and Conditions of the Notes*"), the Issuing and Paying Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until at least the expiry of the Distribution Compliance Period applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note (as defined in "*Terms and Conditions of the Notes"*) held on behalf of Euroclear and/or Clearstream, Luxembourg each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions "Noteholder" and "holder of Notes" and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and such Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear, Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

The Notes may be accelerated by the holder thereof in certain circumstances described in Condition 11. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the terms and conditions of such Notes and payment in full of the amount due has not been made in accordance with the provisions of the Global Note, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

For so long as the Notes are listed on the Singapore Stock Exchange and the rules of the Singapore Stock Exchange so require, in the event that a Global Note is exchanged for definitive Notes, the Issuer will appoint and maintain a Singapore Paying Agent, where the definitive Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the Singapore Stock Exchange and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Singapore Paying Agent.

FORM OF PRICING SUPPLEMENT

Set out below is the form of Pricing Supplement that will be completed for each Tranche of Notes issued under the Program.

[Date]

Korea Ocean Business Corporation

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$5,000,000,000 Medium Term Note Program

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [*Include if the Pricing Supplement specifies "Prohibition of Sales to EEA Retail Investors" as "Applicable"*]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the Financial Services and Markets Act 2000 (the "**FSMA**") to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.] [*Include if the Pricing Supplement specifies "Prohibition of Sales to UK Retail Investors" as "Applicable"*]

[**MIFID II PRODUCT GOVERNANCE/RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); EITHER [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management[,/and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]

[**UK MIFIR PRODUCT GOVERNANCE/RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECPS) TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "**EUWA**"), and eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"); EITHER [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] OR [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice[,/and] portfolio management [,/and][non-advised sales] [and pure execution services][, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]]. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable.]

[**Notification under Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (the "SFA") –** the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are [prescribed capital markets products]/[capital markets products other than prescribed capital markets products] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and [Excluded Investment Products]/[Specified Investment Products] (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).][1]

The Notes have not been registered with the Financial Services Commission of Korea under the Financial Investment Services and Capital Markets Act of Korea. Accordingly, the Notes may not be offered, delivered, or sold directly or indirectly in Korea or to any resident of Korea (as defined in the Foreign Exchange Transaction Law of Korea and the regulations thereunder) or to others for re-offering or resale directly or indirectly in Korea or to any resident of Korea except as otherwise permitted under applicable Korean laws and regulations.

Any person making or intending to make an offer of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to either of Article 3 of the Prospectus Regulation or section 85 of the FSMA or supplement a prospectus pursuant to either of Article 23 of the Prospectus Regulation or Article 23 of the UK Prospectus Regulation, in each case, in relation to such offer.

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the conditions set forth in the Offering Circular dated April 11, 2025. This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.*]

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular dated [*current date*], except in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.

[1] To be inserted if the Notes will be offered to investors in Singapore; for any Notes to be offered to Singapore investors, the Issuer to determine the classification of the Notes pursuant to Section 309B of the SFA prior to the launch of the offer.

[*Include whichever of the following apply or specify as* "*Not Applicable*". *Note that the numbering should remain as set out below, even if* "*Not Applicable*" is indicated for individual paragraphs or subparagraphs. *Italics denote directions for completing the Pricing Supplements.*]

1.	Issuer:	Korea Ocean Business Corporation
	LEI Code:	988400706OU5BSJ8ZG26
2.	(i) Series Number:	[●]
	(ii) Tranche Number:	[●] (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*)
	(iii) Re-opening:	[Yes/No] [*Specify terms of initial or eventual fungibility*]
3.	Specified Currency or Currencies:	[●]
4.	Aggregate Nominal Amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5.	(i) Issue Price:	[●] % of the Aggregate Nominal Amount [plus accrued interest from [Issue Date] *(in the case of fungible issues only, if applicable)*]
	(ii) Net proceeds: (*required only for listed issues*)	[●]
	(iii) Use of proceeds:	[●]
6.	(i) Specified Denominations: (*in the case of Registered Notes, this means the minimum integral amount in which transfers can be made*)	[●]
	(ii) Calculation Amount:	[●]
7.	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[●]
8.	Maturity Date:	[Fixed rate – *specify date*] [Floating rate – Interest Payment Date falling in [*specify months and year*]
9.	Interest Basis:	[[●] % Fixed Rate] [[*specify reference rate*][2] +/- [●]% Floating Rate] [Zero Coupon] [Index Linked Interest] [Dual Currency Interest] [*specify other*] (further particulars specified below)

[2] Parties to consider the various IBOR cessation dates and the maturity date of the Notes in selecting a Reference Rate.

10.	Redemption/Payment Basis:	[Redemption at par] [Dual Currency Redemption] [Partly Paid] [Installment] [*specify other*]
11.	Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.	Put (other than Condition 8(d)(i))/Call Options:	[Investor Put] [Issuer Call] [(*further particulars specified below*)]
13.	(a) Status of the Notes:	[Senior]
	[(b) Date of [the Issuer's Board] approval for the issues of Notes obtained:]	[●] *(N.B. Only relevant where Board (or similar) authorization is required for the particular tranche of Notes)*
14.	Listing:	[Singapore Exchange Securities Trading Limited/*specify other*/None][3]
15.	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[●]% per annum [payable [annually/semi-annually/quarterly] in arrears] *(If payable other than annually, consider amending Condition 6)*
	(ii) Interest Payment Date(s):	[●] in each year up to and including the Maturity Date [adjusted in accordance with [*specify Business Day Convention*]/[*not adjusted*]/[*specify other*]]
	(iii) Fixed Coupon Amount(s):	[●] per Calculation Amount
	(iv) Broken Amount(s):	[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount*]
	(v) Day Count Fraction:	[30/360 or Actual/Actual (ICMA) or [*specify other*]]
	(vi) Determination Date(s):	[●] in each year [*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon* *NB: This will need to be amended in the case of regular interest payment dates which are not of equal duration. NB: Only relevant where Day Count Fraction is Actual/Actual (ICMA)*]

[3] For SGX-ST listing: For drawdowns based on the offering circular dated April 11, 2025, please note that if the Issuer's audited financials for FY2025 has since become available, this should be appended in full to the pricing supplement.

	(vii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
17.	Floating Rate Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Specified Period(s)/Specified Interest Payment Dates:	[●]
	(ii) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(iii) Applicable Business Center(s):	[*give details*]
	(iv) Manner in which the Rate of Interest and Interest Amount is to be determined:	[Screen Rate Determination/ISDA Determination/*specify other*]
	(v) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Issuing and Paying Agent):	[●]
	(vi) Screen Rate Determination:	
	– Reference Rate:	[●] *(Either EURIBOR, SOFR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
	– Interest Determination Date(s):	[●] *(Second day on which the T2 is open prior to the start of each Interest Period if EURIBOR)*
	– Relevant Screen Page:	[●] *(In the case of EURIBOR, if not Reuters Page EURIBOR 01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
	– SOFR Benchmark:	[Not Applicable/Compounded Daily SOFR/SOFR Index] (*Only applicable where the Reference Rate is SOFR Benchmark*)
	– Compounded Daily SOFR:	[Not Applicable/SOFR Lag/SOFR Observation Shift] (*Only applicable in the case of Compounded Daily SOFR*)
	– Lookback Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Lag*)
	– SOFR Observation Shift Days:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Observation Shift or SOFR Index*)
	– SOFR $\text{Index}_{\text{Start}}$:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Index*)

	– SOFR $Index_{End}$:	[Not Applicable/[●] U.S. Government Securities Business Day(s)] (*Only applicable in the case of SOFR Index*)
	(vii) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	(viii) Margin(s):	[+/-][●]% per annum
	(ix) Minimum Rate of Interest:	[●]% per annum
	(x) Maximum Rate of Interest:	[●]% per annum
	(xi) Day Count Fraction:	[Actual/365, Actual/365 (Fixed), Actual/365 (Sterling), Actual/360, 30/360, 30E/360, Other] *(See Condition 6 for alternatives)*
	(xii) Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]
18.	Zero Coupon Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Accrual Yield:	[●]% per annum
	(ii) Reference Price:	[●]
	(iii) Any other formula/basis of determining amount payable:	[●] *(Consider applicable day count fraction if euro denominated)*
	(iv) Day Count Fraction in relation to Early Redemption Amount and Late Payment on Zero Coupon Notes:	[Condition 8(e)(iii) and Condition 8(j) apply/*specify other*] *(Consider applicable day count fraction if not U.S. dollar denominated)*
19.	Index Linked Interest Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Index/Formula:	[*give or annex details*]
	(ii) Calculation Agent responsible for calculating the interest due:	[●]
	(iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	[●]
	(iv) Specified Period(s)/Specified Interest Payment Dates:	[●]

	(v) Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
	(vi) Applicable Business Center(s):	[*give details*]
	(vii) Minimum Rate of Interest:	[●]% per annum
	(viii) Maximum Rate of Interest:	[●]% per annum
	(ix) Day Count Fraction:	[●]
20.	Dual Currency Note Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest payable:	[●]
	(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv) Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Specified Denomination
	(iii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Higher Redemption Amount:	[●]
	(iv) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent)*

22.	Investor Put (other than Condition 8(d)(i)):	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Specified Denomination
	(iii) Notice period (if other than as set out in the Conditions):	[●] *(N.B. If setting notice periods which are different from those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Issuing and Paying Agent)*
23.	Final Redemption Amount of each Note:	[Par/*specify other*]
24.	Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 8(e)):	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	Form of Notes:	[Bearer Notes: [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Temporary Bearer Global Note exchangeable for Definitive Notes on and after the Exchange Date] [Permanent Bearer Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]] [Registered Notes: Regulation S Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note (U.S.$[●] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg]/Definitive IAI Registered Notes (*specify nominal amounts*)]

26.	Applicable Financial Center(s) or other special provisions relating to Payment Dates:	[*give details*] *(Note that this item relates to the place of payment and not Interest Period end dates to which items 17(iii) and 19(vi) relate)*
27.	Talons for future Coupons or Receipts to be attached to Definitive Bearer Notes (and dates on which such Talons mature):	[Yes/No] [*If yes, give details*]
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/*give details.*] [*NB: new forms of Global Note(s) may be required for Partly Paid issues.*]
29.	Details relating to Installment Notes: amount of each installment, date on which each payment is to be made:	[Not Applicable/*give details*]
30.	Redenomination applicable:	Redenomination [not] applicable. [*If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates)] [If Redenomination is applicable, specify the terms of the redenomination in an Annex to the Pricing Supplement)*]
31.	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

32.	(i) If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii) Stabilizing Manager (if any):	[Not Applicable/*give names*]
33.	If non-syndicated, name of relevant Dealer:	[●]
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[TEFRA D/TEFRA C/TEFRA not applicable]
35.	Prohibition of sales to EEA retail investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a key information document will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the EEA, "Applicable" should be specified.)*

36.	Prohibition of sales to UK retail investors:	[Applicable/Not Applicable] *(If the Notes clearly do not constitute "packaged" products, or the Notes do constitute "packaged" products and a key information document will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no key information document will be prepared in the UK, "Applicable" should be specified.)*
37.	Additional selling restrictions:	[Not Applicable/*give details*] (*If Item 34 confirms that either TEFRA C or TEFRA D applies, then specify each of the selling restrictions and representations that should be complied with to ensure that the issuance of Notes is U.S. Treas. Reg. § 1.163-5(c)(2)(i)(C) (i.e., TEFRA C) or U.S. Treas. Reg. § 1.163-5(c)(2)(i)(D) (i.e., TEFRA D) compliant, as applicable*)

OPERATIONAL INFORMATION

38.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
39.	Delivery:	Delivery [against/free of] payment
40.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York:	[Not Applicable/*give location*]
41.	Additional Paying Agent(s) (if any):	[●]
42.	ISIN:	[●]
	Common Code:	[●]
	CUSIP:	[●]
	(insert here any other relevant codes such as CINS)	

[HONG KONG SFC CODE OF CONDUCT[4]

43.	Rebates:	[A rebate of [●] bps is being offered by the [Issuer] to all private banks for orders they place (other than in relation to [Bonds/Notes/Securities] subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of this offering based on the principal amount of the [Bonds/Notes/Securities] distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate.]/[Not Applicable]
44.	Contact email addresses of the Overall Coordinators where the underlying investor information in relation to omnibus orders should be sent:	[Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide]/[Not Applicable]
45.	Marketing and Investor Targeting Strategy:	[*If different from the program OC*]]

PROVISION RELATING TO GREEN, SOCIAL OR SUSTAINABILITY BOND

46.	(i)	Green Bond, Social Bond or Sustainability Bond:	[Not Applicable/[Green Bond/Social Bond Bond/Sustainability Bond]]
	[(ii)	Reviewer(s):]	[Name of sustainability rating agency(ies) [and name of third-party assurance agent] and [give details of compliance opinion(s) and availability]]

[**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.$5,000,000,000 Medium Term Note Program of Korea Ocean Business Corporation.

The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Pricing Supplement. Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Program or the Notes.]

[Application will be made for the Notes to be recognized under the SGX Sustainable Fixed Income initiative on the SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income

[4] For an MTN drawdown involving in-scope managers, parties may decide to have a preliminary pricing supplement which can be distributed to other CMIs and investors containing the relevant Hong Kong SFC Code of Conduct information. If no preliminary pricing supplement is available for the MTN drawdown, or for EU/UK PR-compliant programs, in-scope managers may consider other ways in which to facilitate compliance with paragraph 21 requirements (e.g. BBG messages, bilateral communications with investors, attaching a standalone "Notice to Investors" page to the front of any marketing materials).

initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, the SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.][5]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement, which, when read together with the Offering Circular [and the supplemental Offering Circular] referred to above, contains all information that is material in the context of the issue of the Notes.

Signed on behalf of the Issuer:

By: _____
Duly authorized signatory
Name:
Title:

If the applicable Pricing Supplement specifies any modification to the Terms and Conditions of the Notes as described herein, it is envisaged that, to the extent that such modification relates only to Conditions 1, 5, 6, 7, 8 (except Condition 8(b)), 12, 13, 14, 15 (insofar as such Notes are not listed or admitted to trading on any stock exchange) or 17, they will not necessitate the preparation of a supplement to this Offering Circular. If the Terms and Conditions of the Notes of any Series are to be modified in any other respect, a supplement to this Offering Circular will be prepared, if appropriate.

[5] For SGX-ST listing – To include this paragraph if the Notes are green/social/sustainability Notes and the Issuer intends to apply for recognition under SGX's Sustainable Fixed Income initiative.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Pricing Supplement in relation to any Tranche of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with the following Terms and Conditions, replace or modify the following Terms and Conditions for the purpose of such Notes. The applicable Pricing Supplement (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of the Notes" for a description of the content of the Pricing Supplements which will specify which of such terms are to apply in relation to the relevant Notes. Reference herein to "Condition" shall be to the Terms and Conditions set forth below.

This Note is one of a Series (as defined below) of Notes issued by Korea Ocean Business Corporation (the "**Company**" or the "**Issuer**") pursuant to the terms of the Agency Agreement (as defined below).

References herein to the "**Notes**" shall be references to the Notes of this Series and shall mean:

(i) in relation to any Notes represented by a global Note (a "**Global Note**"), units of the lowest Specified Denomination in the Specified Currency;

(ii) any Global Note;

(iii) any definitive Notes in bearer form ("**Bearer Notes**") issued in exchange for a Global Note in bearer form; and

(iv) any definitive Notes in registered form ("**Registered Notes**") (whether or not issued in exchange for a Global Note in registered form).

The Notes, the Receipts (as defined below) and the Coupons (as defined below) are issued pursuant to, and have the benefit of the agency agreement dated April 12, 2023 (as further amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") among the Company, Citibank, N.A., London Branch as the Issuing and Paying Agent, Transfer Agent and Calculation Agent and Citicorp International Limited as the Fiscal Agent and Registrar (collectively, including any successors thereto or additional such agent appointed pursuant to the terms of the Agency Agreement, the "**Agents**").

Interest-bearing definitive Bearer Notes have (unless otherwise indicated in the applicable Pricing Supplement) interest coupons ("**Coupons**") and, if indicated in the applicable Pricing Supplement, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in installments have receipts ("**Receipts**") for the payment of the installments of principal (other than the final installment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Pricing Supplement for this Note (or the relevant provisions thereof) is attached to or endorsed on this Note and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, replace or modify these Terms and Conditions for the purposes of this Note. References to the "**applicable Pricing Supplement**" are to the Pricing Supplement (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts, and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (a) expressed to be consolidated and form a single series and (b) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

Copies of the Agency Agreement are available for inspection during normal business hours (being between 9:00 a.m. and 3:00 p.m.) at the specified office of the Issuing and Paying Agent with prior written notice and satisfactory proof of holding. Copies of the applicable Pricing Supplement are obtainable during normal business hours (being between 9:00 a.m. and 3:00 p.m.) at the specified office of the Issuing and Paying Agent with prior written notice except that, if this Note is an unlisted Note of any Series, the applicable Pricing Supplement will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the Issuing and Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the Pricing Supplement which are applicable to them. The statements in these Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Pricing Supplement shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and **provided that**, in the event of inconsistency between the Agency Agreement and the applicable Pricing Supplement or between the Terms and Conditions and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

1. FORM, DENOMINATION AND TITLE

The Notes may be in bearer form or in registered form as specified in the applicable Pricing Supplement and, in the case of definitive Notes, will be serially numbered, in the Specified Currency and the Specified Denomination(s). Except as provided in Condition 2, Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination, and Bearer Notes may not be exchanged for Registered Notes and vice versa. The Notes of one Series may not comprise both Notes in bearer form and Notes in registered form.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, a Dual Currency Interest Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Pricing Supplement.

This Note may be an Installment Note, a Dual Currency Redemption Note, a Partly Paid Note or a combination of any of the foregoing, depending on the Redemption/Payment Basis shown in the applicable Pricing Supplement.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank S.A./N.V. ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), each person (other than Euroclear or Clearstream) who is for the time being shown in the records of Euroclear or of Clearstream as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as The Depository Trust Company ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Agency Agreement and the Notes except to the extent that in accordance with DTC's published rules and procedures any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes that are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, as the case may be. References to DTC, Euroclear and/or Clearstream shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Pricing Supplement.

2. TRANSFERS OF REGISTERED NOTES

(a) Transfers of Interests in Registered Global Notes

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Notes in definitive form or for a beneficial interest in another Registered Global Note only in the authorized denominations set out in the applicable Pricing Supplement and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) Transfers of Registered Notes in Definitive Form

Subject as provided in paragraphs (e), (f) and (g) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part in the authorized denominations set out in the applicable Pricing Supplement. In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Note for registration of the transfer of the Registered Note or the relevant part of the Registered Note at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorized in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 8 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations),

authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of Transfer upon Partial Redemption

In the event of a partial redemption of Notes under Condition 8, the Issuer shall not be required to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

(d) Costs of Registration

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of Interests in Regulation S Global Notes

Prior to expiry of the applicable Distribution Compliance Period (as defined below), transfers by the holder of, or of a beneficial interest in, a Regulation S Global Note to a transferee in the United States or who is a U.S. person will only be made:

(i) upon receipt by the Registrar of a written certification substantially in the form set out in Schedule 6 to the Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made:

(A) to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

(B) to a person who is an Institutional Accredited Investor, in which case the Transfer Certificate must be accompanied by a duly executed investment letter from the relevant transferee substantially in the form set out in Schedule 7 to the Agency Agreement (an "**IAI Investment Letter**"); or

(ii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

In the case of (A) above, such transferee may take delivery through a Legended Note (as defined below) in global or definitive form and, in the case of (B) above, such transferee may take delivery only through a Legended Note in definitive form. After expiry of the applicable Distribution Compliance Period (i) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (ii) such certification requirements will no longer apply to such transfers.

(f) Transfers of Interests in Legended Notes

Transfers of Legended Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that in the case of a Regulation S Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream; or

(ii) to a transferee who takes delivery of such interest through a Legended Note:

(A) where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(B) where the transferee is an Institutional Accredited Investor, subject to delivery to the Registrar of a Transfer Certificate from the transferor to the effect that such transfer is being made to an Institutional Accredited Investor, together with a duly executed IAI Investment Letter from the relevant transferee; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any state of the United States,

and, in each case, in accordance with any applicable securities laws of any state of the United States or any other jurisdiction.

Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non-U.S. investors through DTC, Euroclear or Clearstream, as appropriate, and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate Registered Global Note, where applicable.

Upon the transfer, exchange or replacement of Legended Notes, or upon specific request for removal of the Legend, the Registrar shall deliver only Legended Notes or refuse to remove the Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

(g) Exchanges and Transfers of Registered Notes Generally

Holders of Registered Notes in definitive form, other than Institutional Accredited Investors, may exchange such Notes for interests in a Registered Global Note of the same type at any time.

(h) Definitions

In this Condition, the following expressions shall have the following meanings:

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue);

"**Institutional Accredited Investor**" means "**accredited investors**" (as defined in Rule 501(a)(1), (2), (3) or (7) under the Securities Act) that are institutions;

"**Legended Note**" means Registered Notes in definitive form that are issued to Institutional Accredited Investors and Registered Notes (whether in definitive form or represented by a Registered Global Note) sold in private transactions to QIBs in accordance with the requirements of Rule 144A;

"**QIB**" means a "**qualified institutional buyer**" within the meaning of Rule 144A;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulation S Global Note**" means a Registered Global Note representing Notes sold outside the United States in reliance on Regulation S;

"**Rule 144A**" means Rule 144A under the Securities Act;

"**Rule 144A Global Note**" means a Registered Global Note representing Notes sold in the United States or to QIBs; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. STATUS OF NOTES

The Notes and any relative Receipts and Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 4 (Certain Covenants)) unsecured obligations of the Issuer and rank pari passu among themselves and (except for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

4. CERTAIN COVENANTS

(a) Negative Pledge

So long as any of the Notes of this Series remains outstanding, the Company will not itself, and will not permit any Principal Subsidiary (as defined below) to, create or permit to be outstanding any mortgage, charge, lien, pledge or other security interest ("**Security**") upon the whole or part of its property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below) (i) payment of any sum due in respect of any such International Investment Securities or (ii) any payment under any guarantee of any such International Investment Securities or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities, without in any such case at the same time, according to the Notes of this Series and the Receipts and Coupons applicable thereto, either the same security as is granted to or is outstanding in respect of such International Investment Securities, guarantee, indemnity or other like obligation or such other security as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) passed at a meeting of the holders of Notes of this Series.

The foregoing shall not operate to restrict or prohibit the creation or existence of any Security consisting of a security interest solely in Receivables (as defined below) securing payment of interest or principal of, payment under any guarantee of, or payment under any indemnity relating to, any International Investment Securities issued by a wholly-owned Subsidiary (or another Person in which the Company or any Principal Subsidiary makes an investment and to which the Company or any Principal Subsidiary transfers Receivables and related assets).

(b) Consolidation, Merger and Sale of Assets

The Issuer, without the consent of the Noteholders, may consolidate with, or merge into, or sell, transfer, lease or convey its assets as an entirety or substantially as an entirety to any corporation; provided that (i) any successor corporation expressly assumes the applicable obligations of the Issuer under the Notes and the Agency Agreement (ii) after giving effect to the transaction, with respect to the Issuer or any such successor corporation, no Event of Default (as defined below) and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing and (iii) the Issuer has delivered to the Issuing and Paying Agent a certificate executed by a duly authorized officer of the Issuer and an opinion of counsel as to matters of law stating that such consolidation, merger, sale, transfer, lease or conveyance and, if a supplemental agency agreement is required in connection with such transaction, such supplemental agency agreement comply with the Agency Agreement and the Notes and that all conditions precedent herein provided for relating to such transaction have been complied with.

(c) Provision of Information to Noteholders

The Issuer covenants that for so long as any of the Notes are "restricted securities" within the meaning of Rule 144 under the Securities Act, it will, at any time when it is not subject to either the periodic reporting requirements of Section 13 or Section 15(d) of the Exchange Act or the requirements of Rule 12g3-2(b) thereunder, provide to any Noteholder or prospective purchaser of Notes designated by such Noteholder, upon the request of such Noteholder or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act.

(d) Certain Definitions

In this Condition, the following expressions shall have the following meanings:

"**International Investment Securities**" means notes, debentures, bonds or investment securities of the Company or any Principal Subsidiary, as the case may be, which:

(i) either are by their terms payable, or confer a right to receive payment, in any currency other than Won or are denominated in Won and more than 50% of the aggregate principal amount thereof is initially distributed outside Korea by or with the authorization of the Company or the relevant Principal Subsidiary, as the case may be; and

(ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market outside Korea.

"**Person**" means any individual, corporation, company, firm, tribunal, undertaking, association, organization, partnership, joint venture, trust, limited liability company, unincorporated organization or government or any agency, instrumentality or political subdivision thereof; in each case whether or not being a separate legal entity.

"**Principal Subsidiary**" means:

(i) any Subsidiary (as defined below) of the Company:

(A) whose net sales, as shown by the then latest audited financial statements or accounts (consolidated where applicable, but without intercompany adjustments for consolidation with the Company) of such Subsidiary, constitute at least 10% of the consolidated net sales of the Company as shown by the then latest audited consolidated accounts of the Company; or

(B) whose total assets, as shown by the then latest audited financial statements or accounts (consolidated where applicable, but without intercompany adjustments for consolidation with the Company) of such Subsidiary, constitute at least 10% of the total consolidated assets of the Company as shown by the then latest audited consolidated accounts of the Company;

(ii) provided that:

(A) in the case of a Subsidiary acquired, or a company becoming a Subsidiary, after the end of the financial period to which the latest audited consolidated accounts of the Company relate, the reference to the then latest audited consolidated accounts of the Company for the purposes of the calculation above shall, until audited consolidated accounts of the Company for the financial period in which the acquisition is made or, as the case may be, in which the relevant company becomes a Subsidiary are published, be deemed to be a reference to the then latest audited consolidated accounts of the Company adjusted to consolidate the last audited accounts (consolidated where applicable) of such Subsidiary in such accounts;

(B) if at any relevant time in relation to the Company or any Subsidiary in respect of which financial consolidation is relevant no consolidated accounts are prepared and audited, net sales and total assets of the Company and/or any such Subsidiary shall be determined on the basis of pro-forma consolidated accounts prepared for this purpose by the auditors for the time being of the Company;

(C) if at any relevant time in relation to any Subsidiary no accounts are audited, its net sales and total assets (consolidated where applicable, but without intercompany adjustments for consolidation with the Company) shall be determined on the basis of pro-forma accounts (consolidated where applicable, but without intercompany adjustments for consolidation with the Company) of the relevant Subsidiary prepared for this purpose by the auditors for the time being of the Company; and

(D) if the accounts of any Subsidiary (not being a Subsidiary referred to in proviso (1) above) are not consolidated with those of the Company, then the determination of whether or not such Subsidiary is a Principal Subsidiary shall be based on a pro-forma consolidation of its accounts (consolidated where applicable, but without intercompany adjustments for consolidation with the Company) with the then latest consolidated audited accounts (determined on the basis of the foregoing) of the Company; or

(E) any Subsidiary of the Company to which is transferred all or substantially all of the assets of a Subsidiary which immediately prior to such transfer was a Principal Subsidiary, provided that the Principal Subsidiary which so transfers its assets shall forthwith upon such transfer cease to be a Principal Subsidiary.

"**Receivable**" means a right to receive payment arising from a sale or lease of goods or the performance of services by a Person pursuant to an arrangement with another Person pursuant to which such other Person is obligated to pay for such goods or services under terms that permit the purchase of such goods and services on credit.

"**Subsidiary**" means, at any particular time, (i) any person at least 50% of whose issued equity share capital (or equivalent) is then beneficially owned, by the Company, (ii) any person which is then directly or indirectly controlled by the Company or (iii) any subsidiary subject to consolidation with the Company's financial statements under accounting principles generally accepted in Korea. For a person to be "**controlled**" by another means that the other (whether directly or indirectly and whether by the ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove a majority of the members of the board of directors or other governing body of that person or otherwise controls or has the power to control the affairs and policies of that person.

5. REDENOMINATION

(a) Redenomination

Where redenomination is specified in the applicable Pricing Supplement as being applicable, the Issuer may, without the consent of the Noteholders, the Receiptholders and the Couponholders, on giving prior notice to the Issuing and Paying Agent, DTC, Euroclear and Clearstream and at least 30 days' prior notice to the Noteholders in accordance with Condition 15, elect that, with effect from the Redenomination Date specified in the notice, the Notes shall be redenominated in Euro.

The election will have effect as follows:

(i) the Notes and the Receipts shall be deemed to be redenominated into Euro with a nominal amount for each Note and Receipt equal to the nominal amount of that Note or Receipt in the Specified Currency, converted into Euro at the Established Rate (as defined below), rounded to the nearest Euro 0.01 if the conversion results in an amount involving a fraction of Euro 0.01, **provided that**, if the Issuer determines that the then market practice in respect of the redenomination into Euro of internationally offered securities is different from the provisions

specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, the stock exchange (if any) on which the Notes may be listed and the Agents of such deemed amendments;

(ii) save to the extent that an Exchange Notice has been given in accordance with paragraph (iv) below, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant holder and the amount of such payment shall be rounded down to the nearest €0.01;

(iii) if definitive Notes are required to be issued after the Redenomination Date (as defined below), they shall be issued at the expense of the Issuer in the denominations of €1,000, €10,000, €100,000 and (but only to the extent of any remaining amounts less than €1,000 or such smaller denominations as the Issuing and Paying Agent may approve) €0.01 and such other denominations as the Issuing and Paying Agent shall determine and notify to the Noteholders;

(iv) if issued prior to the Redenomination Date, all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date on which the Issuer gives notice (the "**Exchange Notice**") that replacement Euro-denominated Notes, Receipts and Coupons are available for exchange (**provided that** such securities are so available) and no payments will be made in respect of them. The payment obligations contained in any Notes and Receipts so issued will also become void on that date although those Notes and Receipts will continue to constitute valid exchange obligations of the Issuer. New Euro-denominated Notes, Receipts and Coupons will be issued in exchange for Notes, Receipts and Coupons denominated in the Specified Currency in such manner as the Issuing and Paying Agent may specify and as shall be notified to the Noteholders in the Exchange Notice. No Exchange Notice may be given less than 15 days prior to any date for payment of principal or interest on the Notes;

(v) after the Redenomination Date, all payments in respect of the Notes, the Receipts and the Coupons, other than payments of interest in respect of periods commencing before the Redenomination Date, will be made solely in Euro as though references in the Notes to the Specified Currency were to Euro. Payments will be made in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro check;

(vi) if the Notes are Fixed Rate Notes and interest for any period ending on or after the Redenomination Date is required to be calculated for a period ending other than on an Interest Payment Date (as specified in the applicable Pricing Supplement), it will be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention;

(vii) if the Notes are Floating Rate Notes, the applicable Pricing Supplement will specify any relevant changes to the provisions relating to interest; and

(viii) such other changes shall be made to this Condition as the Issuer may decide, after consultation with the applicable Agent, and as may be specified in the notice, to conform it to conventions then applicable to instruments denominated in Euro.

(b) Definitions

In these Conditions, the following expressions have the following meanings:

"**Established Rate**" means the rate for the conversion of the Specified Currency (including compliance with rules relating to rounding in accordance with applicable European Union regulations) into Euro established by the Council of the European Union pursuant to Article 123 of the Treaty;

"**€**" and "**Euro**" means the lawful currency of the Member States of the European Union that have adopted the single currency in accordance with the Treaty;

"**Redenomination Date**" means (in the case of interest bearing Notes) any date for payment of interest under the Notes or (in the case of Zero Coupon Notes) any date, in each case specified by the Issuer in the notice given to the Noteholders pursuant to paragraph (a) above and which falls on or after the date on which the country of the Specified Currency first participates in the third stage of European economic and monetary union; and

"**Treaty**" means the Treaty on the functioning of the European Union (signed in Rome on March 25, 1957), as amended from time to time.

6. INTEREST

(a) Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrears on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Pricing Supplement, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Pricing Supplement, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period ending other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction (as defined below), and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

In these Conditions:

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6(a):

(i) if "Actual/Actual (ICMA)" is specified in the applicable Pricing Supplement:

(A) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Pricing Supplement) that would occur in one calendar year; or

(B) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(ii) if "**30/360**" is specified in the applicable Pricing Supplement, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360;

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 365;

(iv) if "**Actual/360 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date divided by 360.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such Determination Date); and

"**sub-unit**" means, with respect to any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to Euro, one cent.

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(i) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day;

(ii) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(iii) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, unless the context otherwise requires, "**Business Day**" means a day which is either (1) in relation to any sum payable in a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than the country of the Paying Agent's specified office) and in any Additional Business Center specified in the applicable Pricing Supplement and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in Euro, a day (other than a Saturday or Sunday) on which the real time gross settlement system operated by the Eurosystem (T2), or any successor system (the "**T2**") is open.

(b) Interest on Floating Rate Notes and Index Linked Interest Notes

(i) ***Interest Payment Dates***

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrears on either:

(A) the Specified Interest Payment Date(s) (each an "**Interest Payment Date**") in each year specified in the applicable Pricing Supplement; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Pricing Supplement, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Pricing Supplement after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Pricing Supplement and (x) if there is no numerically corresponding day on the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 6(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, unless the context otherwise requires, "**Business Day**" means a day which is either (1) in relation to any sum payable in a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (if other than the country of the Paying Agent's specified office) and in any Additional Business Center specified in the applicable Pricing Supplement and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively) or (2) in relation to any sum payable in Euro, a day (other than a Saturday or Sunday) on which the T2 is open.

(ii) ***Rate of Interest***

The Rate of Interest payable from time to time in respect of Floating Rate Notes and Index Linked Interest Notes will be determined in the manner specified in the applicable Pricing Supplement.

(A) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Pricing Supplement;

(2) the Designated Maturity is a period specified in the applicable Pricing Supplement; and

(3) the relevant Reset Date is (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate ("**EURIBOR**"), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Pricing Supplement.

For the purposes of this sub-paragraph (A), "***Floating Rate***," "***Calculation Agent***," "***Floating Rate Option***," "***Designated Maturity***" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Notes (other than Floating Rate Notes referencing SOFR)*

Where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as EURIBOR in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page (as specified in the applicable Pricing Supplement) as at 11:00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (1) above, no such offered quotation appears or, in the case of (2) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph; provided, however, that Condition 6(c) shall apply if the Issuer or its designee has determined that a Benchmark Transition Event (as defined in such Condition) has occurred and Benchmark Transition Event is specified in the applicable Pricing Supplement.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Pricing Supplement as being other than EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Pricing Supplement.

(C) *Screen Rate Determination for Floating Rate Notes where the Reference Rate is specified as being SOFR Benchmark*

Where Screen Rate Determination is specified as the manner in which the Rate of Interest is to be determined and the Reference Rate is specified as SOFR Benchmark in the applicable Pricing Supplement, the Rate of Interest for each Interest Period will, subject as provided below, be equal to the relevant SOFR Benchmark plus or minus the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Compounded Daily SOFR or SOFR Index, as follows (subject in each case to Condition 6(d) as further specified hereon):

(1) If Compounded Daily SOFR is specified in the applicable Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Lag is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR) or the SOFR Observation Period (where SOFR Observation Shift is specified in the applicable Pricing Supplement to determine Compounded Daily SOFR).

Compounded Daily SOFR shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the applicable Pricing Supplement:

(a) SOFR Lag:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i\,-xUSBD}\times n_i}{360}\right)-1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i\ -\ xUSBD}$**" for any U.S. Government Securities Business Day "i" in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day "i";

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_0**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "U.S. Government Securities Business Day "I""); and

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant Interest Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $SOFR_{i\ -\ xUSBD}$ applies.

(b) SOFR Observation Shift:

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i\ \times\ n_i}{360}\right)-\ 1\right)\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day "i";

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"$\mathbf{d_0}$" for any SOFR Observation Period means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to d_0, representing each U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period; and

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day "i" in the relevant SOFR Observation Period means the number of calendar days from (and including) such U.S. Government Securities Business Day "i" up to (but excluding) the following U.S. Government Securities Business Day for which $\mathbf{SOFR_i}$ applies.

The following defined terms shall have the meanings set out below for purpose of this Condition 6(b)(ii)(C)(1):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, in respect of a U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provisions:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(d) shall apply as specified in the applicable Pricing Supplement;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(2) If SOFR Index is specified in the applicable Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**" means, in respect of a U.S. Government Securities Business Day, the SOFR Index value as published on the SOFR Administrator's Website at the SOFR Index Determination Time on such U.S. Government Securities Business Day, provided that:

(a) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the "SOFR Index" shall be calculated on any Interest Determination Date with respect to an Interest Period, in accordance with the Compounded Daily SOFR formula described above in Condition 6(b)(ii)(C)(1)(b) "SOFR Observation Shift", and the term "SOFR Observation Shift Days" shall mean five U.S. Government Securities Business Days; or

(b) if the value specified above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(d) shall apply as specified in the applicable Pricing Supplement;

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date that is the number of U.S. Government Securities Business Days specified in the applicable Pricing Supplement prior to the first day of such Interest Period;

"**SOFR Index Determination Time**" means, in respect of a U.S. Government Securities Business Day, approximately 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of such Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date for such Interest Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the applicable Pricing Supplement; and

"**d_c**" means the number of calendar days in the applicable SOFR Observation Period.

The following defined terms shall have the meanings set out below for purpose of this Condition 6(b)(ii)(C):

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Period, the date specified as such in the applicable Pricing Supplement or, if none is so specified, the fifth U.S. Government Securities Business Day prior to the last day of each Interest Period;

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York or any successor source;

"**SOFR Benchmark Replacement Date**" means the date of occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(iii) ***Minimum Rate of Interest and/or Maximum Rate of Interest***

If the applicable Pricing Supplement specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Pricing Supplement specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) ***Determination of Rate of Interest and Calculation of Interest Amounts***

The Issuing and Paying Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes, will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent will notify the Issuing and Paying Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Issuing and Paying Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 6(b):

(1) if "**Actual/365**" or "**Actual/Actual**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(2) if "**Actual/365 (Fixed)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365;

(3) if "**Actual/365 (Sterling)**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(4) if "**Actual/360**" is specified in the applicable Pricing Supplement, the actual number of days in the Interest Period divided by 360;

(5) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(6) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(7) if "**30E/360 (ISDA)**" is specified in the applicable Pricing Supplement, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

Y1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case

D1 will be 30; and

D2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31 and D2 will be 30.

(v) ***Notification of Rate of Interest and Interest Amounts***

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and notice thereof to be published in accordance with Condition 15 as soon as practicable after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 15. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) ***Certificates to be Final***

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of willful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Agents and all Noteholders, Receiptholders and Couponholders and (in the absence as aforesaid) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(vii) ***Interest on Dual Currency Interest Notes***

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Pricing Supplement.

(viii) ***Interest on Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Pricing Supplement.

(ix) ***Accrual of Interest***

Each Note (or in the case of the redemption of only part of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(1) the date on which all amounts due in respect of such Note have been paid; and

(2) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Issuing and Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Noteholders in accordance with Condition 15.

(c) Benchmark Discontinuation (General)

(i) ***Independent Adviser***

If a Benchmark Transition Event occurs in relation to an Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, the Issuer shall use its reasonable endeavors to appoint an Independent Adviser, as soon as reasonably practicable, to determine a Successor Rate, failing which an Alternative Rate (in accordance with Condition 6(c)(ii) and, in either case, an Adjustment Spread and any Benchmark Amendments (in accordance with Condition 6(c)(iv)). In making such determination, the Independent Adviser appointed pursuant to this Condition 6(c) shall act in good faith and in a commercially reasonable manner as an expert. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Paying Agents, or the Noteholders for any determination made by it, pursuant to this Condition 6(c).

If (1) the Issuer is unable to appoint an Independent Adviser, or (2) the Independent Adviser appointed by it fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 6(c)(i) prior to the date which is 10 business days prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to Floating Rate Notes in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the initial Rate of Interest determined using the Original Reference Rate last displayed on the Relevant Screen Page prior to the relevant Interest Determination Date. Where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 6(c)(i).

(ii) ***Successor Rate or Alternative Rate***

If the Independent Adviser determines that:

(A) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 6(c)); or

(B) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part thereof) for all future payments of interest on Floating Rate Notes (subject to the operation of this Condition 6(c)).

(iii) ***Adjustment Spread***

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be). If the Independent Adviser is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Rate (as applicable) will apply without an Adjustment Spread.

(iv) ***Benchmark Amendments***

If any Successor Rate or Alternative Rate and, in either case, the applicable Adjustment Spread is determined in accordance with this Condition 6(c) and the Independent Adviser determines (i) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the

proper operation of such Successor Rate or Alternative Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving of notice thereof in accordance with Condition 6(c)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

Notwithstanding any other provision of this Condition 6(c), neither the Calculation Agent nor any Paying Agent is obliged to concur with the Issuer or the Independent Adviser in respect of any changes or amendments as contemplated under this Condition 6(c) which, in the sole opinion of the Calculation Agent or the relevant Paying Agent, as the case may be, would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Calculation Agent or the relevant Paying Agent (as applicable) in the Agency Agreement and/or these Conditions.

(v) ***Notices, etc.***

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments determined under this Condition 6(c) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Paying Agents and, in accordance with Condition 15, the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any. No later than notifying the Noteholders of the same, the Issuer shall deliver to the Calculation Agent and the Paying Agents a certificate signed by an authorized officer of the Issuer:

(A) confirming (i) that a Benchmark Transition Event has occurred, (ii) the Successor Rate or, as the case may be, the Alternative Rate, (iii) the applicable Adjustment Spread and (iv) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 6(c); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

Each of the Calculation Agent and the Paying Agents shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any) and without prejudice to the Calculation Agent's or the Paying Agents' ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent, the Paying Agents and the Noteholders.

Notwithstanding any other provision of this Condition 6(c), if following the determination of any Successor Rate, Alternative Rate, Adjustment Spread or Benchmark Amendments (if any), in the Calculation Agent's opinion there is any uncertainty between two or more alternative courses of action in making any determination or calculation under this Condition 6(c), the Calculation Agent shall promptly notify the Issuer thereof and the Issuer shall direct the Calculation Agent in writing as to which alternative course of action to adopt. If the Calculation Agent is not promptly provided with such direction, or is otherwise unable (other than due to its own gross negligence, willful default or fraud) to make such calculation or determination for any reason, it shall notify the Issuer thereof and the Calculation Agent shall be under no obligation to make such calculation or determination and (in the absence of such gross negligence, willful default or fraud) shall not incur any liability for not doing so.

(vi) ***Survival of Original Reference Rate***

Without prejudice to the obligations of the Issuer under Condition 6(c)(i), Condition 6(c)(ii), Condition 6(c)(iii) and Condition 6(c)(iv), the Original Reference Rate and the fallback provisions provided for in Condition 6(b)(ii) will continue to apply unless and until a Benchmark Transition Event has occurred.

(vii) ***Definitions***

As used in this Condition 6(c):

"**Adjustment Spread**" means either (x) a spread (which may be positive, negative or zero) or (y) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(A) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(B) if no such recommendation has been made, or in the case of an Alternative Rate, the Independent Adviser determines is customarily applied to the relevant Successor Rate or the Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Original Reference Rate; or

(C) if the Independent Adviser determines that no such spread is customarily applied, the Independent Adviser determines is recognized or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Independent Adviser determines in accordance with Condition 6(c)(ii) is customarily applied in international debt capital markets transactions for the purposes of determining rates of interest (or the relevant component part thereof) in the same Specified Currency as the Floating Rate Notes;

"**Benchmark Amendments**" has the meaning given to it in Condition 6(c)(iv);

"**Benchmark Replacement Conforming Changes**" means, with respect to the Benchmark Amendments, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Amendments in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determine that no market practice for use of the Benchmark Amendments exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Transition Event**" means:

(A) the Original Reference Rate ceasing to be published for a period of at least 5 Business Days or ceasing to exist; or

(B) a public statement by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(C) a public statement by the supervisor of the administrator of the Original Reference Rate, that the Original Reference Rate has been or will be permanently or indefinitely discontinued; or

(D) a public statement by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Floating Rate Notes; or

(E) the making of a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(F) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholders using the Original Reference Rate,

provided that the Benchmark Transition Event shall be deemed to occur (i) in the case of sub-paragraphs (B) and (C) above, on the date of the cessation of publication of the Original Reference Rate or the discontinuation of the Original Reference Rate, as the case may be, (ii) in the case of sub-paragraph (D) above, on the date of the prohibition of use of the Original Reference Rate and (iii) in the case of sub-paragraph (E) above, on the date with effect from which the Original Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement.

The occurrence of a Benchmark Transition Event shall be determined by the Issuer and promptly notified to the Calculation Agent and the Paying Agents. For the avoidance of doubt, neither the Calculation Agent nor the Paying Agents shall have any responsibility for making such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer under Condition 6(c)(i);

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Floating Rate Notes;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(B) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body. In connection with the implementation of the Benchmark Amendments, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes (as defined herein) from time to time.

(d) Benchmark Discontinuation (SOFR)

The following provisions shall apply if SOFR Benchmark Discontinuation is specified in the applicable Pricing Supplement:

(i) ***Benchmark Replacement***

If the Issuer or its designee determines that a Benchmark Event (as defined herein) and its related Benchmark Replacement Date (as defined herein) have occurred on or prior to the Reference Time (as defined herein) with respect to the then-current Benchmark (as defined herein), the Benchmark Replacement (as defined herein) will replace the then-current Benchmark for all purposes relating to the applicable Notes in respect of all determinations on such date and all determinations on all subsequent dates.

(ii) ***SOFR Benchmark Replacement Conforming Changes***

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make SOFR Benchmark Replacement Conforming Changes (as defined herein) from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 6(d). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by the Agents (if required). Further, none of the Calculation Agent, the Paying Agents, the Registrars or the Transfer Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) ***Decisions and Determinations***

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6(d), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (A) will be conclusive and binding absent manifest error, (B) will be made in the sole discretion of the Issuer or its designee, as applicable, and (C) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the holders of the Notes or any other party.

(iv) ***Certain Defined Terms***

As used in this Condition 6(d):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the applicable Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the sum of:

(1) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(2) the Benchmark Replacement Adjustment;

(B) the sum of:

(1) the ISDA Fallback Rate; and

(2) the Benchmark Replacement Adjustment; or

(C) the sum of:

(1) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Floating Rate Notes at such time; and

(2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(A) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Floating Rate Notes at such time;

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(A) in the case of sub-paragraph (A) or (B) of the definition of "Benchmark Event," the later of:

(1) the date of the public statement or publication of information referenced therein; and

(2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of sub-paragraph (C) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time;

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Compounded Daily SOFR is specified as applicable hereon) or SOFR Index Determination Time (where SOFR Index is specified as applicable hereon), or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the SOFR Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto;

"**SOFR Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary); and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

7. PAYMENTS

(a) Method of Payment

Subject as provided below:

(i) payments in a Specified Currency other than Euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a check in such Specified Currency drawn on, a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Melbourne or Wellington, respectively); and

(ii) payments in Euro will be made by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) specified by the payee or, at the option of the payee, by a Euro check.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 9.

(b) Presentation of Definitive Bearer Notes, Receipts and Coupons

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of installments of principal (if any) in respect of definitive Bearer Notes, other than the final installment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final installment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant installment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes, Index Linked Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of five years after the Relevant Date (as defined in Condition 9) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 10) or, if later, two years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note, Index Linked Interest Note or Long Maturity Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Note**" is a Fixed Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Fixed Interest Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) Payments in Respect of Bearer Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made.

(d) Payments in Respect of Registered Notes

Payments of principal (other than installments of principal prior to the final installment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a check in the Specified Currency drawn on a Designated Bank (as defined below) and mailed by uninsured mail as soon as reasonably practicable after the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Registrar at the close of business on the Record Date (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than Euro) a bank in the principal financial center of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in Euro) any bank which processes payments in Euro.

Payments of interest and payments of installments of principal (other than the final installment) in respect of each Registered Note (whether or not in global form) will be made by a check in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register (i) where in global form, at the close of the business day (being for the purpose a day on which DTC and/or Euroclear and Clearstream, as applicable, are open for business) and (ii) where in definitive form, at the close of business on the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date (the "**Record Date**") at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the

specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and installments of principal (other than the final installment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final installment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a check posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

None of the Issuer nor any of the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General Provisions Applicable to Payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to DTC, Euroclear or Clearstream, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Bearer Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Bearer Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) Payment Day

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 10) is:

(i) in relation to any sum payable in a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the relevant Specified Currency (and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Melbourne or Wellington, respectively);

(ii) in relation to any sum payable in Euro, a day on which the T2 is open;

(iii) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) (A) in the case of any payment in respect of a Note in definitive form only, in the relevant place of presentation and (B) in any Additional Financial Center specified in the applicable Pricing Supplement; and/or

(iv) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorized or required by law or regulation to be closed in New York City or any Additional Financial Center specified in the applicable Pricing Supplement.

(g) Interpretation of Principal and Interest

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

(i) any additional amounts which may be payable with respect to principal under Condition 9;

(ii) the Final Redemption Amount of the Notes;

(iii) the Early Redemption Amount of the Notes;

(iv) the Optional Redemption Amount(s) (if any) of the Notes;

(v) in relation to Notes redeemable in installments, the Installment Amounts;

(vi) in relation to Zero Coupon Notes, the Amortized Face Amount (as defined in Condition 8(e)); and

(vii) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 9.

8. REDEMPTION AND PURCHASE

(a) Redemption at Maturity

Unless previously redeemed or purchased and canceled as specified below, each Note (including Dual Currency Note) will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Pricing Supplement in the relevant Specified Currency on the Maturity Date.

(b) Redemption for Tax Reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note or an Index Linked Interest Note or a Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Issuing and Paying Agent and, in accordance with Condition 15, the Noteholders (which notice shall be irrevocable), if:

(i) the Issuer has or will become obligated to pay additional amounts as provided or referred to in Condition 9 in excess of any additional amounts the Issuer would be obligated to pay if payments (including payments of interest) with respect to the Notes were subject to the applicable tax rate effective on the date the first Tranche of the Notes of the relevant Series are issued as a result of any change in, expiration of or amendment to the laws or regulations of a Tax Jurisdiction (as defined in Condition 9), or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes of the relevant Series; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that (1) no such notice of redemption shall be given earlier than 60 days prior to the earliest date on which the Issuer would be obligated to pay such additional amounts were a payment in respect of the Notes then due and (2) at the time of such notice of redemption is given, such obligation to pay such additional amounts remains in effect.

Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Issuing and Paying Agent (1) a certificate signed by an authorized officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognized standing to the effect that the Issuer has or will become obligated to pay such additional amounts as a result of such change or amendment.

Notes redeemed pursuant to this Condition 8(b) will be redeemed at their Early Redemption Amount referred to in paragraph (e) below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) Redemption at the Option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Pricing Supplement, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 15; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Issuing and Paying Agent and in the case of a redemption of Registered Notes, the Registrar (which notices shall be irrevocable and shall specify the date fixed for redemption),

redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Pricing Supplement. In the case of a partial redemption of Notes, the Notes to be redeemed (the "**Redeemed Notes**") will be selected individually by lot, in the case of Redeemed Notes represented by definitive Notes, and in accordance with the rules of Euroclear, Clearstream and/or DTC in the case of Redeemed Notes represented by a Global Note, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 15 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the

aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 15 at least five days prior to the Selection Date.

(d) Change of Control; Redemption of the Notes only at the Option of the Noteholders (Investor Put)

(i) *Change of Control*

Upon the occurrence of a Change of Control (as defined below), each Noteholder will have the right to require the Issuer to redeem all or any part of such Noteholder's Notes at a redemption price equal to 100% of the principal amount thereof plus accrued but unpaid interest, if any, to the date of redemption (the "**Change of Control Redemption Price**"). Within 30 days following a Change of Control, the Issuer shall cause the Issuing and Paying Agent to deliver a notice to each holder stating that (i) a Change of Control has occurred and that such holder has the right to require the Issuer to redeem such holder's Notes at the Change of Control Redemption Price; (ii) the redemption date (which shall be no earlier than 30 days nor later than 60 days from the date such notice is delivered); and (iii) the procedures determined by the Issuer, consistent with the Notes and the Agency Agreement, that a Noteholder must follow in order to have its Notes redeemed.

"**Change of Control**" means the central government of Korea ceasing to own and control (directly or indirectly or in combination) at least 50.1% of the Company's issued and outstanding voting shares.

(ii) *Redemption of the Notes only at the option of the Noteholders (Investor Put)*

If Investor Put is specified in the applicable Pricing Supplement with respect to any Series of Notes, upon the holder of any Note giving to the Issuer in accordance with Condition 15 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Pricing Supplement, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Notes may be redeemed under this Condition 8(d)(ii) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Note, the holder of this Note must deliver, at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by check, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes so surrendered is to be redeemed, an address to which a new Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in definitive form, the Put Notice must be accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 11.

(e) Early Redemption Amounts

For the purpose of paragraph (b) above and Condition 11, each Note will be redeemed at the Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note but including an Installment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in, or determined in the manner specified in, the applicable Pricing Supplement or, if no such amount or manner is so specified in the applicable Pricing Supplement, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "**Amortized Face Amount**") calculated in accordance with the following formula:

$$\textit{Early Redemption Amount} = RP \times (1+AY)y$$

where:

"**RP**" means the Reference Price;

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes of the relevant Series to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360, or on such other calculation basis as may be specified in the applicable Pricing Supplement.

(f) Installments

Installment Notes will be redeemed in the Installment Amounts and on the Installment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the applicable Pricing Supplement.

(h) Purchases

The Issuer may at any time purchase Notes by tender (available to all Noteholders alike) or in the open market at any price. If the Issuer shall acquire any Notes, such acquisition shall not operate as or be deemed for any purpose to be a satisfaction of the indebtedness represented by such Notes unless and until such Notes are delivered to the Issuing and Paying Agent for cancellation and are canceled and retired by the Issuing and Paying Agent. The Issuer will not sell, and will cause its affiliates (as defined in paragraph (a)(1) of Rule 144 of the Securities Act) not to sell, any Notes as to which it or they hold or acquire any beneficial interest; provided that affiliates of the Issuer may sell Notes to the Issuer or to other such affiliates. Notes purchased or otherwise acquired by the Issuer may be held, resold or, at its discretion, surrendered to the Issuing and Paying Agent for cancellation.

(i) Cancellation

All Notes that are redeemed will forthwith be canceled (together with all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so canceled (together with all unmatured Receipts, Coupons and Talons canceled therewith) shall be forwarded to the Issuing and Paying Agent and cannot be reissued or resold.

(j) Late Payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c) or (d) above or upon its becoming due and repayable as provided in Condition 11 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Issuing and Paying Agent or the Registrar and notice to that effect has been given to the Noteholders in accordance with Condition 15.

9. TAXATION

All payments of principal and interest in respect of the Notes, Receipts and Coupons by or on behalf of the Issuer will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of the relevant Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer will pay such additional amounts as shall be necessary in order that the net amounts received by holders of the Notes, Receipts or Coupons after such withholding or deduction will not be less than the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes, Receipts or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:

(a) to or on behalf of a holder of such Note, Receipt or Coupon who is subject to such taxes, duties, assessments or governmental charges in respect of such Note by reason of such holder being or having been connected with the relevant Tax Jurisdiction other than merely by holding such Note or receiving principal or interest in respect thereof; or

(b) to or on behalf of a holder of such Note, Receipt or Coupon who would not be liable for or subject to such deduction or withholding by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested in writing by the Issuer to make such a declaration or claim, such holder fails to do so; or

(c) to or on behalf of a holder of such Note, Receipt or Coupon who presents a Note (where presentation is required) more than 30 days after the relevant date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such 30-day period; for this purpose the "**relevant date**" means:

(1) the due date for payment thereof; or

(2) if the full amount of the moneys payable on such date has not been received by the Issuing and Paying Agent or the Registrar, as the case maybe, on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 15; or

(d) to or on behalf of a holder of such Note, Receipt or Coupon who would have been able to avoid the withholding or deduction by the presentation (where presentation is required) of the relevant Note, Receipt or Coupon to, or otherwise accepting payment from, another paying agent in a Member State of the European Union; or

(e) any combination of (a), (b), (c) or (d) above.

The obligation of the Issuer to pay additional amounts in respect of taxes, duties, assessments and governmental charges shall not apply to (i) any estate, inheritance, gift, sales, transfer, personal property or any similar tax, assessment or other governmental charge or (ii) any tax, assessment or other governmental charge which is payable otherwise than by deduction or withholding from payments of principal and interest in respect of the Notes, Receipts and Coupons; provided that, except as otherwise set forth in these Terms and Conditions and in the Agency Agreement, the Issuer shall pay all stamp or other similar duties, if any, which may be imposed by the relevant Tax Jurisdiction, the United States or any respective political subdivision thereof or any taxing authority of or in the foregoing, with respect to the Notes or the Agency Agreement or as a consequence of the issuance of the first Tranche of the Notes of the relevant Series.

As used herein: "**Tax Jurisdiction**" means Korea or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Company becomes subject in respect of payments made by it of principal and interest on the Notes, Receipts or Coupons through such jurisdiction.

10. PRESCRIPTION

The Notes (whether in bearer form or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 9) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 7(b) or any Talon that would be void pursuant to Condition 7(b).

11. EVENTS OF DEFAULT

The occurrence and continuance of any of the following events will constitute an event of default ("**Event of Default**"):

(a) default in the payment of any installment of interest upon any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of 30 days;

(b) default in the payment of all or any part of the principal of any of the Notes as and when the same shall become due and payable, and continuance of such default for a period of seven days, whether at maturity, upon redemption or otherwise;

(c) breach or failure to observe or perform any other of the covenants or agreements on the part of the Issuer contained in the Notes of the relevant Series for a period of 60 days after the date on which written notice specifying such default or breach, stating that such notice is a "Notice of Default" under the Notes of the relevant Series and demanding that the Issuer remedy the same, shall have been given to the Issuer, with a copy to the Issuing and Paying Agent and the Registrar, by the Noteholders of at least 10% in aggregate principal amount of the Notes of the relevant Series at the time outstanding;

(d) any Debt (as defined below) of the Company in the aggregate outstanding principal amount of U.S.$35,000,000 or more either (a) becoming due and payable prior to the due date for payment thereof by reason of acceleration thereof following default by the Company or (b) not being repaid at, and remaining unpaid after, maturity as extended by the period of grace, if any, applicable thereto, or any guarantee given by the Company in respect of Debt of any other person not being honored when, and remaining dishonored after becoming, due and called; provided that, in the case of (a) above, if any such default under any such Debt shall be cured or waived, then the default under the Notes by reason thereof shall be deemed to have been cured and waived;

(e) the entry of a decree or order for relief in respect of the Issuer by a court or administrative or other governmental agency or body having jurisdiction in the premises in an involuntary case under any applicable bankruptcy, insolvency, reorganization, rehabilitation, compulsory composition or other similar law in effect on the date of issuance of the first Tranche of the Notes or thereafter, or appointing a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for any substantial part of its property or ordering the winding up, dissolution or liquidation of its affairs, or shall otherwise adjudicate or find the Issuer to be bankrupt or insolvent, and continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(f) the commencement by the Issuer of a voluntary case under any applicable bankruptcy, insolvency, reorganization, rehabilitation, compulsory composition or other similar law in effect on the date of issuance of the first Tranche of the Notes or thereafter, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee or sequestrator (or similar official) of the Issuer or for any substantial part of its property, or cease to carry on the whole or substantially the whole of its business, or make any general assignment for the benefit of creditors, or enter into any composition with its creditors, or take corporate action in furtherance of any such action.

If an Event of Default with respect to the Notes occurs and is continuing, the Noteholders of not less than 25% in aggregate principal amount of the Notes then outstanding may declare the principal amount (and premium, if any) of, and all accrued but unpaid interest on, all the Notes to be due and payable immediately, by a notice in writing to the Issuer at the office of the Issuing and Paying Agent, and upon such declaration, any such principal amount (and premium, if any) and interest shall become immediately due and payable. Upon such declaration, the Issuing and Paying Agent shall give notice thereof to the Issuer and to the Noteholders in writing. If, after any such declaration and before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Issuer pays or deposits with the Issuing and Paying Agent all amounts then due with respect to the Notes (other than amounts due solely because of such declaration) and cures all other Events of Default with respect to the Notes, such defaults may be waived and such declaration may be annulled and rescinded by the Noteholders of more than 50% in aggregate principal amount of the Notes then outstanding by written notice thereof to the Issuer at the office of the Issuing and Paying Agent.

In this Condition, "**Debt**" means, with respect to any person as of any date of determination, without duplication, (i) all obligations, contingent or otherwise, of such person for borrowed money, (ii) all obligations of such person evidenced by bonds, notes or other similar instruments, (iii) all obligations of such person in respect of letters of credit or other similar instruments, (iv) all obligations of such person to pay the unpaid purchase price of any property or service, (v) all obligations secured by any mortgage, charge, pledge, encumbrance or other security interest (a "**Lien**") on any property or asset of such person, whether or not such obligations are assumed by such person and (vi) all obligations of others guaranteed by such person to the extent of such guarantees and, for clauses (i) through (vi), which are denominated in a currency other than the currency of Korea and which has a final maturity of one year or more. The amount of Debt of any person as of any date of determination shall be the outstanding balance at such date of all unconditional obligations as described above, the maximum liability of such person for any such contingent obligations at such date and, in the case of clause (v), the lesser of the fair market value (as determined in good faith by the board of directors of such person) at such date of the property or asset of such person subject to a Lien securing the obligations of others and the amount of such obligations secured.

12. REPLACEMENT OF NOTES, RECEIPTS, COUPONS AND TALONS

Should any Note, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Issuing and Paying Agent (in the case of Bearer Notes, Coupons or Talons) or the Registrar (in the case of Registered Notes) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13. PAYING AGENTS

The names of the initial Paying Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(a) there will at all times be a Issuing and Paying Agent and a Registrar;

(b) so long as the Notes are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Notes) and a Transfer Agent (in the case of Registered Notes) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or any other relevant authority; and

(c) for so long as the Notes are listed on the Singapore Exchange Securities Trading Limited (the "**Singapore Stock Exchange**" or "**SGX-ST**") and the rules of the SGX-ST so require, in the event that a Global Note is exchanged for definitive Notes, the Issuer will appoint and maintain a Paying Agent in Singapore, where the Notes may be presented or surrendered for payment or redemption. In addition, in the event that a Global Note is exchanged for definitive Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive Notes, including details of the Paying Agent in Singapore.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 7(e). Any variation, termination, appointment or change with respect to any Paying Agent shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 15.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

14. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 10.

15. NOTICES

All notices regarding the Bearer Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that such publication will be made in the Financial Times in London and the Asian Wall Street Journal. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Bearer Notes are for the time being listed or by which they have been admitted to listing. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices regarding the Registered Notes will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the fourth day after mailing and, in addition, for so long as any Registered Notes are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear, Clearstream and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear, Clearstream, and/or DTC for communication by them to the Noteholders and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the Noteholders one day after the day on which the said notice was given to Euroclear, Clearstream and/or DTC.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Issuing and Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes). While any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Issuing and Paying Agent or the Registrar through Euroclear, Clearstream and/or DTC, as the case may be, in such manner as the Issuing and Paying Agent, the Registrar and Euroclear, Clearstream and/or DTC, as the case may be, may approve for this purpose.

16. MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10% in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50% in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, Receipts or Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereof, reducing or canceling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes, Receipts or Coupons), the quorum shall be one or more persons holding or representing in the aggregate not less than 75% in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing in the aggregate a clear majority, in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Issuing and Paying Agent and the Issuer may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(i) any modification (except as mentioned above) of any of the provisions of the Notes, the Receipts, the Coupons, the Conditions or the Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(ii) any modification of the Notes, the Receipts, the Coupons, the Conditions or the Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction in which the Issuer is incorporated.

Any determination as to prejudice to the interests of the Noteholders pursuant to this Condition 16 shall be made by the Issuer, and the Issuing and Paying Agent shall not have any responsibility or liability whatsoever with respect to such determinations. Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 15 as soon as practicable thereafter.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders, the Receiptholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) Governing Law

The Agency Agreement, the Notes, the Receipts and the Coupons are governed by, and shall be construed in accordance with, the law of the State of New York.

(b) Submission to Jurisdiction

To the fullest extent permitted by applicable law, the Issuer irrevocably submit to the non-exclusive jurisdiction of any federal or state court in the Borough of Manhattan, The City of New York, United States of America, in any suit, action or proceeding brought by any Noteholder, Receiptholder or Couponholder arising out of or based upon the Notes, the Receipts and/or the Coupons, and irrevocably agrees that all claims in respect of any such suit, action or proceeding may be determined in any such court. The Issuer irrevocably and to the fullest extent they are permitted to do so under applicable law waive any objection they may have to the laying of venue in any such court or the defense of an inconvenient forum to the maintenance of any such suit or proceeding to the extent permitted by applicable law. The Issuer hereby appoints the Law Debenture Corporate Services Inc., whose address as of the date hereof is 4th Floor, 400 Madison Avenue, New York, New York 10017, as their authorized agent (the "**Authorized Agent**," which expression shall include any replacement authorized agent) upon whom process may be served in any such suit or proceeding set forth herein, it being understood that the designation and appointment of the Authorized Agent as such authorized agent shall become effective immediately without any further action on the part of the Issuer. The Issuer agrees to take any and all action as may be necessary, including the filing of any and all documents that may be necessary, to maintain such designation and appointment of the authorized agent in full force and effect. If for any reason the appointment of the Authorized Agent shall cease to be in force, the Issuer shall forthwith appoint a new agent to be the Authorized Agent and shall deliver to the Dealers and the Arranger a copy of the new Authorized Agent's acceptance for that appointment within 30 days. Service of process upon the Authorized Agent shall be deemed, in every respect, effective service of process upon the Issuer. The parties hereto each hereby waive any right to trial by jury in any action, proceeding or counterclaim arising out of or relating to the Notes, the Receipts and/or Coupons.

(c) Waiver of immunity

The Issuer hereby irrevocably and unconditionally waives with respect to Notes, the Receipts and the Coupons any right to claim sovereign or other immunity from jurisdiction or execution and any similar defense and irrevocably and unconditionally consents to the giving of any relief or the issue of any process, including without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any proceedings.

(d) Other documents

In the Agency Agreement, the Issuer has submitted to the jurisdiction of the courts of the State of New York and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds, or an amount equal to the net proceeds, from each issue of Notes will be applied by the Issuer for its general corporate purposes or such other purposes as may be specified in the applicable Pricing Supplement.

If so specified in the applicable Pricing Supplement as a Green Bond, Social Bond or Sustainability Bond, the net proceeds will be allocated by the Issuer towards the financing or refinancing, in whole or in part, of projects in Eligible Green Projects or Assets, or Eligible Social Projects or Assets, respectively, in accordance with the Issuer's Sustainable Finance Framework (the "**Framework**"). The Framework and the related second party opinion issued by DNV, an external consultant, in February 2025 ("**Second Party Opinion**") are publicly available on the Issuer's website (*https://www.kobc.or.kr/ebz/kor/bbs/view.do?mId=0901040000&bIdx=96689&ptIdx=258*) and are not incorporated into, and do not form a part of, this Offering Circular. See "Sustainable Finance Framework."

SUSTAINABLE FINANCE FRAMEWORK

The following summary of the Framework does not purport to be complete and is taken from, and is qualified in its entirety by, the full version of the Framework, which is publicly available on the Issuer's website.

The Framework sets out how the Company intends to issue the Sustainable Financing Transactions (the "**SFT**") which includes green/social/sustainability bond(s), green/social/sustainability loan(s) and other types of debt financing. Capitalized terms used but not otherwise defined herein shall have the same meanings as in the Framework, which is publicly available on the following website: *https://www.kobc.or.kr/ebz/kor/bbs/view.do?mId=0901040000&bIdx=96689&ptIdx=258*.

The Framework has been developed in alignment with the following sustainable finance principles and guidelines:

- The International Capital Market Association Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, and the Sustainable Blue Economy Finance principles hosted by the United Nations Environment Programme – Finance Initiative; and

- The Loan Market Association Green Loan Principles and Social Loan Principles.

Use of Proceeds

The net proceeds of the SFT will be used to finance or refinance, in whole or in part, new or existing eligible green and/or social projects or assets (collectively "**Eligible Projects or Assets**", together forming the "**Eligible Portfolio**") that comply with respective green or social project categories and eligibility requirements listed in the Framework. The proceeds of the SFT could be used for refinancing operating expenses with a two-year look-back period.

Process for Evaluation and Selection of Projects

The Company relies on the ESG Management Working Group (the "**Working Group**") which is responsible for the evaluation and selection of the Eligible Projects or Assets in accordance with the criteria outlined in the Framework. The Working Group is comprised of the representatives from various departments which include (but not limited to) ESG Management, Business Strategy and Finance & Accounting departments. The Working Group's responsibilities include:

- Identifying and selecting the eligible green and social projects in line with the eligibility criteria stated in the Use of Proceeds section of the Framework;

- Approving the annual allocation and impact report referenced in the Framework;

- Managing any future updates of the Framework, including any expansion of Eligible Projects or Assets;

- Monitoring of the pool of eligible green and social projects and replacing projects that no longer satisfy the eligibility criteria with new eligible projects if needed; and

- To ensure the net proceeds of the SFT are allocated in accordance with the Framework.

The Working Group will meet every 12 months and as necessary, reviewing and monitoring the allocation of net proceeds of the SFT to Eligible Projects or Assets.

Management of Proceeds

Tracking of Proceeds

The Company will adopt a portfolio approach to manage the proceeds of the SFT. The net proceeds from the SFT issued under the Framework will be managed within the Company's treasury liquidity portfolio, in cash or other liquidity instruments, until the total amount of the net proceeds equals the total cumulative disbursement to the selected eligible green and social projects. The Company will aim to achieve and maintain, on a best-effort basis, a level of allocation for the Eligible Portfolio that matches the balance of net proceeds from its outstanding SFT. Eligible Projects or Assets will be added, or removed, from the Eligible Portfolio to the extent required. The Company will monitor the allocation of net proceeds to Eligible Projects or Assets and track the net proceeds through its internal records. During the life of the SFT issued, if the designated projects cease to comply with the Framework or if they are postponed or if Eligible Assets are divested by the Company, the net proceeds will be re-allocated to other Eligible Projects or Assets, as soon as reasonably practicable and in any case. To prevent double counting of Eligible Projects or Assets, the Company will ensure that the same project or asset will not be listed more than once in the allocation of net proceeds.

Allocation of Proceeds

The Company is committed to allocating all proceeds from the SFT to Eligible Projects or Assets on a best-effort basis within one year from the issuance date of the SFT in accordance with the evaluation and selection process set out in the Framework.

Use of Unallocated Proceeds

While pending allocation, the net proceeds from the SFT issued may be managed in cash or cash equivalents in accordance with the Company's treasury liquidity policy.

Reporting

The Company intends to publish a report on the allocation of net proceeds and associated impact metrics of its SFT within one year from the issuance date of the SFT and annually thereafter until the net proceeds have been fully allocated, and as necessary in the event of material developments. The report will be made available on the Company's website.

External Review

Second Party Opinion (pre-issuance)

The Framework has been reviewed by DNV which has issued a Second Party Opinion. The Framework and the Second Party Opinion will be published on the Company's website.

Verification (post-issuance)

The Company intends to issue on an annual basis or more frequently in case of any material changes, starting one year after the issuance and until full allocation of the net proceeds from the SFT, a limited assurance report on the allocation of the proceeds of the SFT, provided by an external verifier. The report will be made available on the Company's website.

None of the Dealers accepts any responsibility for any environmental, social and sustainability assessment of any Notes which will be issued as Green Bonds, Social Bonds or Sustainability Bonds or makes any representation or warranty or assurance whether such Notes will meet any investor expectations or requirements regarding such "green", "social", "sustainable" or similar labels or any requirements of such labels as they may evolve from time to time. None of the Dealers is responsible for the use or allocation of proceeds for any Notes issued as Green Bonds, Social Bonds or Sustainability Bonds nor the impact or

monitoring of such use of proceeds nor do any of the Dealers undertake to ensure that an amount equal to the net proceeds of the issue of such Green Bonds, Social Bonds or Sustainability Bonds will be used for financing the Eligible Green Projects or Assets, or Eligible Social Projects or Assets.

In addition, none of the Dealers is responsible for the assessment of the Framework including the assessment of the applicable eligibility criteria in relation to Green Bonds, Social Bonds or Sustainability Bonds set out therein. The Second Party Opinion is not intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The Second Party Opinion is not a statement of fact. No representation or assurance is given by the Dealers as to the suitability or reliability of the Second Party Opinion or any opinion or certification of any third party made available in connection with any issue of Notes issued as Green Bonds, Social Bonds or Sustainability Bonds. The Second Party Opinion and any other such opinion is not, nor should be deemed to be, a recommendation by the Dealers, or any other person to buy, sell or hold any Notes and is current only as of the date it is issued. The criteria and/or considerations that formed the basis of the Second Party Opinion or any such other opinion may change at any time and the Second Party Opinion may be amended, updated, supplemented, replaced and/or withdrawn. Prospective investors must determine for themselves the relevance of any such opinion and/or the information contained therein. The Framework may also be subject to review and change and may be amended, updated, supplemented, replaced and/or withdrawn from time to time and any subsequent version(s) may differ from any description given in this Offering Circular. The Framework, the Second Party Opinion and any other such opinion does not form part of, nor is incorporated by reference in, this Offering Circular. See "*Risk Factors – Risks Relating to the Notes – Notes issued as Green Bonds, Social Bonds or Sustainability Bonds may not be a suitable investment for all investors seeking exposure to green assets, social assets or sustainability assets and may not meet investor expectations.*"

In the event any such Notes are, or are intended to be, listed, or admitted to trading on a dedicated "green", "social", "sustainable" or other equivalently labelled segment of a stock exchange or securities market, no representation or assurance is given by the Dealers that such listing or admission will be obtained or maintained for the lifetime of the Notes.

EXCHANGE RATES

The table below sets forth, for the periods and dates indicated, information concerning the Market Average Exchange Rate, announced by Seoul Money Brokerage Services, Ltd., between Won and U.S. dollars and rounded to the nearest tenth of one Won. No representation is made that the Won or dollar amounts referred to herein could have been or could be converted into U.S. dollars or Won, as the case may be, at any particular rate or at all.

Year Ended December 31	At End of Period	Average Rate[(1)]	High	Low
		(Won per U.S.$1.00)		
2020	1,088.0	1,180.1	1,280.1	1,082.7
2021	1,185.5	1,144.4	1,199.1	1,083.1
2022	1,267.3	1,292.0	1,436.6	1,185.5
2023	1,289.4	1,305.4	1,360.6	1,219.3
2024	1,470.0	1,364.0	1,474.1	1,289.4
October	1,383.3	1,361.0	1,387.0	1,306.9
November	1,394.7	1,393.4	1,407.3	1,371.3
December	1,470.0	1,434.4	1,474.1	1,395.1
2025 (through April 10)	1,482.9	1,454.4	1,482.9	1,429.2
January	1,433.3	1,455.8	1,471.3	1,433.3
February	1,439.6	1,445.6	1,469.2	1,429.2
March	1,466.5	1,457.0	1,469.6	1,441.6
April (through April 10)	1,482.9	1,466.9	1,482.9	1,439.3

Source: Seoul Money Brokerage Services, Ltd.

(1) The average rate for each year is calculated as the average of the Market Average Exchange Rates on each business day during the relevant year (or portion thereof). The average rate for a month is calculated as the average of the Market Average Exchange Rates on each business day during the relevant month (or portion thereof).

RISK FACTORS

Investing in the Notes involves risks and uncertainties. Prospective purchasers of the Notes are advised to review carefully all of the information contained elsewhere in this Offering Circular and should consider, in particular, the following risk factors before purchasing the Notes. The risks described below are not the only ones that may be relevant to the Issuer or the trading price of the Notes.

Risks Relating to Our Business

We are a statutory juridical corporation, and as a public entity that serves as the policy arm of the Government's mandate to promote the competitiveness of Korean maritime transport industry, our activities are heavily regulated and the Government could cause us to pursue policy objectives that may be against our best commercial interests.

The Government, as our controlling shareholder, appoints the non-standing directors on our board of directors as well as our president and influences the key management decisions of our operations. Although we have autonomy over our day-to-day operations, the Government exerts significant influence on our strategies, management, operations and budgets and may determine material policies affecting us. Furthermore, as we were established under the KOBC Act under the auspices of the MOF, we are subject to the rules and regulations thereunder and other acts governing us as well as the maritime transport industry, which is considered as the backbone industry for the Korean economy.

In addition, our public policy mandate requires us to undertake certain activities in furtherance of public policy considerations for the maritime transport industry as a whole, which may not be in our best commercial or financial interests. Although we carefully screen the candidates for our investment and guarantee support and take various preemptive risk management measures to maintain the financial health of our investments and assets, we may not be able to do so successfully, or the Government's current and future policy initiatives may have an adverse effect on our business, financial condition and results of operations.

Although the Government has provided and is expected to continue to provide support for the continual growth and development of domestic maritime transport industry, it may be susceptible to unexpected changes or withdrawal, which may adversely affect our ability to support the maritime transport industry or force us to alter our investment plans or current portfolio.

As a statutory entity owned by the Government with the mandate to execute the Government's public policy objectives for maritime transport industry under the KOBC Act, our business objective is not the maximization of our profitability. Accordingly, we have experienced from time to time loss or deficit from certain of our projects and initiatives and have historically relied in conducting our businesses on significant capital injection and subsidies from the Government as well as its commitment to cover our losses. As of December 31, 2024, the cumulative amount of capital injection by the Government (including other Government-controlled and private entities) was Won 2.9 trillion. See "*Business – Government Support*".

While the Government has to date regularly provided financial support to us on a timely basis, the amount of capital contribution from the Government is subject to the ceiling of Won 5 trillion according to Article 5 of the KOBC Act, and an amendment, modification or repeal of the KOBC Act may further undermine the legal basis for such Government support. In addition, the actual capital contributions and other forms of financial support we receive from the Government are subject to prior authorization by the National Assembly of Korea as part of its budget approval process. Accordingly, there can be no assurance that the Government's support will continue and be provided on a timely basis in the future. The Government's inability to continue to provide financial support in the future or any decrease in such support could materially and adversely affect our ability to support the maritime transport industry or force us to alter our investment plans or current portfolio of investments.

We have significant exposure to Korean maritime transport markets, which are highly dependent on domestic and global economic conditions and subject to significant fluctuations caused by economic downturns, geopolitical challenges, seasonality and others.

We have made significant investments in both domestic and, to a lesser extent, international maritime transport markets in various forms including loans, guarantees, equity investments and others, and our investment return from such exposures depends heavily on a variety of factors affecting the industry, which are for the most part beyond our control. The profitability, volatility and cyclicality of maritime transport industry have been historically affected by, among other things:

- global and regional economic and geopolitical events, including armed conflicts, terrorist activities, embargoes, strikes and trade wars;
- level of supply of and demand for commodities and industrial products worldwide and in certain key markets, such as China;
- developments in international trade, including imposition of tariffs, modification of trade agreements between states and other trade protectionism;
- fluctuations in currency exchange rates;
- prices of energy resources;
- environmental and other regulatory developments;
- changes in seaborne and other transportation patterns;
- changes in corporate structures of major players in global maritime transport industry, including mergers and acquisitions, bankruptcies, restructurings and alliances;
- changes in infrastructure and capabilities of ports and terminals;
- weather conditions;
- outbreaks of diseases, such as the COVID-19 pandemic; and
- development of digital platforms to manage operations and customer relations of shipping companies.

For our ship financing support business in particular, our performance specifically depends on volatility of freight earnings and underlying ship values, which are affected in turn by the level of supply and demand for individual vessel types, transportation needs for different cargo types and general economic trends. Declining freight rates and market values for ships may reduce the value of the collaterals provided for loans and our exposure to losses will increase, which may have a negative effect on our business, financial condition and results of operations.

As the global economic conditions continue to change, it remains difficult to predict their impact on domestic and global maritime transport industries as well as on the businesses of domestic shipping companies who are the beneficiaries of our investments and guarantees. If domestic shipping companies are unable to adequately predict and respond to global economic conditions, their businesses may be negatively impacted, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We are heavily invested in HMM Co., Ltd., the largest container transportation and shipping company in Korea, and our operating results and financial conditions may be negatively affected by its performance and any changes in its ownership structure.

Since our establishment, we have provided financial support in various forms to HMM Co., Ltd. ("**HMM**") as part of the Government's mandate to stabilize and improve its operation and financial conditions. Prior to our establishment, one of our predecessor entities, Korea Shipping & Maritime Transportation, had extended credits to HMM in the total amount of Won 1.13 trillion consisting of equity investments, convertible bonds and bonds with warrants and ship financing support with respect to 15 of its vessels. Upon our establishment, we inherited the full amount of such credit from Korea Shipping & Maritime Transportation and also subsequently purchased HMM's convertible bonds and bonds with warrants of Won 1.34 trillion over five occasions between October 2018 and April 2020. In October 2021, we exercised our right to convert Won 600 billion of our convertible bonds and bonds with warrants into common shares of HMM, becoming the second largest shareholder of HMM, after the Korea Development Bank ("**KDB**"). We additionally converted Won 500 billion of our convertible bonds and bonds with warrants in October 2023, Won 50 billion of our convertible bonds in May 2024, Won 100 billion of our convertible bonds in June 2024, and Won 330 billion of our convertible bonds in October 2024, into common shares of HMM. We have also provided other forms of support to HMM, including guarantees on debt commitments, subsidies for purchase of and conversion to eco-friendly vessels and facilities, investments in HMM's terminal investment projects, subsidies for membership funds to join THE Alliance and container box lease financing, among others. As of December 31, 2024, we held 33.32% equity interest in HMM and our credits (including loans, guarantees, equity investments and others) extended to HMM since our establishment totaled Won 4.28 trillion as of such date.

The gains and losses from the valuation of our investments and shareholdings in HMM directly affect our operating results. For instance, we recognized Won 250 billion of loss and Won 736 billion of loss from the valuation of our investments in HMM in 2023 and 2024, respectively. Although an increase in operating results and share value of HMM may positively affect our results of operation and financial conditions, it may also have a negative impact in the case of a decrease in operating results and share value.

As of December 31, 2024, Government-controlled entities, including KDB and us, collectively owned a 67.05% interest in HMM. As of the date of this Offering Circular, there is no concrete sale procedure underway for the privatization of HMM, but if privatization is indeed implemented, such plan could include a divestiture of a significant portion of our interests in HMM and there can be no assurance that our business, financial condition and results of operations and/or the price of our Notes will not be adversely affected.

We are exposed to contingent liabilities arising from guarantees extended to domestic shipping companies.

We support domestic shipping companies to secure financing and/or refinancing by providing guarantees to their financial obligations. With our high credit rating backed by the Government, our guarantees can help to boost the credits of the borrowing shipping companies in the eyes of the third-party creditors and financial institutions and also enable them to secure more favorable financing terms, including lower interest rates. As of December 31, 2024, we extended debt guarantees of more than Won 1.5 trillion to 62 domestic shipping companies.

Most of the shipping companies are required to pledge their ships as collaterals, and we typically aim to provide guarantees that cover 95% of the underlying loan amount of the borrowing shipping companies. Any delinquency in payment obligations or default on the part of the borrowing shipping companies may force us to assume debts and fulfill payment obligations on behalf of such delinquent or defaulting borrowers, which may harm our operating results and financial conditions.

Fluctuations in interest rates and foreign exchange rates may negatively affect our operating results and financial conditions.

Interest rates in Korea have been subject to fluctuations in recent years. Between 2009 and 2019, the base interest rate set by the Bank of Korea, to which the market interest rates correlate, has fluctuated within a range of 1.25% and 3.25%. In March 2020, amid growing concerns over the COVID-19 pandemic, the Bank of Korea cut the base interest rate by 50 basis points to 0.75% and in May 2020 further to 0.50%. However, as the pandemic began to recede and the economy showed some signs of recovery starting from the second half of 2021, the Bank of Korea gradually raised the base interest rate multiple times to reach a pre-pandemic level of 1.25% from August 2021 through January 2022. And, in response to rising levels of household debt and inflation in Korea as well as globally, the Bank of Korea again raised the base interest rate to 1.50% in April 2022, 1.75% in May 2022, 2.25% in July 2022, 2.50% in August 2022, 3.00% in October 2022, 3.25% in November 2022 and 3.50% in January 2023 in an effort to address rising consumer prices. The base interest rate remained at 3.50% until October 2024 when it was reduced to 3.25%. It was further lowered to 3.00% in November 2024 and to 2.75% in February 2025, as inflation in Korea showed signs of stabilizing and the need for economic stimulus grew.

An increase in interest rates may adversely affect our business, financial condition and results of operations in various ways, including (i) an increase in our funding costs; (ii) an increased risk of delinquency or default on the borrowings we either directly loaned or extended guarantees for; and (iii) a decrease in the level of investment or business activities by shipping companies due to higher funding costs.

In addition, as many domestic shipping companies generate substantial portion of their revenues in foreign currencies including U.S. dollars, their operating results and financial conditions may be negatively affected by fluctuations in foreign exchange rates or volatility and unpredictability resulting therefrom, which in turn could negatively impact our operating results and financial conditions.

The impact of future fluctuations in interest rates and foreign exchange rates on our results of operations and financial conditions cannot be accurately predicted, and there can be no assurance that such fluctuations will not in the future have a material adverse effect on our results of operations and financial condition or our attempt to mitigate the adverse effects of such fluctuations will be successful.

We were incorporated as a reorganized entity in July 2018 by combing three predecessor entities, and we have a limited operating history and unique business model, which make it difficult to evaluate our future prospects and the risks and challenges we may encounter.

We were established in July 2018 by combining Korea Maritime Guarantee Insurance, Korea Shipping & Maritime Transportation and Korea Maritime Exchange Information Center with a unique policy mandate to enhance the competitiveness of maritime transport industry in Korea. We are the only entity in Korea with such mandate, and there are very few companies or institutions worldwide with mandate or business model comparable to ours. Investors should consider our business in light of the unique risks and challenges we may encounter as a relatively new enterprise with rare business model.

In addition, as a successor entity, we inherited all of the outstanding contracts and liabilities from the predecessor entities, and therefore may be subject to contingent liabilities associated with such contracts, liabilities and business activities of the predecessor entities.

The maritime transport industry is highly competitive and subject to extensive government regulation and standards, international treaties and trade prohibitions and sanctions.

The maritime transport industry is highly competitive with limited barriers to entry, especially in international trade lanes. Ocean carriers can shift vessels in and out of trade lanes or can charter vessels to manage capacity and meet customer demands. The entry of a new competitor or the addition of new vessels or capacity by existing competition on any of the routes of the domestic shipping companies we invested in could negatively impact the scale and profitability of such domestic shipping companies as a result of a decline in cargo volumes and shipping rates. Such negative impacts could be further exacerbated by the downward trend in shipping rates, driven by the global economic slowdown and an oversupply of vessels. This could cause our beneficiary domestic shipping companies to become unable to pay interest, principal or other amounts due to us or other creditors, which will negatively affect our operating results and financial condition as well.

Furthermore, the maritime transport industry is subject to extensive government regulation and supervision that change from time to time and differ depending on the jurisdictions. Changes to applicable regulations may have an adverse effect on domestic shipping companies' ability to maintain their current level of business activities and profitability, and any violations of applicable laws, regulations, treaties or prohibitions could result in revocation or non-renewal of their licenses. Under the rapidly evolving environmental, economic and trading sanction laws, governments may seek to implement additional requirements on domestic shipping companies or force them to significantly modify their current business practices, which may increase both operating and compliance costs and even subject domestic shipping companies to fines, penalties and other sanctions. Although we closely and consistently monitor the regulatory developments applicable to domestic shipping companies, the changes could be unpredictable and beyond our control, and there can be no assurance that our efforts would be successful in preparing domestic shipping companies and Korean maritime transport industry for the anticipated change.

Climate change and greenhouse gas restrictions may adversely affect the operating results of domestic shipping companies, which in turn could increase pressure on our efforts to subsidize transition to eco-friendly ships and facilities.

In recent years, many governments and international governing bodies such as the International Maritime Organization ("**IMO**") has adopted more stringent environmental standards and regulations applicable to maritime transport industry in response to ever-growing concerns over the environment and the increased environmental awareness. The evolving body of such international rules and standards includes adoption of emission cap and trade regimes, imposition of carbon taxes and provision of incentives or mandates to use renewable energy source, among others. Compliance with such measures may increase the operating and compliance costs of domestic shipping companies in terms of dedicating resources to evaluate and monitor the constantly evolving international regulatory regimes, acquiring or converting to new environment-friendly ship models or facilities, purchasing emission allowances or paying greenhouse gas emission taxes. The domestic shipping companies may also need to modify or forgo opportunities for international expansion or revenue growth.

As part of our efforts to assist the transition of domestic shipping companies to evolving international standards, we provide various forms of financial support to domestic shipping companies, including by way of ship financing support to acquire environment-friendly ships, special guarantee program with MOF and subsidies to the purchase price of a new eco-friendly ship, among others. See "*Business – Environment*". As of December 31, 2024, we provided a total of Won 895 billion in investments, guarantees and subsidies to domestic shipping companies for their acquisition of or conversion to eco-friendly ships or facilities. We have also co-established a green marine fuel infrastructure fund with the MOF to support the development of eco-friendly fuel facilities and bunkering vessels. The fund is expected to amount to Won 1 trillion, with Won 600 billion allocated for the development of port storage facilities for LNG, methanol and ammonia, and Won 400 billion earmarked for the construction of bunkering vessels by 2030. As international efforts to curb climate change continue to increase, the pressure on us to provide necessary supports to domestic shipping companies may also increase.

Our equity investments in domestic and international port authorities are subject to certain risks applicable to the operation of ports and terminals.

As of December 31, 2024, we held 12.7% of ownership interests in each of the port authorities in Busan, Ulsan, Incheon and Yeosu as a result of the Government's in-kind contribution of its interests in those port authorities in 2018. We also invested in port and logistics facilities in the United States, Hungary, Vietnam and Malaysia, and the total amount of investment made by us in port authorities, terminals and logistics warehouses in Korea and worldwide was Won 236 billion in 2023 and Won 274 billion in 2024. The investments in port authorities, terminals and logistics warehouses therein involve long-term projects related to operation of ports and construction of necessary infrastructures and are heavily dependent on the policies of local governments of where they are located. The operation and profitability of ports and terminals are also closely related to volatility and cyclicality of global shipping and maritime transport industries, which have been historically affected by global economic conditions. Therefore, any changes in local government policies or global macroeconomic conditions may result in material adverse effects on operations or financial conditions of the port authorities, terminals and logistics warehouses we have invested in, which may in turn have an adverse effect on our business, financial condition and results of operations.

We may not be successful in implementing new business strategies and project initiatives.

As a policy arm of the Government with respect to maritime transport industry in Korea, we may enter into new business areas or undertake new types of projects, subject to Government's plans and approvals as well as the prevailing market conditions. Expanding the scope of our support and services or pursuing new business strategies may expose us to a number of additional risks and challenges and we may not be able to properly manage all investments and projects or make best use of our limited resources if we are overextended. Furthermore, the prospects of new initiatives may be uncertain, and they may end up being more difficult or costly to manage or less profitable than initially expected. If we are not successful in our new business endeavors, we may fail to recover our investments or expenditures, which together with associated opportunity costs, may have a material adverse effect on our business, financial condition and results of operations.

Our business may be materially and adversely affected by legal claims and regulatory actions against us.

We are subject to the risk of legal claims and regulatory actions in the ordinary course of our business, which may expose us to substantial monetary damages and legal costs, injunctive relief, criminal and civil penalties, sanctions against our management and employees, regulatory restrictions on our operations and significant reputational harm.

Our risk management system may not be fully effective at all times.

We preemptively monitor and manage our risk exposure through a centralized risk management and credit evaluation system using a variety of risk management strategies and techniques. Such strategies and techniques and the judgments accompanying their applications, however, cannot fully anticipate the economic and financial outcomes in all applicable market environments and may have limited effectiveness in times of significant market stress or other unforeseen circumstances in particular. Furthermore, our risk management strategies may not be effective in a difficult or less liquid market environment, as other market participants may be attempting to use the same or similar strategies as we are to deal with such market conditions. In such circumstances, it may be difficult for us to reduce our risk positions due to the activity of such other market participants.

The COVID-19 pandemic and any possible recurrence of other types of widespread infectious diseases and the governmental responses thereto may adversely affect our business.

Our business could be adversely affected by health epidemics impacting the markets and industries in which we operate. The outbreak of communicable diseases such as COVID-19, H7N9 strain of flu, the H1N1 virus and MERS on a global scale has affected, and may also affect in the future, investment sentiment in Korea and globally, resulting in sporadic volatility in global capital markets and economies.

In particular, the governmental responses including, but not limited to, travel bans, quarantines and lockdown of major cities and key ports and terminals worldwide, caused, and may also cause in the future, a serious disruption in global supply capacity and cargo traffics while increasing operating expenses of shipping companies. Domestic shipping companies may also suffer from delays in and disruptions to their normal operations, which can negatively impact their operating results and financial conditions.

During the height of the pandemic, we provided COVID-19 relief support in various forms, including by way of an extension of credit guarantees, purchase of bonds and remission of interests or other financial dues, as a relief measure to mitigate the effects of COVID-19. Since December 2023, we have ceased to provide new relief support. Since our COVID-19 relief supports were pursuant to the Government's mandate to assist the strained financial conditions of domestic shipping companies during the height of the pandemic, they were not necessarily in our best commercial interests and we might not be able to recoup such investments.

Since 2021, the Korean and global economies have showed signs of recovery from the pandemic recession in 2020, due largely to aggressive fiscal and monetary measures implemented by the governments. In addition, the Government and other governmental authorities across the world lifted most of the restrictions put in place to slow the spread of COVID-19 and, in May 2023, the World Health Organization declared that the COVID-19 pandemic was still ongoing but no longer represented a public health emergency. However, the risk remains that circumstances could deteriorate, for instance, with the spread of a new COVID-19 variant. To the extent the COVID-19 pandemic or an unrelated epidemic, pandemic or other health crisis adversely affects our business, it may also have the effect of heightening many of the other risks described in these risk factors relating to our business and industry, and the cumulative effects of these developments could have a material adverse effect on our business, results of operations, financial condition and prospects.

Risks Relating to Korea

Unfavorable financial and economic conditions in Korea and globally may have a material adverse impact on our asset quality, liquidity and financial performance.

We are incorporated in Korea and substantially all of our operations and assets are located in Korea. As a result, our business and profits are subject to political, economic, legal and regulatory risks specific to Korea. The future of the Korean economy is subject to many factors beyond our control. In Korea, uncertainties remain as to the future directions of key macro- and microeconomic indicators such as exports, consumption, demand for business products and services, unemployment rates, debt service burden of households and businesses, general availability of credits and asset values of real estates.

In recent years, adverse conditions and volatility in the worldwide financial markets, fluctuations in oil and commodity prices, supply chain disruptions and the general weakness of the global economy, mainly due to the COVID-19 pandemic, Russia's invasion of Ukraine and ensuing sanctions against Russia, the escalation of hostilities in the Middle East following the Israel-Hamas war and, more recently, fluctuations in policy interest rates globally to combat inflationary pressures and rising global trade tensions, particularly between the United States and its trading partners in light of tariffs imposed under the Trump administration, such as the 25% tariffs on steel and aluminum imports, and the subsequent retaliatory trade measures by affected countries, among others, have contributed to the uncertainty of global economic prospects in general and have adversely affected, and may continue to adversely affect, the Korean economy. Especially, most recently in April 2025, the U.S. government additionally imposed a universal "reciprocal" tariff which applies to all imports from all countries (including those with free trade agreements with the United States), with a base rate of 10% and higher rates to be imposed on imports from certain enumerated countries (including Korea at 25%) on a country-by-country basis, subject to certain exceptions. It is uncertain whether the Trump administration will roll out additional policies, which may result in new universal or country-specific trade restrictions, such as tariffs, quotas, or embargoes being imposed.

The value of the Won relative to major foreign currencies in general and the U.S. dollar in particular has also fluctuated. Furthermore, as a result of adverse global and Korean economic conditions, there has been volatility in the stock prices of Korean companies in recent years. Future declines in the Korea Composite Stock Price Index and large amounts of sales of Korean securities by foreign investors and subsequent repatriation of the proceeds of such sales may adversely affect the value of the Won, the foreign currency reserves held by financial institutions in Korea and the ability of Korean companies to raise capital. Any future deterioration of the Korean or global economy could adversely affect our business, financial condition and results of operations.

Political instability may further adversely affect the Korean economy and cause volatility in the stock prices of Korean companies. Occasional political upheavals can cause social unrest and economic instability. Events such as impeachments or declarations of martial law have the potential to disrupt the nation's political and economic landscape. These incidents, when they occur, can lead to widespread protests, market volatility, and temporary setbacks in various sectors of the economy, potentially affecting businesses operating within the country.

Developments that could adversely affect Korea's economy in the future include the following:

- fiscal difficulties, political turbulence and increased sovereign default risks in select countries and other countries in general and the resulting adverse effects on the global financial markets;
- adverse change or increased volatility in macroeconomic indicators, including interest rates, inflation level, foreign currency reserve levels, commodity prices (including oil prices), exchange rates (including fluctuation of U.S. dollar, Euro or Japanese Yen or revaluation of the Renminbi), stock market indices and inflows and outflows of foreign capital;
- occurrence of severe health epidemics in Korea or other parts of the world, such as the COVID-19 pandemic;
- continued volatility or deterioration in Korea's credit and capital markets;
- adverse developments in the economies of countries and regions that are Korea's important export markets (such as the United States, Europe, China and Japan or emerging market economies in Asia or elsewhere), as a result of economic and trade tensions between the United States and China, and increased uncertainties in the global financial markets and industry;
- deterioration in economic or diplomatic relations between Korea and its major trading partners or allies, as a result of trading or territorial disputes or disagreements in foreign policy;
- imposition of tariffs, quotas, trade barriers and other trade protection measures by various countries;
- substantial fluctuations in the market prices of Korean real estate market and uncertainties arising from construction companies' exposures to project financing loans;
- a continuing rise in the level of household debt and an increase in delinquency and credit default by retail or small- and medium-sized enterprise borrowers;
- a rise in unemployment or stagnation of real wages;
- an increase in social expenditures to support an ageing population or decreases in productivity due to shifting demographics;
- shortages of imported raw materials, natural resources, rare earth minerals or component parts, including semiconductors, due to disruptions to the global supply chain;
- the economic impact of any pending or future free trade agreements or of any changes to existing free trade agreements;
- social and labor unrest;
- a continued decrease in the population and birthrates in Korea;
- a decline in consumer confidence and a slowdown in consumer spending and corporate investments;
- rising inflationary pressures leading to increases in the costs of goods and services and a decrease in purchasing power;
- a widening fiscal deficit from a decrease in tax revenues and an increase in the Government's expenditures for fiscal stimulus measures, unemployment compensation and other economic and social programs;
- a deterioration in the financial condition or performance of small- and medium-sized enterprises and other companies in Korea due to the Government's policies to increase minimum wages and limit working hours of employees;

- political gridlock within the government or in the legislature, which prevents or disrupts timely and effective policy making;

- political scandal, including but not limited to, bribery, power abuse and illegal dealings by the government officials;

- investigation on chaebols and arrest of their senior management, which causes volatility of the Korean stock market and delays decision making of major businesses in Korea;

- laws, regulations or other government actions (financial, economic or otherwise) that fail to achieve desired policy objectives, produce adverse unintended consequences or otherwise constrain or distort sound economic activities;

- increased reliance on exports to service foreign currency debts, which could cause friction with Korea's trading partners;

- loss of investor confidence arising from corporate accounting irregularities and corporate governance issues, including in respect of certain chaebols;

- hostilities, political or social tensions involving Russia (including the invasion of Ukraine by Russia and ensuing actions that the United States and other countries have taken or may take in the future) as well as the escalation of hostilities in the Middle East following the Israel-Hamas war and in other regions such as North Africa and the resulting adverse effects on the global supply of oil and other natural resources and the global financial markets;

- an increase in the level of tensions or an outbreak of hostilities in the Korean peninsula;

- changes in financial regulations in Korea; and

- any other developments that have a material adverse effect on the global or Korean economy, such geopolitical tensions, an act of war, a terrorist act, a breakout of an epidemic or natural or man-made disasters.

Political and societal unrest surrounding the impeachment of President Suk Yeol Yoon could adversely affect the Korean economy.

On December 3, 2024, President Suk Yeol Yoon declared martial law, citing an urgent need to protect the country. The National Assembly swiftly voted to rescind the declaration of martial law, which led to President Yoon's revocation of the decree just hours later. Such events prompted numerous public protests, both against and in support of President Yoon.

On December 14, 2024, the National Assembly voted in favor of President Yoon's impeachment, for his purported acts of insurrection, among others, which resulted in an immediate suspension of his presidential powers. On April 4, 2025, the Constitutional Court unanimously upheld the parliamentary vote to impeach President Yoon, triggering his immediate dismissal. A special election to elect a new president is scheduled to be held on June 3, 2025.

Although the Government believes that the Korean economy and society are resilient enough to withstand any temporary negative impact of such political developments or any potential ensuing societal unrest, there is no assurance that such developments would not have a material adverse effect on the Korean economy and public finances.

Escalations in tensions between Korea and North Korea could have an adverse effect on us and the market value of the Notes.

Relations between Korea and North Korea have been tense throughout Korea's modern history. The level of tension between the two Koreas has fluctuated and may increase abruptly as a result of current and future events. In particular, there have been heightened security concerns in recent years stemming from North Korea's nuclear weapon, ballistic missile and satellite programs as well as its hostile military actions against Korea. Some of the significant incidents in recent years include the following:

- North Korea renounced its obligations under the Nuclear Non-Proliferation Treaty in January 2003 and has conducted six rounds of nuclear tests since October 2006, including claimed detonations of hydrogen bombs, which are more powerful than plutonium bombs, and warheads that can be mounted on ballistic missiles. Over the years, North Korea has also conducted a series of ballistic missile tests, including missiles launched from submarines and intercontinental ballistic missiles that it claims can reach the United States mainland. North Korea has increased the frequency of its missile tests in 2022, firing over 60 ballistic missiles, including eight intercontinental ballistic missiles, and in November 2023, successfully launched its first spy satellite. In response, the Government has repeatedly condemned the provocations and flagrant violations of relevant United Nations Security Council resolutions. In February 2016, the Government also closed the inter-Korea Gaeseong Industrial Complex in response to North Korea's fourth nuclear test in January 2016. Internationally, the United Nations Security Council has passed a series of resolutions condemning North Korea's actions and significantly expanding the scope of sanctions applicable to North Korea, in December 2017, in response to North Korea's intercontinental ballistic missile test in November 2017. Over the years, the United States and the European Union have also expanded their sanctions applicable to North Korea.

Since April 2018, North Korea has held a series of bilateral summit meetings with Korea and the United States to discuss peace and denuclearization of the Korean peninsula. At the end of July 2021, the inter-Korean communication lines were restored for the first time since June 2020, when North Korea severed all inter-Korean governmental communication, but days later, North Korea stopped answering routine calls from Korea in apparent protest of the joint U.S.-Korea military exercises scheduled for August 2021. Although in October 2021, North Korea began answering military and liaison office communication lines again, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future or that such escalation will not have a material adverse impact on the Korean economy and us. Despite some mixed signs of improved relationship between North Korea and Korea as well as the United States in recent years, North Korea has not ceased its missile testing, heightening tensions, and the outlook of discussions with North Korea remains uncertain.

North Korea's economy also faces severe challenges, including severe inflation and food shortages, which may further aggravate social and political tensions within North Korea.

Although bilateral summit meetings were held between Korea and North Korea in April, May and September 2018 and between the United States and North Korea in June 2018, February 2019 and June 2019, there can be no assurance that the level of tensions affecting the Korean peninsula will not escalate in the future. In addition, reunification of Korea and North Korea may suddenly occur in the future, which would entail significant economic commitment and expenditure by Korea that may outweigh any resulting economic benefits of reunification. Any further increase in tension or uncertainty relating to the military, political or economic stability in the Korean peninsula, including a breakdown of diplomatic negotiations over the North Korean nuclear program, occurrence of military hostilities, heightened concerns about the stability of North Korea's political leadership or its actual collapse, a leadership crisis, a breakdown of high-level contacts or accelerated reunification could have a material adverse effect on our business, financial condition and results of operations, as well as the credit rating for Korean issuers, including us, or for the Notes.

There are special risks involved with investing in securities of Korean companies, including the possibility of restrictions being imposed by the Government in emergency circumstances as well as accounting and corporate disclosure standards that differ from those in other jurisdictions.

As we are a Korean company, there are risks associated with investing in our securities that are not typical for investments in securities of companies in other jurisdictions, including the U.S. and Europe. As a Korean company, we operate in a business and cultural environment that is different from that of other countries.

Under the Foreign Exchange Transaction Act of Korea, if the Government determines that certain emergency circumstances, including sudden fluctuations in interest rates or exchange rates, extreme difficulty in stabilizing the balance of payments or substantial disturbance in the Korean financial and capital markets, are likely to occur, it may impose any necessary restriction such as requiring Korean or foreign investors to obtain prior approval from the Minister of Economy and Finance of Korea for the acquisition of Korean securities or for the repatriation of interest, dividends or sales proceeds arising from Korean securities or from disposition of such securities or other transactions involving foreign exchange. In addition, if the Government determines it necessary on account of war, armed conflict, natural disaster or grave, sudden and significant changes in domestic or foreign economic circumstances or similar events or circumstances, it may temporarily suspend payment, receipt or performance under any or all foreign exchange transactions, in whole or in part, to which the Foreign Exchange Transaction Act of Korea applies (including suspension of payment and receipt of foreign exchange), impose an obligation to deposit, safe keep or sell precious metal or any means of payment to The Bank of Korea, a foreign exchange equalization fund, certain other governmental agencies or financial companies.

In addition, we prepare and present our financial statements in accordance with K-IFRS, which differs in material respects from accounting principles applicable to companies in certain other countries. We also will make public disclosure regarding other aspects of our business in accordance with the Act on the Management of Public Agencies and other laws applicable to us. These disclosure rules and practices differ in material respects from those applicable to companies in certain other countries. There may also be less publicly available information about Korean companies, such as us, than is regularly made available by public or non-public companies in other countries. In making an investment decision, investors must rely upon their own examination of our company, the terms of the Global Offering and the financial information contained in this Offering Circular.

Investors may not be able to enforce a judgment of a foreign court against us.

We are incorporated in Korea. All of our directors are non-U.S. residents, and a substantial majority of our assets and the personal assets of our directors and executive officers are located outside the United States. As a result, when compared to a U.S. company, it may be more difficult for investors to effect service of process in the United States upon us, our directors or executive officers or to enforce against us, our directors or executive officers, judgments obtained in U.S. courts predicated upon civil liability provisions of the federal or state securities laws of the United States or similar judgments obtained in other courts outside Korea. There is doubt as to the enforceability in Korean courts, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated solely upon the federal and state securities laws of the United States.

In Korea, the procedures and requirements for the recognition of foreign judgments are set forth in the Civil Procedure Act. Under Article 217(1) of the Civil Procedure Act, for a foreign judgment to be recognized by a Korean court: (1) the judgment must be final and conclusive, and the jurisdiction of the foreign court that rendered the judgment must be recognized under the principles of international jurisdiction, pursuant to the statutes or treaties of Korea, (2) the defendant must have been duly served with process (otherwise than by publication or similar means), in sufficient time to defend the proceeding or must have responded without having been served with process, (3) in light of the substance of such judgment and the procedures of the proceeding, recognition of the judgment shall not be contrary to the public policy of Korea and (4) judgments of the courts of Korea are accorded reciprocal treatment in the jurisdiction of the court which had issued such judgment or the requirements for the recognition of a foreign judgment in such jurisdiction are neither manifestly inequitable nor substantially different in material respects from the requirements above. For compulsory execution of the judgment rendered by a foreign court, Article 26 of the Civil Execution Act requires an execution judgment by a Korean court. A foreign judgment may not be enforceable in Korea if it does not meet the requirements set forth in the Civil Procedure Act and the Civil Execution Act.

Risks Relating to the Notes

The Notes are not guaranteed by the Republic of Korea.

The Notes are not the obligations of, or guaranteed by, the Republic of Korea. Although under the KOBC Act, the Government is allowed to guarantee the bonds we offer, it is not providing a guarantee with respect to the Notes. In addition, under the KOBC Act, the Government is under no legal obligation to maintain our solvency although it may choose to do so. Therefore, investors should not rely on the Government to fulfill our obligations under the Notes in the event we are unable to do so.

The Notes are unsecured obligations and the ability of the holder of the Notes to receive payments under the Notes may be compromised under certain circumstances.

As the Notes are unsecured, they will be effectively subordinated to any existing and future secured debt incurred by us or our subsidiaries to the extent of the value of the assets securing any such secured debt. If we or our subsidiaries were unable to repay any of our respective secured indebtedness, the holders of such debt could proceed against the assets securing that debt and those assets would not be available to the holders of the Notes.

Furthermore, the Notes will be structurally subordinated to all indebtedness and other obligations of our subsidiaries. In the event of a bankruptcy, liquidation, rehabilitation or other winding-up proceedings of a subsidiary of ours, all of the creditors of that subsidiary, including trade creditors, will generally be entitled to be paid in full from the assets of such subsidiary before any of those assets are made available for distribution to us.

The Notes are subject to transfer restrictions.

The Notes will be offered and sold pursuant to an exemption from registration under the United States and applicable state securities laws. Therefore, holders of the Notes may transfer or resell the Notes in the United States only in a transaction registered under, or exempt from, the registration requirements of the United States and applicable state securities laws, and investors may be required to bear the risk of investment for an indefinite period of time. For a further discussion of the transfer restrictions applicable to the Notes, see "*Subscription and Sale and Transfer and Selling Restrictions*".

The regulation or reform of certain benchmark rates may adversely affect the value of Notes linked to or referencing such benchmark rates.

The Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be benchmarks are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to or referencing such a "benchmark".

Regulation (EU) No. 2016/1011 (the "**EU Benchmarks Regulation**") and Regulation (EU) No. 2016/1011 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Benchmarks Regulation**") apply to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU and the UK, respectively. The EU Benchmark Regulation and UK Benchmark Regulation could have a material impact on any Notes linked to EURIBOR or another benchmark rate or index, in particular, if the methodology or other terms of the benchmark are changed in order to comply with the terms of the EU Benchmark Regulation or UK Benchmark Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. More broadly, any of the international, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain "benchmarks," trigger changes in the rules or methodologies used in certain "benchmarks" or lead to the discontinuance or unavailability of quotes of certain "benchmarks."

As an example of such benchmark reforms, on September 21, 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate," which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area. On September 13, 2018, the working group on Euro risk-free rates recommended the new Euro short-term rate ("**€STR**") as the new risk-free rate for the euro area. The €STR was published for the first time on October 2, 2019. Although EURIBOR has been reformed in order to comply with the terms of the Benchmark Regulation, it remains uncertain as to how long it will continue in its current form, or whether it will be further reformed or replaced with €STR or an alternative benchmark.

Where the Interest Rate specified in the relevant Pricing Supplement is SOFR, if we determine that a Benchmark Transition Event and its related Benchmark Replacement Date has occurred, the then-current Benchmark will be replaced by a Benchmark Replacement (determined by us in accordance with the Terms and Conditions of the Notes) for all purposes relating to the relevant Floating Rate Notes in respect of all determinations on such date and for all determinations on all subsequent dates. We will have to exercise our discretion to determine (or to elect not to determine) a Benchmark Replacement and, if applicable, a Benchmark Replacement Adjustment, in a situation in which we are presented with a conflict of interest.

The use of a Benchmark Replacement may result in interest payments that are substantially lower than or that do not otherwise correlate over time with the payments that could have been made on the relevant Floating Rate Notes if the relevant benchmark remained available in its current form.

Any of the above changes or any other consequential changes to benchmarks as a result of EU, UK, or other international, national, or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes could have a material adverse effect on the trading market for, value of and return on any Notes linked to such benchmark. Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulation reforms or possible cessation or reform of certain reference rates in making any investment decision with respect to any Notes linked to or referencing a benchmark.

The market continues to develop in relation to risk-free rates as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to risk-free rates, such as the Secured Overnight Financing Rate ("**SOFR**"). This relates not only to the substance of the calculation and the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions as applicable to the Notes. Furthermore, we may in future issue Notes referencing SOFR that differ materially in terms of interest determination when compared with the Notes.

In addition, the manner of adoption or application of SOFR reference rates in the Eurobond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Noteholders should carefully consider how any mismatch between the adoption of SOFR reference rates across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR. In addition, the development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of Notes referencing SOFR. Similarly, if SOFR does not prove to be widely used in securities such as the Notes referencing SOFR, investors may not be able to sell such Notes referencing SOFR at all or the trading price of the Notes referencing SOFR may be lower than those of bonds linked to indices that are more widely used.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

SOFR has a limited history.

Publication of SOFR began in April 2018 and it therefore has a limited history. The future performance of SOFR may therefore be difficult to predict based on the limited historical performance. The level of SOFR during the term of the Notes may bear little or no relation to the historical level of SOFR. Prior observed patterns, if any, in the behavior of market variables and their relation to SOFR such as correlations, may change in the future.

Furthermore, the Interest Rate is only capable of being determined at the end of the relevant reference period and immediately prior to the relevant Interest Payment Date. It may be difficult for Noteholders to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable as a result of an Event of Default under Condition 12 (Events of Default), or are otherwise redeemed early on a date which is not an Interest Payment Date, the final Interest Rate payable in respect of the Notes shall be determined by reference to a shortened period ending immediately prior to the date on which the Notes become due and payable.

The administrator of SOFR may make changes that could change the value of SOFR or discontinue SOFR.

The New York Federal Reserve (or a successor), as administrator of SOFR, may make methodological or other changes that could change the value of SOFR, including changes related to the method by which SOFR is calculated, eligibility criteria applicable to the transactions used to calculate SOFR, or timing related to the publication of SOFR. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR (in which case a fallback method of determining the interest rate on the Notes will apply). The administrator has no obligation to consider the interests of Noteholders when calculating, adjusting, converting, revising or discontinuing SOFR.

There is no existing trading market for the Notes and, therefore the Notes offer limited liquidity.

The Notes when issued may constitute a new issue of securities for which there will be no existing trading market. Although the Dealers may make a market in the Notes, they are not obligated to do so, and any market-making activity with respect to the Notes, if commenced, may be discontinued at any time without notice. No assurance can be given as to the liquidity of, or the development and continuation of an active trading market for, the Notes. If an active trading market for the Notes does not develop or is not maintained, the liquidity and market price of the Notes may be adversely affected. If such a market were to develop, the Notes could trade at prices that may be higher or lower than the price at which the Notes are issued depending on many factors, including, among others:

- prevailing interest rates;
- our results of operations, financial condition and prospects;
- the rate of exchange between Won and the currency of the Notes;
- political and economic developments in and affecting Korea and other regions;

- the financial condition and stability of the Korean financial and other sectors; and

- the market conditions for similar securities.

Notes issued as Green Bonds, Social Bonds or Sustainability Bonds may not be a suitable investment for all investors seeking exposure to green assets, social assets or sustainability assets and may not meet investor expectations.

We may issue Notes under the Program which are specified to be "Green Bonds," "Social Bonds" or "Sustainability Bonds" in the applicable Pricing Supplement in accordance with our Framework, which was prepared in accordance with the four core components of the 2018 ICMA GSSB Principles. We received the Second Party Opinion regarding the alignment of our Framework with the 2018 ICMA GSSB Principles.

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green," "social" or "sustainable," and therefore no assurance can be provided to potential investors that the Eligible Green Projects or Assets, or Eligible Social Projects or Assets will continue to meet the relevant eligibility criteria or that such Eligible Green Projects or Assets, or Eligible Social Projects or Assets will meet any or all investor expectations regarding such "green", "social", "sustainable" or other equivalently-labelled performance objectives. Although we intend to apply net proceeds, or an amount equal to net proceeds, from "Green Bonds," "Social Bonds" or "Sustainability Bonds", to applicable green projects, social projects or sustainability projects which are expected to be selected in accordance with the categories recognized by the ICMA GSSB Principles and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse social and/or environmental events will not occur during the design, construction, commissioning and/or operation of any such green projects, social projects or sustainability projects. In addition, where any negative impacts are insufficiently mitigated, green projects, social projects or sustainability projects may become controversial, and/or may be criticized by activist groups or other stakeholders.

The Second Party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes. The Second Party Opinion is not a recommendation to buy, sell or hold any Notes and is only current as of the date that the Second Party Opinion was initially issued, and may be updated, suspended or withdrawn at any time. Currently, the providers of second party opinions and certifications are not subject to any regulatory regime or oversight. In addition, although we have agreed to certain reporting and use of proceeds obligations in connection with certain criteria, our failure to comply with such obligations does not constitute a breach or an Event of Default under the Notes. A withdrawal of the Second Party Opinion or any failure by us to use the proceeds of the Notes on projects in Eligible Green Projects or Assets, or Eligible Social Projects or Assets, or any failure by us to meet or continue to meet the investment requirements of certain environmentally-focused investors with respect to such Notes may have an adverse effect on the value of the Notes and/or may have adverse consequences for certain investors with portfolio mandates to invest in green assets, social assets or sustainability assets.

No assurance can be provided with respect to the suitability or reliability of the Second Party Opinion or that the Notes will fulfill the criteria to qualify as Green Bonds, Social Bonds or Sustainability Bonds. None of the Dealers makes any representation or warranty, express or implied, or accept any responsibly concerning any information in the Framework or the Second Party Opinion. The Dealers have not undertaken, nor are responsible for, any assessment or verification of the eligibility of projects in Eligible Green Projects or Assets, or Eligible Social Projects or Assets, or the monitoring of the use of proceeds from the offering of the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular regarding the use of proceeds and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Framework, the Second Party Opinion or any other such opinion forms part of, nor is incorporated by reference in, this Offering Circular.

CAPITALIZATION

The following table sets forth the Company's consolidated capitalization (defined as the sum of long-term debt and owner's equity) as of December 31, 2024. The following table should be read in conjunction with "*Selected Consolidated Financial Information of the Company*" and the Company's audited consolidated financial statements and accompanying notes included elsewhere in this Offering Circular.

	As of December 31, 2024
	(In billions of Won)
Long-term debt:	
Long-term borrowings	₩ 3,722
Equity:	
Capital stock	₩ 3,134
Additional paid in other capital	211
Capital adjustments	(163)
Accumulated other comprehensive income	911
Retained earnings	3,968
Total equity	8,062
Total capitalization[(1)]	₩11,784

(1) Sum of long-term debt (excluding current portions, discounts on bond issuance, deferred borrowing costs and risk hedging effects) and total equity.

There has been no material change in the capitalization of the Company since December 31, 2024.

SELECTED FINANCIAL INFORMATION

The following tables present selected consolidated financial data of the Company. This data should be read in conjunction with the financial statements of the Company and the notes thereto and other historical financial information included elsewhere in, or incorporated by reference into, this Offering Circular. The selected financial data as of and for the years ended December 31, 2023 and 2024 set forth below have been extracted from the audited annual consolidated financial statements of the Company included in this Offering Circular.

Selected Statements of Financial Position Data

	As of December 31,	
	2023	**2024**
	(In billions of Won)	
Total assets	₩12,446	₩13,719
Total liabilities	4,764	5,657
Total equity	7,681	8,062
Capital stock	3,134	3,134
Total liabilities and equity	12,446	13,719

Selected Statement of Comprehensive Loss Data

	For the Year Ended December 31,	
	2023	**2024**
	(In billions of Won)	
Operating revenues	₩ 385	₩ 508
Operating expenses	629	679
Operating income (loss)	(243)	(171)
Non-operating revenues	731	1,977
Non-operating expenses	502	2,400
Net income (loss) before income taxes	(14)	(594)
Income tax expenses (benefits)	(18)	(156)
Net income (loss) for the year	₩ 4	₩ (438)
Other comprehensive income (loss), net of tax	0	819
Total comprehensive income (loss) for the year	₩ 5	₩ 381
Net income (loss) attributable to:		
Owners of the Group	4	(438)
Non-controlling interests	–	–
Net income (loss) for the year	₩ 4	₩ (438)
Total comprehensive income (loss) attributable to:		
Owners of the Group	5	381
Non-controlling interests	–	–
Total comprehensive income (loss) for the year	₩ 5	₩ 381

Selected Statement of Cash Flows

	For the Year Ended December 31,	
	2023	**2024**
	(In billions of Won)	
Net cash provided by (used in) operating activities	₩(724)	₩(868)
Net cash provided by (used in) investing activities	(151)	531
Net cash provided by (used in) financing activities	752	590

BUSINESS

Overview

The Company is the flagship government-owned policy finance institution for domestic shipping companies that serves to implement the Government's strategy to enhance the competitiveness of the maritime transport industry of Korea. The Company is mandated to provide stable source of funding to Korean shipping companies and make various forms of investment to promote the overall growth and stability of the industry.

Established in July 2018 as a statutory entity that combines three predecessor entities of Korea Maritime Guarantee Insurance, Korea Shipping & Maritime Transportation and Korea Maritime Exchange Information Center pursuant to the KOBC Act under the auspices of the Five-Year Plan to Rebuild Maritime Transport Industry (the "**Five-Year Plan**"), the Company receives substantial financial support from the Government in the form of capital contributions and subsidies to undertake its operations. The Government exerts significant influence on the policies and operations of the Company through the MOF, the Company's primary regulator, and the MOEF, which together with the other government-controlled entities, including KDB, The Export-Import Bank of Korea ("**KEXIM**") and Korea Asset Management Corporation ("**KAMCO**"), owned 92.4% of the Company's equity as of December 31, 2024. The remaining 7.6% was owned by other private domestic shipping companies as of December 31, 2024. As a Government-controlled entity charged with executing public policy objectives, the Company's business objective is not the maximization of profitability and the scope of the Company's business is subject to extensive Government regulation.

The Company's principal business is to provide financial support to domestic shipping companies in order to stabilize the often strained financial conditions of Korean shipping companies and secure a steady supply of high-quality ships in operation. The Company also provides other ancillary non-financial support to domestic shipping companies and industry practitioners with a goal to improve the industry-wide competitiveness. The main businesses of the Company include the following:

- **Financial Support**, including (i) investments and guarantees in acquisition of new ships; (ii) sale and leaseback and debt guarantees on existing ships; (iii) container box lease financing support; and (iv) investments in shipping infrastructure including port authorities, terminals, logistics warehouses and port unloading facilities.

- **Non-Financial Support**, including (i) implementation of Government's National Mandatory Maritime System; (ii) implementation of Government's Certified Excellent Shipping Company and Shipper program; (iii) publication of freight charge and fare information and management of a call center for reporting unfair maritime market practice; (iv) hosting of maritime forums and conferences and training of maritime professionals; (v) publication of maritime transport market information; (vi) vessel value assessment services; and (vii) announcement and publication of shipping indexes.

The largest investment made by the Company to date is a total of Won 5.41 trillion of investments, loans, guarantees and subsidies extended to HMM, of which Won 1.13 trillion were inherited from Korea Shipping & Maritime Transportation, one of the Company's predecessor entities. Since its establishment to date, the Company has provided Won 4.28 trillion of support to HMM via purchase of bonds with warrants ("**BW**") and convertible bonds ("**CB**") issued by HMM, guarantees on HMM's debt commitments, subsidies to purchase of and conversion to eco-friendly vessels and facilities, investments in HMM's terminal investment projects, subsidies to HMM's membership funds to join THE Alliance, container box lease financing and others.

The Company's operating revenues amounted to Won 385 billion in 2023 and Won 508 billion in 2024. The Company recorded net loss for the year of Won 438 billion in 2024 compared to net income for the year of Won 4 billion in 2023. A large portion of the Company's operating revenues and expenses consist of gains or losses on valuation and disposal of financial instruments, which include gains or losses from the Company's holdings in securities issued by HMM. As of December 31, 2024, the Company had total assets of Won 13,719 billion and total equity of Won 8,062 billion.

Government Ownership and Control

Background

In response to the depressed market conditions faced by domestic shipping companies, as represented by the receivership against HMM in 2016 and the bankruptcy of Hanjin Shipping Co., Ltd. in 2017, the MOF in April 2018 announced the Five-Year Plan setting forth three policy goals to rebuild the maritime transport industry of Korea: (i) securing stable supply of cargo based on competitive services and freight rates; (ii) securing low-cost and high-efficiency vessels in sufficient numbers; and (iii) stabilizing domestic shipping companies' operations and financial conditions.

During its five-year implementation period from 2018 to 2022, the Five-Year Plan brought about many positive outcomes, including, among others, new acquisitions of more than 116 ships, including more than 20 ultra-large container vessels, by domestic shipping companies, restructuring of maritime routes for domestic container carriers that increased operational efficiency, formation of K-Alliance and others.

Government Ownership

Key to the implementation of the Five-Year Plan, the Company was established in July 2018 by combining three of the Company's predecessor entities of (i) Korea Maritime Guarantee Insurance, (ii) Korea Shipping & Maritime Transportation and (iii) Korea Maritime Exchange Information Center in July 2018 pursuant to the KOBC Act. As of December 31, 2024, the Government, represented by the MOF and the MOEF, and other state-controlled entities, including KDB, KEXIM and KAMCO, held 92.4% of the ownership interest of the Company.

Government Control and Regulation

The Company's business operations and management are subject to strict regulation by the Government and are supervised and evaluated by different Government bodies, principally the MOF. In addition to working closely with the MOF in providing necessary support to various market participants in the maritime transport industry of Korea, the Company is also under the indirect purview of the MOEF, the Board of Audit and Inspection of Korea ("**BAI**") and the National Assembly, the main legislative body of Korea.

As the Company's primary regulator, the MOF is authorized to guide and supervise the Company's overall operations and management under the KOBC Act. The MOF is tasked to supervise the Company's long-term business plans, annual budgets, asset quality and capital adequacy levels and is authorized to require the Company to regularly report on material business and administrative matters such as accounting and internal audit results. The MOF is also entitled to evaluate the Company's performance and those of its management and, if necessary, may ask for improvement measures or impose disciplinary actions. Specifically, the Company's articles of incorporation require its president to enter into a management agreement with the MOF, which includes specific performance goals to be achieved during the term of the president, and to file a performance report every year. Furthermore, pursuant to the KOBC Act, the MOF approves the Company's plan for bond issuances and supervises the Company on matters related to its financing in order to maintain the soundness of financial structure and conditions of the Company.

Furthermore, under the Korea Ocean Business Corporation Supervision Regulations (the "**KOBC Supervision Regulations**"), the Minister of the MOF can also request the Company to implement various performance improvement measures, including but not limited to restructuring of the Company's operational systems, limitations on new investments and others, if the Company's capital adequacy ratio falls, or is expected to fall, below 8%. The KOBC Supervision Regulations also specify the mandatory management soundness ratio that the Company must keep at all times, as well as the standards by which the Company should allocate the level of their loan loss reserves.

The Company is audited on an ad hoc basis by the BAI which is an independent government agency that audits all governmental agencies and Government-controlled entities. Matters covered in the audit include a review of the Company's budget, an audit of its financial statements and an inspection of its business operations and performance. The BAI reports its audit results to the National Assembly and the President of Korea. The Company is also subject to inspections and investigations from time to time by the National Assembly pursuant to the Act on Inspection and Investigation of Government Administration of 1988, as amended.

Government Support

As a statutory juridical entity controlled by the Government to support the maritime transportation industry of Korea, the Company receives support from the Government both financially and operationally. The KOBC Act provides for various forms of discretionary Government support to the Company, including:

- contribution by the Government of the Company's authorized capital of Won 5 trillion (Article 5). To date, the Government has contributed approximately Won 2.9 trillion to the Company, the majority of which is in the form of cash contribution with the rest in the form of in-kind capital contribution;

- commitment to offset any deficit arising from the Company's net losses that cannot be covered by its reserves (Article 12);

- guarantees in respect of the Company's repayment obligations on bonds issued by the Company (Article 15). To date, the Government has not provided any such guarantees pursuant to this Article; and

- special financial assistance or subsidies for the Company's implementation of those projects entrusted by the Government or non-profitable public service projects under the KOBC Act (Article 16).

As a result of the Government's in-kind contribution of its interests in port authorities in Busan, Ulsan, Incheon and Yeosu in 2018, the Company also held 12.7% of ownership interests in each of the port authorities as of the date of December 31, 2024.

Support to Restructuring and Normalization of HMM

As of December 31, 2024, the total amount of the Company's credit (including loans, guarantees equity investments, subsidies and others) extended to HMM as part of the Company's policy to support the restructuring and normalization of HMM was approximately Won 5.41 trillion, of which Won 1.13 trillion was inherited from Korea Shipping & Maritime Transportation, one of the Company's predecessor entities.

As part of its policy to support HMM's restructuring effort, the Company had injected approximately Won 1.34 trillion into HMM during the period from October 2018 to April 2020 by purchasing BWs and CBs issued by HMM. The Company has also provided other forms of support to HMM, including guarantees on debt commitments, subsidies to purchase of and conversion to eco-friendly vessels and facilities, investments in HMM's terminal investment projects, subsidies to membership funds to join THE Alliance, container box lease financing and others. In particular, the Company's ship financing support for HMM to acquire 20 ultra-large containerships consisting of twelve 24,000 and eight 16,000 TEU-class container vessels ordered in 2018 played a critical role in helping HMM to turn profit for the first time in 2020 after a decade of slump and to significantly improve its operational efficiency with the introduction of low-cost and high-efficiency vessels. The following table presents a breakdown of cumulative support provided by the Company to HMM as of December 31, 2024 for the periods indicated.

	Amount	Period	Note
	(billions of Won)		
Support provided as Korea Shipping & Maritime Transportation[1]			
Capital increase	104	March 2017	–
Permanent CB/BW	600	March 2017	Fully converted to common shares of HMM on October 26, 2021
Vessels			
10 S&LBs	150	May 2017	–
5 Very Large Crude Carriers	270	April 2018	–
	1,126		
Support provided as KOBC			
Permanent CB/BW	1,340	October 2018 – April 2020	Invested over five occasions
Alliance funds	15	April 2020	Fully repaid
Vessels			
12 24K-class vessels	767	September 2019	Guarantee on junior debts
8 16K-class vessels	662	October 2020	Guarantee on senior debts
12 13K-class vessels	383	October 2023	Subordinated loan
9 9K-class vessels	251	November 2024	Senior loan
Terminals			
HPNT[2]	50	January 2019	Equity investments
	120	December 2022	Equity investments
PSA[3]	20	October 2020	Equity investments
Container box leases	381	August 2019 – August 2024	Leases on 152,880 container boxes in total
	189	August 2024 – present	
Eco-friendly facilities	78	April 2019 – December 2022	23 Scrubbers and 15 Ballast Water Management Systems
Vessel-disposal subsidies[4]	23	October 2018 – present	–
Compensation for loss of National Mandatory Maritime System[5]	3	May 2020 – December 2022	–
	4,282		
Total	5,408		

(1) All investments made by Korea Shipping & Maritime Transportation were comprehensively transferred to KOBC on July 5, 2018.

(2) HMM PSA New-port Terminal Co., Ltd.

(3) Port of Singapore Authority International

(4) Subsidies provided to support disposal of old vessels and acquisition of new eco-friendly vessels

(5) Compensation for loss resulting from using some of HMM-owned vessels as "national mandatory maritime ships"

With support from the Company, HMM recovered its credit rating from its previous default status in 2016 to investment grade in December 2021 and has turned profits for the first time in the second quarter of 2020 after recording operating losses every year since 2011. HMM has since recorded operating profit of Won 981 billion in 2020, Won 7,375 billion in 2021, Won 9,949 billion in 2022, Won 584 billion in 2023, and Won 3,513 billion in 2024, representing a successful leap from the previous operating loss of Won 559 billion in 2018 and Won 300 billion in 2019. The following table presents a history of annual operating result and financial condition of HMM on a consolidated basis before and after the Company's involvement.

			Under creditors' voluntary agreement		Under joint management by KDB and KOBC		Under management by KOBC			
	2010[1]	2016	2017	2018	2019	2020	2021	2022	2023	2024
	(In billions of Won, except for percentages)									
Revenue	₩8,124	₩ 4,585	₩ 5,028	₩ 5,222	₩ 5,513	₩ 6,413	₩ 13,794	₩ 18,583	₩ 8,401	₩11,700
Operating profit (loss)	570	(833)	(407)	(559)	(300)	981	7,375	9,949	585	3,513
Operating profit margin	7.0%	(18.2%)	(8.1%)	(10.7%)	(5.4%)	15.3%	53.5%	53.5%	7.0%	30%
Retained earnings	794	(1,513)	(2,718)	(3,589)	(4,477)	(4,444)	834	10,629	10,889	14,115
Debt-to-equity ratio	243%	362%	302%	296%	557%	455%	72%	25%	20%	21.4%
Total asset	8,872	4,398	3,602	4,121	7,160	9,373	17,934	26,067	25,713	33,849
Credit rating	A	D	BB0	BB0	BB0	BB0	BBB-	BBB+	A-	A-

(1) HMM's best performance prior to the management under the creditors' voluntary agreement.

Following an improvement in the financial performance of HMM, KDB, the largest shareholder of HMM, exercised its right to convert Won 300 billion of its convertible bonds into 60 million common shares of HMM in June 2021, and in December 2021 terminated the joint management of HMM with the Company. Additionally, KDB converted Won 500 billion of its convertible bonds and bonds with warrants in October 2023, Won 50 billion of its convertible bonds in May 2024, Won 100 billion of its convertible bonds in June 2024 and Won 330 billion of its convertible bonds in October 2024, into common shares of HMM.

In October 2021, the Company exercised its right to convert Won 600 billion of its convertible bonds and bonds with warrants into common shares of HMM, becoming the second largest shareholder of HMM, after the KDB. The Company additionally converted Won 500 billion of its convertible bonds and bonds with warrants in October 2023, Won 50 billion of its convertible bonds in May 2024, Won 100 billion of its convertible bonds in June 2024, and Won 330 billion of its convertible bonds in October 2024, into common shares of HMM.

As of December 31, 2024, KDB remained as the largest shareholder of HMM with 33.73% shares in HMM and the Company, the second largest shareholder of HMM with 33.32% interests, continued to hold the sole management right with respect to HMM.

The gains and losses from the valuation of the Company's investments and shareholdings in HMM directly affect the operating results of the Company. For instance, the Company recognized Won 250 billion of loss and Won 736 billion of loss from the valuation of its investments in HMM in 2023 and 2024, respectively. Furthermore, the Company received dividend income of Won 117.1 billion in 2023 and Won 138.3 billion in 2024 and plans to reinvest such dividend income and other profits from restructuring efforts of HMM into establishment of funds to support other small to medium-sized shipping companies in Korea.

Business Operations

The Company is primarily engaged in providing financial support as well as other ancillary non-financial support to domestic shipping companies, including those mandated by the Government to promote the competitiveness of Korean maritime transport industry. The Company divides its operations into two main business segments: (i) Financial Support and (ii) Non-Financial Support.

Financial Support

Since its inception in 2018 to December 31, 2024, the Company had provided financial support consisting of investments, guarantees, S&LB, debt guarantees, container box lease and various forms of subsidies in the amount of approximately Won 12.6 trillion to a total of 136 domestic shipping companies of varying size. The following table presents a breakdown of the Company's financial support by the size of the beneficiary Korean shipping companies as of December 31, 2024.

	Amount[4]	% of Total Financial Support
	(In billions of Won)	
Large shipping companies[1]	₩ 6,425	51.1%
Medium-sized shipping companies[2]	4,898	39.0%
Small shipping companies[3]	1,244	9.9%
Total	₩12,568	100.0%

(1) Shipping companies with Won 5 trillion or more in total assets
(2) Shipping companies that are not classified as large or small shipping companies
(3) Shipping companies that meet the asset and revenue criteria under the Framework Act on Small and Medium Enterprises
(4) Consisting of investments, guarantees, S&LB, debt guarantees, container box lease and various forms of subsidies

The following table presents a breakdown of the Company's revenue in 2023 and 2024.

	For the Year Ended December 31,	
	2023	2024
	(In billions of Won)	
Interest income	₩155	₩206
Fees and commission income	184	166
Dividend income	7	9
Other income	39	127
Total	₩385	₩508

Investments and Guarantees in Acquisition of New Ships: The Company provides financial support in the forms of investment and guarantee to domestic shipping companies in their acquisition of new ships.

Investments

The Company invested approximately Won 760 billion in 2023 and Won 1,086 billion in 2024 to support domestic shipping companies in their acquisition of newly built or used ships.

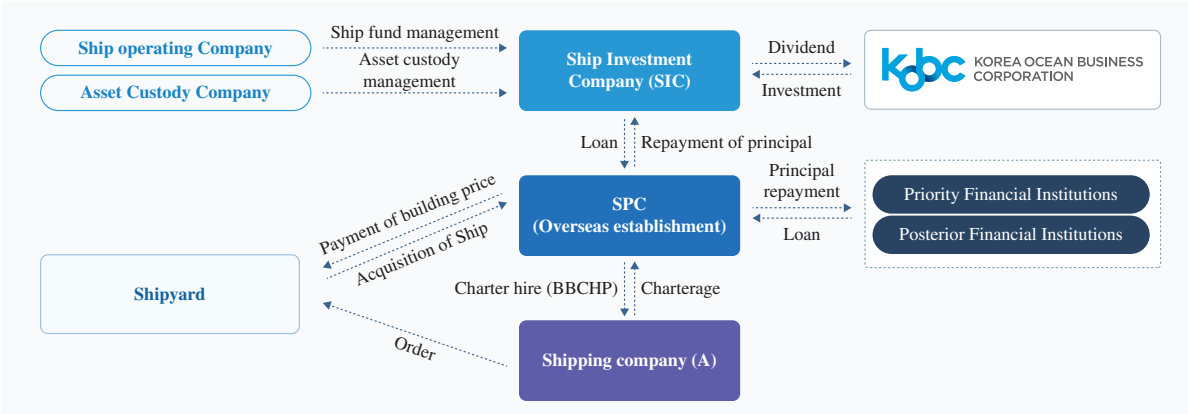
When selecting candidates for investment, the Company first engages in preliminary discussion with potential candidate and, if deemed eligible from such preliminary discussion, accepts formal investment application from such candidate. During its review process, the Company examines financial conditions as well as profitability of the candidate's business in details. If the candidate is considered to be eligible after such review, the Company and the candidate negotiate major terms of the investment, which are subsequently reviewed by Company's Investment Deliberation Committee. If approved by the Company's Investment Deliberation Committee, the parties then enter into formal investment agreements.

The amount of investment committed by the Company is dependent on various factors including the total value of the underlying ships, credit rating of the beneficiary shipping companies, present and/or future profitability of the beneficiary shipping companies' businesses and others, but usually amounts to at least 70% of the underlying ship value.

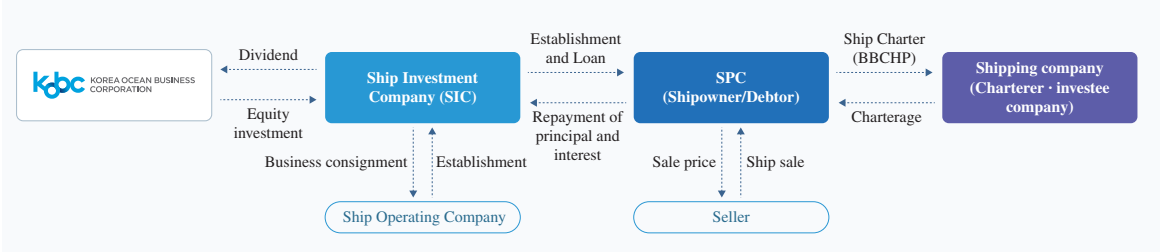
When investing in acquisition of new ships, the Company invests through an entity called the Ship Investment Company (the "**SIC**"), which is initially set up by a ship operating company but is counted as a consolidated subsidiary of the Company in most cases. The ship operating company usually owns only a nominal percentage of equity interest in the SIC and a separate asset custody company provides asset management support to the SIC while the Company either makes equity investments into the SIC or purchases bonds issued by the SIC. In return for its investments into the SIC, the Company receives dividend (in case of equity investments) or interest (in case of bond) income from the SIC.

The SIC makes a loan to a special purpose company ("**SPC**"), which is a wholly owned subsidiary of the SIC, and with the capital injected from SIC and/or third-party lenders, the SPC pays for and takes ownership of the ship from a shipyard (in the case of purchasing newly built ships) or a third-party seller (in the case of purchasing used ships) becoming the nominal owner of the ship as well as the borrower to the SIC and/or third-party lenders. The SPC then leases the ship to beneficiary shipping company and in return receives a certain amount of lease fees as well as installment for the full price of the ship during a set period of lease term. At the end of the lease term and upon full payment of the ship price by the beneficiary shipping company, the SPC transfers the ship ownership to the beneficiary shipping company, completing the purchase of a new ship by the beneficiary shipping company.

Investing in Purchase of Newly Built Ships



Investing in Purchase of Used Ships



Guarantees

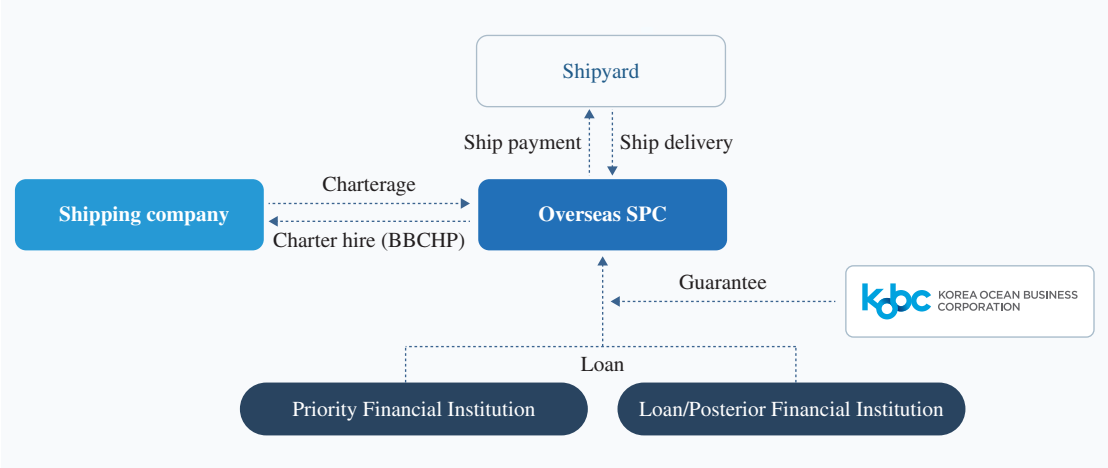
The Company also provides guarantee to support domestic shipping companies in their acquisition of newly built or used ships. The total amount of such guarantee provided by the Company was approximately Won 228 billion in 2023 and Won 5 billion in 2024.

When selecting candidates for guarantee, the Company first engages in preliminary discussion with potential candidate and, if deemed eligible from such preliminary discussion, accepts formal guarantee application from the candidate. During its review process, the Company examines the financial conditions as well as the profitability of the candidate's business in details. If the candidate is considered to be eligible after such review, the Company and the candidate negotiate major terms of the guarantee, which are subsequently reviewed by Company's Guarantee Deliberation Committee. If approved by the Company's Guarantee Deliberation Committee, the parties then enter into formal guarantee agreements.

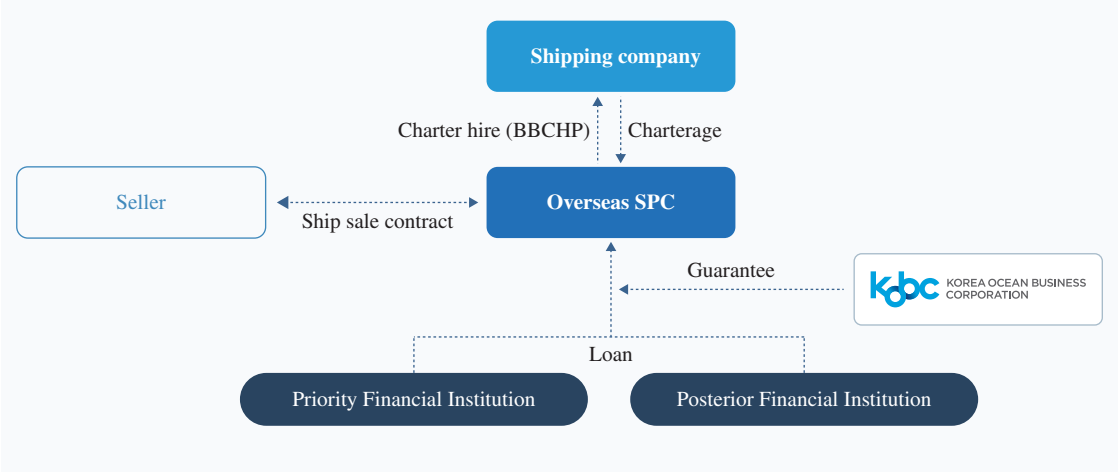
The Company typically aims to provide guarantees in the amount that covers 95% of the underlying loan amount depending on the credit rating of the beneficiary shipping company.

In providing guarantee to support the acquisition of ships, an SPC becomes the nominal owner of the ship as well as the borrower of the loan from third-party lenders while the Company acts the guarantor for the SPC in exchange of certain guarantee commissions from the SPC. The SPC then leases the ship to beneficiary shipping company and in return receives a certain amount of lease fees as well as installment for the full price of the ship during a set period of lease term. At the end of the lease term and upon full payment of the ship price by the beneficiary shipping company, the SPC transfers the ship ownership to the beneficiary shipping company, completing the purchase of a new ship by the beneficiary shipping company.

Guaranteeing Purchase of Newly Built Ships



Guaranteeing Purchase of Used Ships



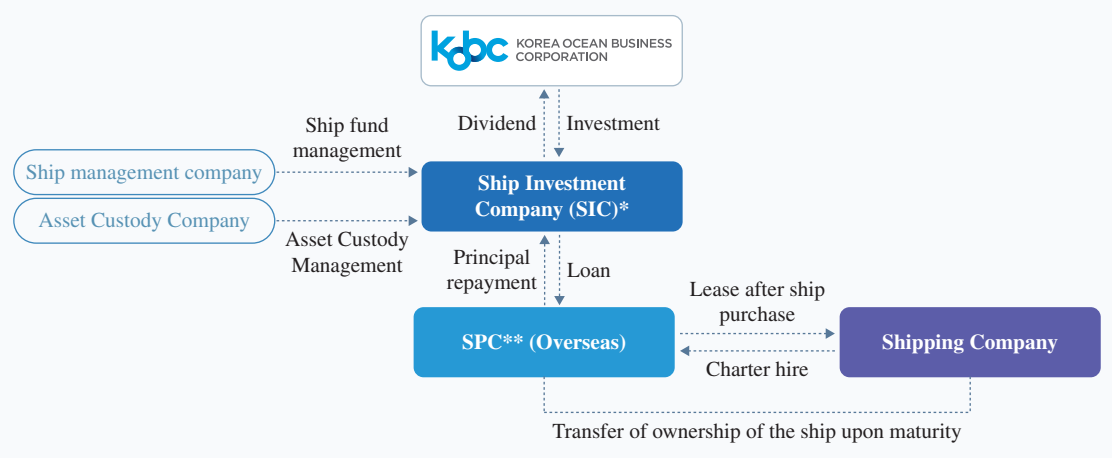
Sale and Leaseback ("S&LB") and Debt Guarantees on Existing Ships: The Company provides additional liquidity support to Korean shipping companies through S&LB programs or debt guarantees with respect to the existing ships owned by the domestic shipping companies.

Sale and Leaseback Programs

The Company's investments into the existing ships owned by domestic shipping companies are conducted through its S&LB program consisting of two main forms of charter – Bare Boat Charter Hire Purchase ("**BBCHP**") and Bare Boat Charter ("**BBC**"). The total amount of investment made by the Company through S&LB was approximately Won 507 billion in 2023 and Won 748 billion in 2024, and a total of 37 domestic shipping companies and 95 ships was subject to the program as of December 31, 2024 on a cumulative basis.

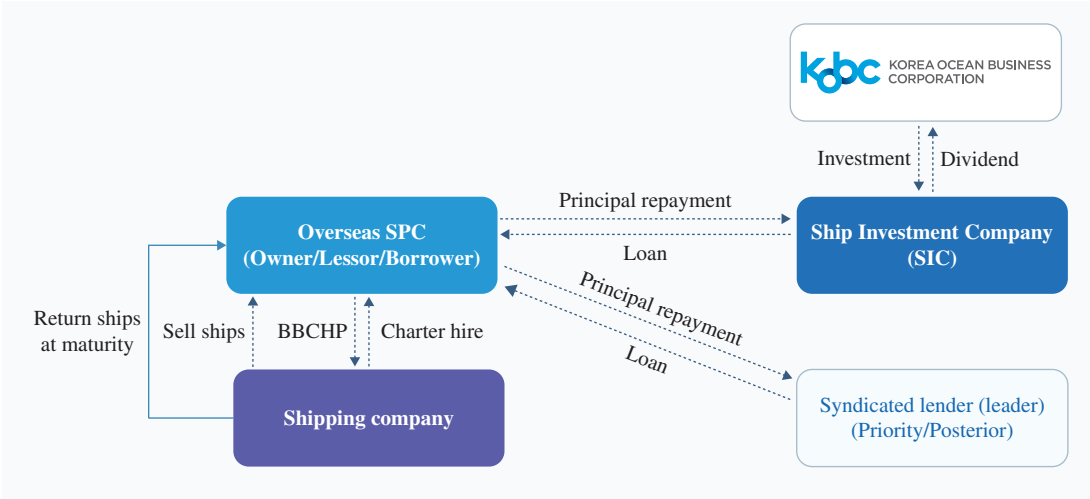
Under the BBCHP structure, the Company injects capital to an SIC in the form of either equity investment or bond purchase, which in return provides such investment and/or loan to an overseas SPC, which is a wholly-owned subsidiary of the SIC. The SPC then purchases a ship from a Korean shipping company and leases it back to the same shipping company for normal operation in exchange of certain amount of lease fees as well as installments for the full ship purchase price. The lease term usually does not exceed five years from the date of purchase by SPC, and at the end of the lease term and upon full payment of the purchase price by the shipping company, the ownership to the ship is transferred from the SPC to the shipping company, the original owner of the ship.

S&LB (BBCHP)



The BBC structure is identical to the BBCHP structure except that the ownership to the ship remains with the SPC both during and after the end of the lease term. The SPC is thus entitled to receive a certain amount of lease fees only and, and at the end of the lease term, the shipping company should return the ship to the SPC. The amount of lease fee is usually determined in consideration of the prevailing market price for time charter rate and the level of expected operational expenses.

S&LB (BBC)

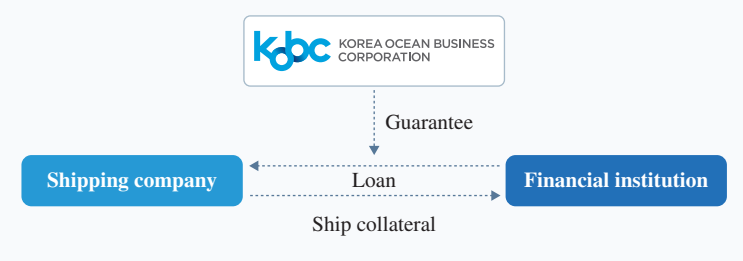


In furtherance of public policy considerations and the Government's broader objectives to prevent the ships of domestic shipping companies from being sold to foreign shipyards or lease companies at a bargain price in the period of economic downturn, the Company has so far acquired a total of 21 ships in BBC structure and plans to establish a subsidiary dedicated to securing additional ships of up to 50 ships by 2026.

Debt Guarantees

Shipping companies are generally required to pledge their ships as collaterals for their borrowing from third-party financial institutions. In order to prevent such collateralized ships from being turned over to creditors in the event of default and to help domestic shipping companies to secure financing more easily and on more favorable financial terms, the Company provides debt guarantees that typically cover at least 95% of the underlying loan amount of the borrowing shipping companies. The amount of such guarantee provided by the Company was approximately Won 72 billion in 2024.

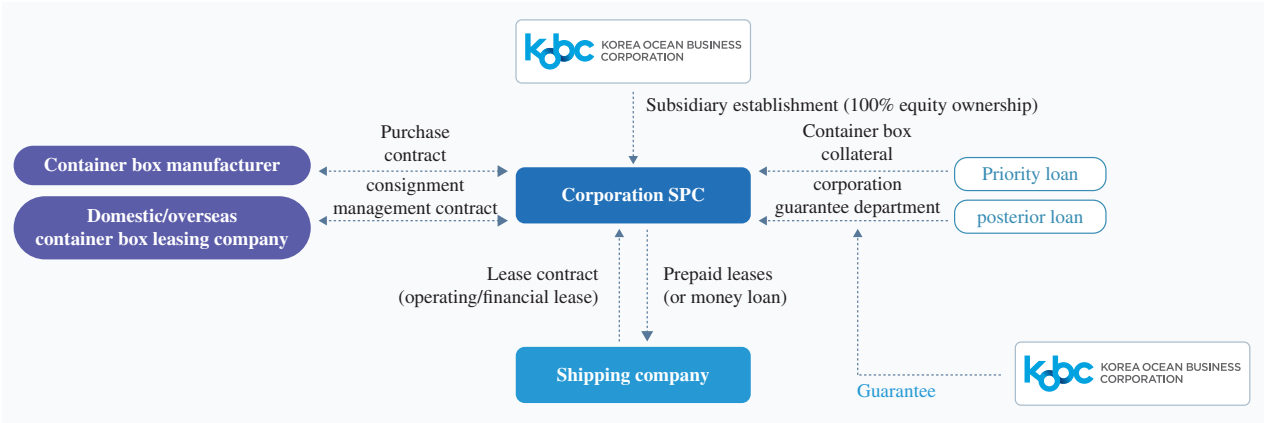
Debt Guarantee



Container Box Lease Program: The Company helps to reduce financial and operational costs and uncertainties of Korean shipping companies by ensuring a stable supply of container boxes via its container box lease program. The total amount of investment made by the Company under its container box lease program was approximately Won 13 billion in 2023 and Won 189 billion in 2024, respectively.

Under its lease platform model, the Company utilizes an SPC, which is a wholly-owned subsidiary of the Company, as a direct contracting party in various types of agreements, including purchase agreements with container box manufacturers and consignment operating agreements with domestic and international container box leasing companies. The SPC secures funding from third-party financial institutions, and due to high credit rating of the Company, who acts as a guarantor for the SPC, the SPC is able to secure funding at low interest rates. Ultimately, by entering into lease agreements with the Company's SPC, domestic shipping companies can secure a large amount of container boxes at rates that are more favorable than the prices that they can get on their own and also often at shorter notice.

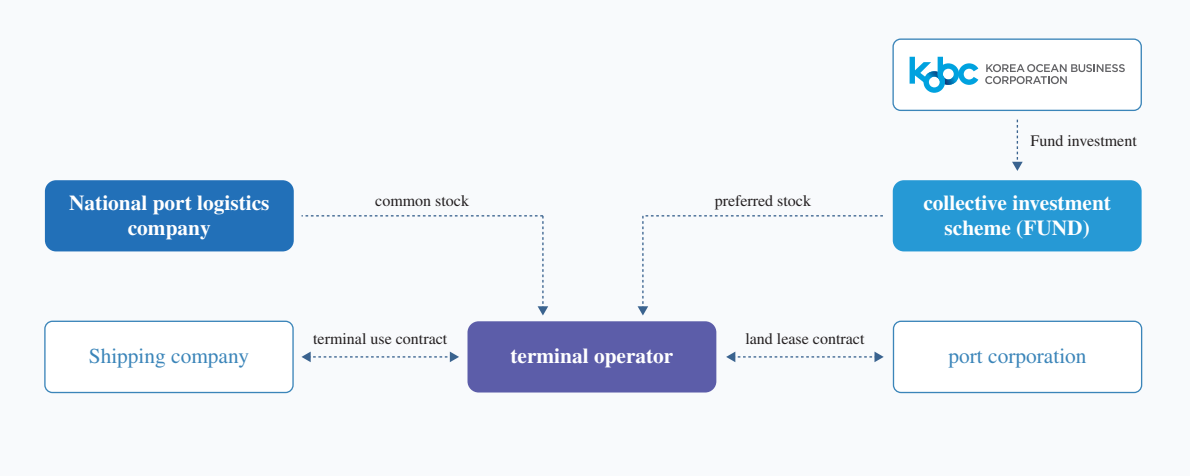
Container Box Lease Program



Investment in Port Authorities, Terminals and Logistics Warehouses: The Company invests in various port authorities, terminals and logistics warehouses, including container yards and container freight stations, in Korea and worldwide, such as Malaysia and Singapore, in order to support Korean shipping companies and port operators to secure domestic and overseas logistics networks and to reinforce coordination with global terminal operators. The total amount of investment made by the Company in port authorities, terminals and logistics warehouses was Won 236 billion in 2023 and Won 274 billion in 2024.

When investing in port and logistics sectors, the Company usually invests through an acquisition of beneficiary securities of a private project fund, which is formed for the purpose of investing in stocks, mezzanine securities, bonds of domestic and foreign port terminals and logistics warehouses.

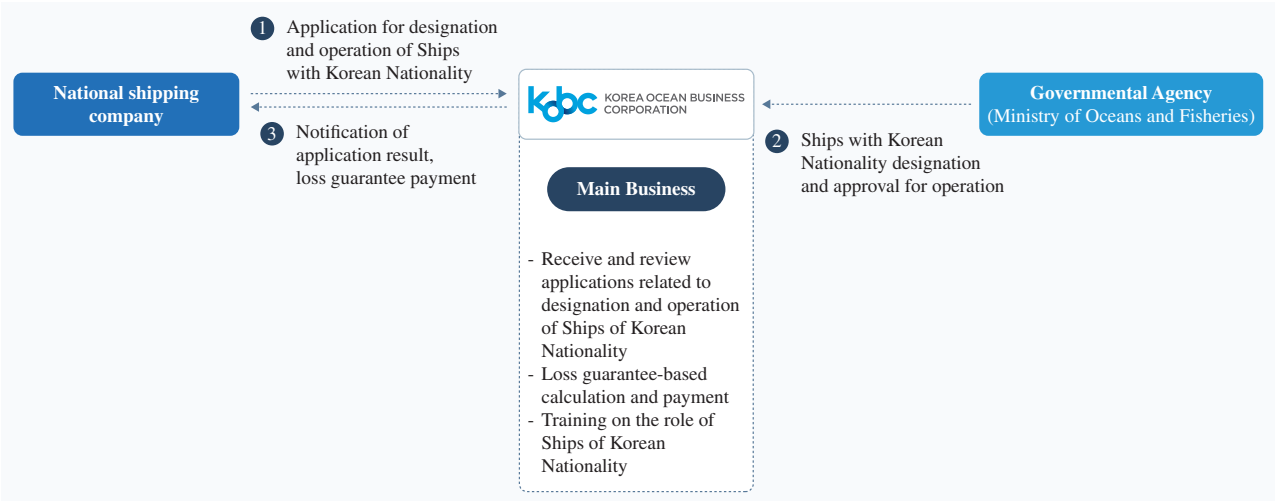
Equity Investment in Port Authority



Non-Financial Support

National Mandatory Maritime System: The Company supports the Government's implementation of the Act on Maintaining Marine Transportation and Port Functions to Prepare for Emergencies, according to which at least 88 ships of domestic shipping companies are designated as the "national mandatory maritime ships" in order to ensure that a minimum number of ships are in operation per government mandate even in times of economic downturn or national emergency. The designated "national mandatory maritime ships" are committed to maintain operation at least for 320 days a year and also keep the number of their foreign crewmen onboard to not more than six at all times in exchange of government subsidies from the MOF as well as discounts on usage fees for certain port facilities. On behalf of the MOF, the Company accepts and reviews applications from domestic shipping companies for designation, calculates the amount of government subsidies to be distributed, executes the actual distribution of government subsidies to the selected shipping companies and provides training on the roles and responsibilities of "mandatory ships". For the year ended December 31, 2024, the Company executed subsidies to a total of 88 ships designated as "national mandatory maritime ships".

National Mandatory Maritime System



Certified Excellent Shipping Company and Shipper ("CESS"): The Company accepts and reviews applications for CESS mark which is granted by the MOF and designed to promote cooperation and eliminate unfair maritime market practice among Korean shipping companies and shippers. The Company is the only certification center authorized by the MOF and has in place the CESS Certification Committee comprised of seven committee members. The CESS Certification Committee evaluates the eligibility of CESS applicants and refers its review opinion to the MOF for final determination. The benefits to certified shipping companies and shippers include favorable interest rates for financing support, bonus points for government project biddings and discounts on port dues, among others.

Publication of Freight Charge and Fare Information and Call Center for Reporting of Unfair Maritime Market Practice: Under the Port Management Information System ("**PORT-MIS**"), the Government requires certain shipping companies to post their freight charge and fare information on a quarterly basis in order to prevent unfair maritime market practice and excessive competition. Also, the PORT-MIS publicizes the information of common freight charges and fares that are levied on shipping companies. Entrusted by the MOF, the Company monitors the postings on PORT-MIS and also evaluates eligibilities of certain shipping companies for grant of waiver. All information on PORT-MIS is available to the public free of charge. In addition, together with the MOF, Korea Shipowners' Association and Korea International Trade Association, the Company runs a call center for reports of unfair maritime market practices.

Hosting of Maritime Forum and Conferences and Training of Maritime Professionals: As part of its investment into Korean maritime transport industry, the Company also sponsors hosting of forums and conferences at which domestic and international experts, global maritime research institutes and financial institutions are invited to discuss industry trends and major developments in ship financing, maritime transport and shipbuilding sectors. The Company has hosted its annual KOBC Maritime Conference every year since 2019.

Furthermore, the Company offers government-subsidized training programs targeting maritime port logistics professionals and also plans to collaborate with other educational institutes for the training of ship financing professionals via its self-funded training programs.

Maritime Transport Market Information Provider: The Company has built integrated maritime data base platform that provides the latest on maritime transport industry trends and other useful information. Such platform is easily accessible by the public via popular SNS channels such as Kakao Talk. The Company also publishes free daily, weekly, quarterly and yearly periodicals on market conditions as well as occasional in-depth market analysis reports on key topics in the industry.

Maritime Data Base Platform

Korea Ocean Business Corporation

Apr 8, 2024

Weekly Market Report

Weekly Summary

Drybulker 中 제철소들의생산불확실성

Tanker 봄철수요부진예따른전반적인운임하락

Container SCFI 운임일시적상승일까?추세전환일까?

Sale & Purchase 신조선가고공행진

Macro Indicators

Foreign Exchange

USD Index & CNY

Interest Rates

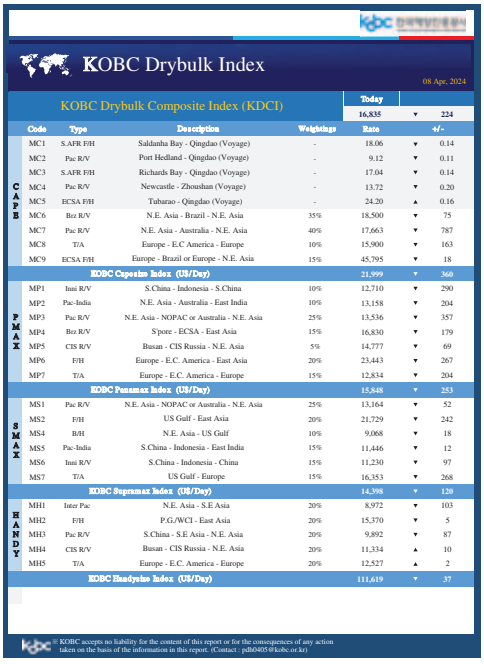
US 10 Year Treasury & SHIBOR

Commodity Index

Bloomberg & Reuters Commodity Index

Stock Market

Dow Jones & Shanghai Composite Index


KOBC Drybulk Index

08 Apr, 2024

KOBC Drybulk Composite Index (KDCI)

Today: 16,835 ▼ 224

	Code	Type	Description	Weightings	Rate	+/-
CAPE	MC1	S.AFR F/H	Saldanha Bay - Qingdao (Voyage)	-	18.06	▼ 0.14
	MC2	Pac R/V	Port Hedland - Qingdao (Voyage)	-	9.12	▼ 0.11
	MC3	S.AFR F/H	Richards Bay - Qingdao (Voyage)	-	17.04	▼ 0.14
	MC4	Pac R/V	Newcastle - Zhoushan (Voyage)	-	13.72	▼ 0.20
	MC5	ECSA F/H	Tubarao - Qingdao (Voyage)	-	24.20	▲ 0.16
	MC6	Bra R/V	N.E. Asia - Brazil - N.E. Asia	35%	18,500	▼ 75
	MC7	Pac R/V	N.E. Asia - Australia - N.E. Asia	40%	17,663	▼ 787
	MC8	T/A	Europe - E.C America - Europe	10%	15,900	▼ 163
	MC9	ECSA F/H	Europe - Brazil or Europe - N.E. Asia	15%	45,795	▼ 18
	KOBC Capesize Index (US/Day)				21,999	▼ 360
PMAX	MP1	Inni R/V	S.China - Indonesia - S.China	10%	12,710	▼ 290
	MP2	Pac-India	N.E. Asia - Australia - East India	10%	13,158	▼ 204
	MP3	Pac R/V	N.E. Asia - NOPAC or Australia - N.E. Asia	25%	13,536	▼ 357
	MP4	Bra R/V	S'pore - ECSA - East Asia	15%	16,830	▼ 179
	MP5	CIS R/V	Busan - CIS Russia - N.E. Asia	5%	14,777	▼ 69
	MP6	F/H	Europe - E.C. America - East Asia	20%	23,443	▼ 267
	MP7	T/A	Europe - E.C. America - Europe	15%	12,834	▼ 204
	KOBC Panamax Index (US/Day)				15,848	▼ 253
SMAX	MS1	Pac R/V	N.E. Asia - NOPAC or Australia - N.E. Asia	25%	13,164	▼ 52
	MS2	F/H	US Gulf - East Asia	20%	21,729	▼ 242
	MS4	B/H	N.E. Asia - US Gulf	10%	9,068	▼ 18
	MS5	Pac-India	S.China - Indonesia - East India	15%	11,446	▼ 12
	MS6	Inni R/V	S.China - Indonesia - China	15%	11,230	▼ 97
	MS7	T/A	US Gulf - Europe	15%	16,353	▼ 268
	KOBC Supramax Index (US/Day)				14,398	▼ 120
HANDY	MH1	Inter Pac	N.E. Asia - S.E Asia	20%	8,972	▼ 103
	MH2	F/H	P.G./WCI - East Asia	20%	15,370	▼ 5
	MH3	Pac R/V	S.China - S.E Asia - N.E. Asia	20%	9,892	▼ 87
	MH4	CIS R/V	Busan - CIS Russia - N.E. Asia	20%	11,334	▲ 10
	MH5	T/A	Europe - E.C. America - Europe	20%	12,527	▲ 2
	KOBC Handysize Index (US/Day)				111,619	▼ 37

※ KOBC accepts no liability for the content of this report or for the consequences of any action taken on the basis of the information in this report. (Contact : pdh0405@kobc.or.kr)

Vessel Value Assessment Services: The Company provides objective and credible ship valuation services to domestic shipping and ship financing companies on the value of their assets and collaterals. The Company utilizes independent and data-driven quantitative indices as well as professional panelists to secure objectivity and also regularly collaborates with other global maritime forecasting and strategic advisors such as Vessels Value and MSI for added technical expertise. The Company has MOUs in place with Vessels Value since February 2019 and MSI since May 2019.

Announcement and Development of Shipping Indexes: In order to better serve the needs of Korean shipping companies for more accurate freight fare indexes for container ship routes and drybulk ships, the Company developed KOBC Container Composite Index ("**KCCI**") and KOBC Drybulk Composite Index ("**KDCI**") in 2022 and 2020, respectively.

The KCCI is a weekly freight index that reflects the actual port traffic and freight charges on 13 routes departing to Asia, North America and Europe from Busan, Korea's largest port on the country's southeast coast. The Company publishes KCCI on its website every Monday at 2:00 pm and utilizes freight charge data provided by logistics companies and shipping companies registered with the Company for the index. The KCCI addresses the problems posed by traditional Shanghai Containerized Freight Index which is more centered on China departing cargo data and thus lacks accuracy for Korean shipping companies.

The KDCI is a daily freight index for 27 routes of four different ship sizes and is published on the Company's website every day.

Capital Adequacy and Asset Quality

The Company calculates its capital adequacy ratio by dividing its total capital by risk-weighted assets, which is similar to the calculation method used by banks. The Company's Risk Management Committee sets a target minimum capital adequacy ratio each year in light of the general economic conditions, which is generally higher than the minimum capital adequacy ratio statutorily required under the KOBC Supervision Regulations. As of December 31, 2024, the Company maintained capital adequacy ratio of 28.4%, which was significantly higher than the minimum capital adequacy ratio of 8.0% required under the KOBC Supervision Regulations.

	As of December 31, 2024
	(In billions of Won, except for percentages)
Total capital[(1)]	₩ 8,059
Risk-weighted assets	₩28,393
Capital adequacy ratio	28.4%

(1) Defined as a sum of common equity capital, other basic capital and supplementary capital.

In order to prevent a decline in the quality of its financial assets, the Company classifies its assets into five classes of normal, precautionary, substandard, doubtful and estimated loss, as Korean banks are generally required under the asset classification guidelines of the FSC. The amount of the Company's total exposure increased from Won 13,200 billion in 2023 to Won 14,271 billion in 2024 while the ratio of the Company's non-performing assets, which refer to assets classified as substandard or below, to total assets was 0.0% and 0.36% as of December 31, 2023 and 2024, respectively.

	As of December 31, 2023	As of December 31, 2024
	(In billions of Won, except for percentages)	
Normal	₩13,200	₩14,220
Precautionary	–	–
Substandard	–	37
Doubtful	–	–
Estimated Loss	–	14
Total	13,200	14,271
NPL Ratio[(1)]	0.0%	0.36%

(1) Refers to ratio of the Company's non-performing assets, which refer to assets classified as substandard or below, to its total assets.

Pursuant to the KOBC Supervision Regulations, the Company also sets aside different levels of allowance based on the quality of the underlying financial asset and maintains the ratio of allowance for non-performing assets to non-performing assets at a level that is significantly higher than the minimum level of 100.0% required under the KOBC Supervision Regulation. The Company's ratio of allowance for non-performing assets to non-performing assets was 100% as of December 31, 2024.

	As of December 31, 2023	As of December 31, 2024
	(In billions of Won, except for percentages)	
Non-performing assets	₩ –	₩ 51
Allowance for non-performing assets	29	51
Ratio of allowance for non-performing assets to non-performing assets	N/A	100%

Risk Management

The Company maintains an effective risk management process that is implemented across various functions and levels within the Company.

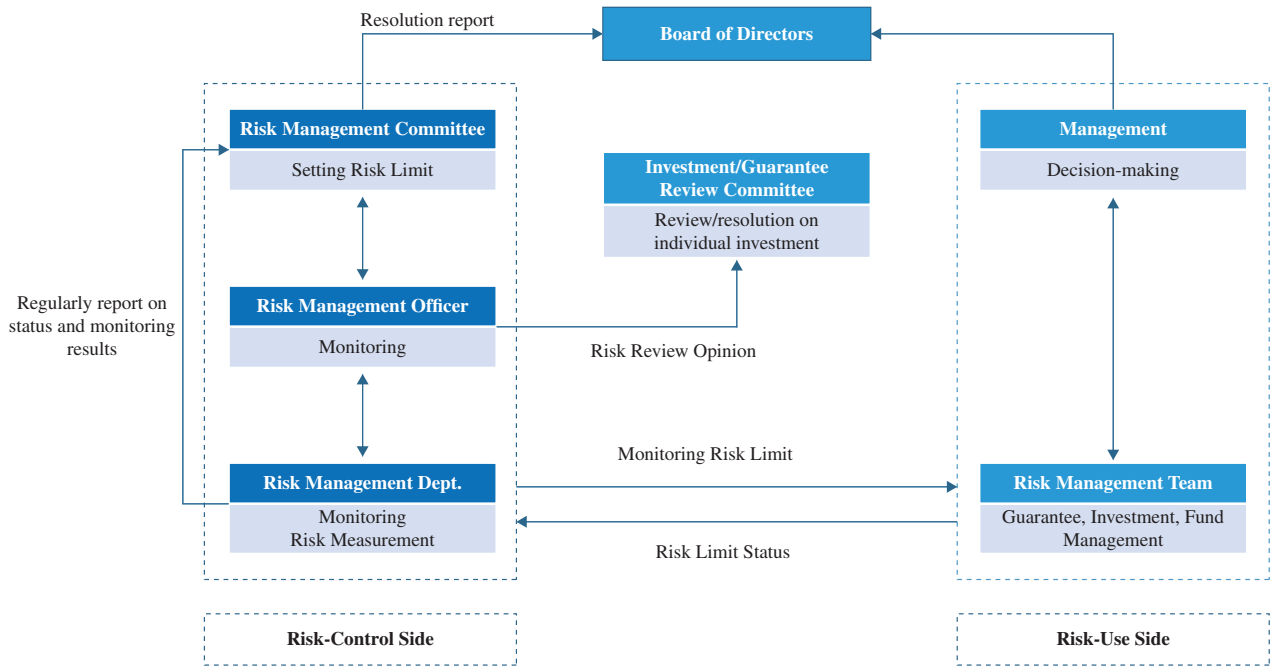
The overall responsibility of the Company's credit risk management rests with its Risk Management Committee, which was established by the board of directors of the Company. The Risk Management Committee meets regularly and reports directly to the board of directors of the Company and the Chairman of the Risk Management Committee is appointed by the board of directors of the Company.

In addition to the Risk Management Committee, the Company also maintains designated risk management personnel and departments that monitor the status on an ongoing basis.

As part of its risk management process, the Company maintains rigorous credit risk limits at both individual level for each project and collective level for all projects, assesses and analyzes credit and repayment capability of its investment or guarantee beneficiaries and constantly monitors profitability targets to maintain a healthy asset portfolio. For example, the Company implements a stress test methodology and has created stress test models for each of the Company's projects. By performing extensive simulations under the stress test methodology using a variety of assumptions relating to major macro-economic indicators such as probability of default and levels of interest rate and exchange rate, the Company tests the resilience and financial health of its assets under negative market conditions and other scenarios.

When undertaking a new investment or guarantee, the Company performs initial credit check based on investment or guarantee applications and required supporting documents. Following the initial credit check, the application undergoes a thorough and standardized credit assessment process with the individual risk management personnel, who screens the applicant and delivers its review opinion to Risk Management Committee and Investment/Guarantee Deliberation Committee. The Risk Management Committee sets a risk limit to the project under review while the Investment/Guarantee Deliberation Committee decides either to reject or approve the application. Ultimately, the application will be (i) approved and a credit limit will be set; (ii) rejected; or (iii) reconsidered after additional or supplemental documentation is provided to the Company.

Risk Management Organization Chart



In 2023, the Company established the Foreign Exchange Risk Management Committee to effectively manage risks involved with foreign currencies. The Foreign Exchange Risk Management Committee consists of no more than seven members, including the directors of the Company. The committee establishes the Company's foreign exchange risk management plan, determines the hedging ratio for foreign exchange rates, and evaluates the appropriateness of foreign exchange transactions.

Properties

The Company's registered office and corporate headquarters are located at 38, Marine city 2-ro, Haeundae-gu, Busan, Korea. The Company also owns and leases additional office space and housing facilities for its employees in Busan and Seoul.

Type	Location	Size (m^2)	Ownership Since/Effective Lease Term	Usage
Owned	Busan	26.86	December 28, 2018	Housing facility for employees
	Busan	29.02		
	Busan	26.86		
	Busan	39.29		
	Busan	27.23	December 23, 2020	
	Seoul	28.80		
Leased	Busan	4th Floor: 206.78	4th Floor: From August 26, 2023 till July 10, 2028	Headquarters
		5th Floor: 1,032.22	5th Floor: From July 11, 2023 till July 10, 2028	
		6th Floor: 569.53	6th Floor (Room 606 – 607): From July 11, 2023 till July 10, 2028	
			6th Floor (Room 608 – 611): From December 1, 2024 till July 10, 2028	
		7th Floor: 2,378.25	7th Floor: From July 11, 2023 till July 10, 2028	
	Seoul	197	From July 1, 2023 till June 30, 2025	Office space
	Busan	84.92	From October 27, 2023 till October 27, 2025	Housing facility for Head Director
	Busan	84.98	From July 5, 2024 till July 5, 2028	Housing facility for Head Director
	Busan	84.97	From August 25, 2023 till August 24, 2025	Housing facility for officers and directors
	Busan	84.89	From November 19, 2024 till February 28, 2027	Housing facility for officers and directors

Information Technology

The Company relies on its information technology ("**IT**") systems for its daily operations, including billing and accounting, risk assessment and management, client service support and recordkeeping. The Company established and is in operation of a comprehensive information platform specialized in ship financing and adheres to strict government standards of data security and protection of personal data required under the applicable laws and regulations. All customer and ship financing related data and servers are subject to protection from security breaches through extensive security systems and firewall software. The Company continually upgrades its security systems for handling personal and other sensitive data relating to its customers and partners in order to minimize the risk of leakage of confidential customer information.

Insurance

The Company maintains insurance to cover risks associated with the ordinary operation of its business, including fidelity guarantee coverage for its employees and liability insurance coverage for its directors and officers, as well as comprehensive fire damage insurance for its headquarters and offices. All of its policies are underwritten with reputable insurance providers in Korea and the Company is not delinquent on any of its insurance payments. The Company does not anticipate having any significant difficulties in renewing any of its material insurance policies.

Employees

As of December 31, 2024, the Company had 172 regular employees and 16 contract employees.

Some of the Company's eligible employees are members of its labor union. The Company negotiates a collective bargaining agreement as well as a wage agreement on an annual basis with its labor union. The latest collective bargaining agreement came into effect in December 2023 for a two-year term. The collective bargaining agreement is automatically renewed every year unless a proposal for the revision of the agreement is submitted 30 days in advance of the expiration of the latest collective bargaining agreement. The collective bargaining agreement provides for, among other things, various employment benefits, the scope of union activities and negotiation procedures. The Company has not experienced any strikes, work stoppages, labor disputes or actions which affected the operation of any of the Company's businesses, and the Company considers its relations with its workforce to be generally good.

Legal Matters

The Company is involved from time to time in legal proceedings arising in the ordinary course of its business, including claims and pending actions against the Company seeking damages or clarification of legal rights and regulatory inquiries regarding business practices.

The Company is not a party to any legal or administrative proceedings and no proceedings are known by the Company to be contemplated by governmental authorities or third parties, which, if adversely determined, may have a material adverse effect on the Company's results of operations or financial condition.

Consolidated Subsidiaries and Affiliates

As of December 31, 2024, the Company held 33.32% of the outstanding shares of HMM, an affiliate of the Company.

The Company's consolidated subsidiaries as of December 31, 2024 were comprised of 96 SICs, 145 SPCs and 9 private equity funds established to support the Company's ship financing projects in Korea and Hong Kong and as part of the Company's risk management strategy to isolate potential financial risk involved with various financing projects.

For further description of the Company's subsidiaries, affiliates and related party transactions, see Note 1 of the notes to the audited financial statements of the Company as of and for the years ended December 31, 2023 and 2024 included elsewhere in the Offering Circular.

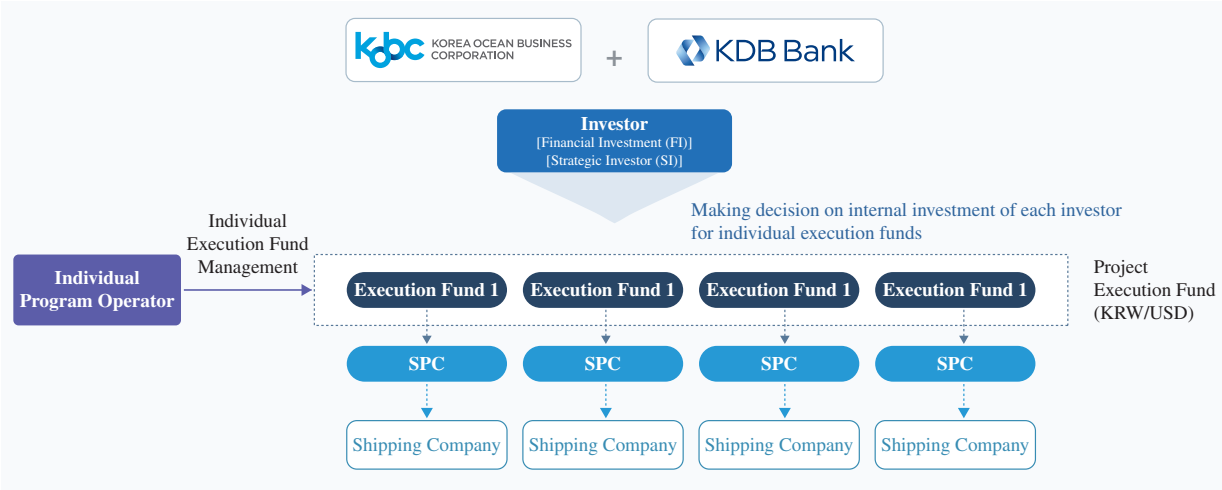
Environment

Support to Acquire or Convert to Eco-friendly Ships and Facilities

In response to ever-growing concerns over the environment and the increased environmental awareness that resulted in more stringent environmental standards and regulations by international governing bodies such as IMO, the Company provides various forms of investment, subsidy and guarantee to domestic shipping companies seeking to make transitions to more eco-friendly business models. As of December 31, 2024, the Company provided a total of approximately Won 895 billion in investments, guarantees and subsidies to domestic shipping companies to support their acquisition of or conversion to eco-friendly ships or facilities.

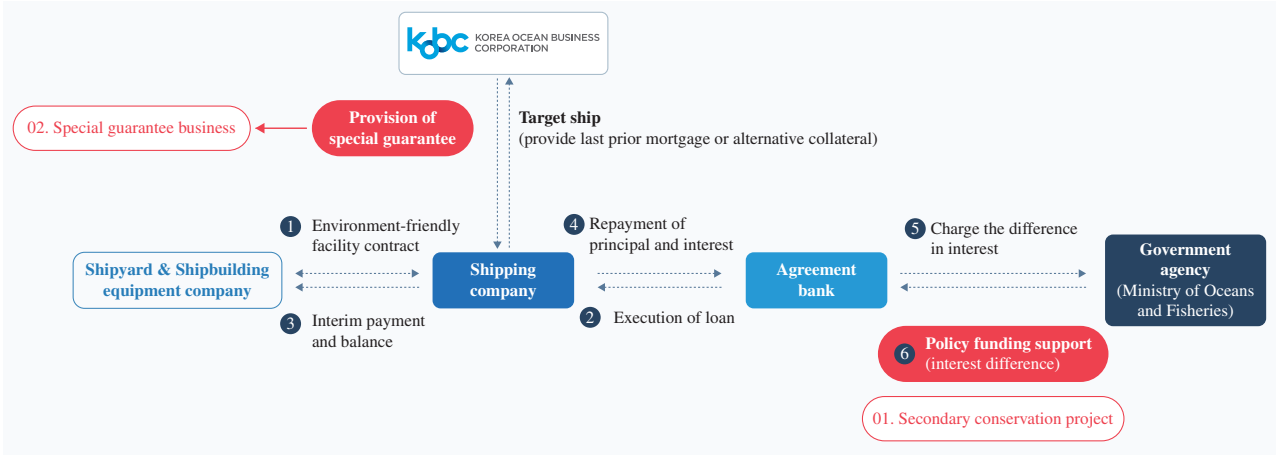
For supporting the acquisition of eco-friendly ships by domestic shipping companies, the Company provides subsidies in the amount of up to 10% of the purchase price of a new ship to eligible shipping companies who are trying to replace their aged ships with new eco-friendly ships. Furthermore, the Company runs a joint financing program with KDB whereby the Company and KDB as financial or strategic investors make joint investment decisions in managing project funds that provide financing to SPCs to support purchase of eco-friendly ships by domestic shipping companies.

Joint Financing with KDB



In addition to providing financing support for the purchase of new eco-friendly ships, the Company also runs a special guarantee program in collaboration with the MOF under which domestic shipping companies seeking to finance the conversion of their old facilities to certain eligible eco-friendly models can benefit from low interest rate which is usually lower by up to 2% compared to the prevailing market rate. In order to secure such lower interest rate, the Company collaborates with the MOF whereby the Company guarantees up to 100% of the borrower's total loan commitment while the MOF compensates the financial institutions for the spread difference between the low interest rate offered to the borrower and the normal market rate. While most of the traditional guarantees involving shipping companies require the shipping companies to pledge their ships as collaterals, the guarantees provided by the Company under this special guarantor program usually do not require the posting of any collaterals, except in certain instances involving BBCHP.

Special Guarantee Program with the MOF



The Company's articles of incorporation currently provide for one chief executive officer, one standing director, up to six non-standing directors and one auditor. Pursuant to the articles of incorporation, more than half of the members of the board of directors shall consist of non-standing directors. All non-standing directors are independent. The directors have terms of two years, with the exception of the president of the Company, whose term is for three years. The activities within the discretion of the board of directors are subject to applicable Korean laws, including the KOBC Act, as well as the Company's articles of incorporation and its internal regulations, and include establishing the budget, issuing debentures and amending the Company's articles of incorporation when necessary.

The president of the Company represents the Company, oversees its operations and thus administers most of the day-to-day business that is not specifically designated as a responsibility of the board of directors. The Company's president is responsible for the Company's overall management and must enter into a management contract with the Company pursuant to which the president must meet a certain minimum level of performance each year. Under the articles of incorporation of the Company, if the Minister of the MOF determines that the president's ability to perform its duties have been seriously impaired (due to reasons such as the president's violation of applicable laws or the Company's articles of incorporation, or the president's failure to diligently perform its duties), the Minister of the MOF may dismiss the president by way of a resolution of the Company's board of directors.

Under the articles of incorporation of the Company, an officer recommendation committee ("**Officer Recommendation Committee**") recommends a pool of presidential candidates. After deliberations on the recommended candidates, the Minister of the MOF appoints the Company's president.

The standing directors, who are appointed by the president of the Company, assist the president and serve as executive officers of the Company. The non-standing directors are appointed and removed by the Minister of the MOF from a pool of candidates recommended by the Officer Recommendation Committee. Each director is responsible for reviewing the proposed agenda and participating in the voting process.

Pursuant to the articles of incorporation of the Company or, if applicable, as mandated by applicable laws, the board of directors of the Company may establish resolution committees tasked to carry out various management functions. The Officer Recommendation Committee and the Risk Management Committee have been established pursuant to the articles of incorporation of the Company. The Company's board of directors does not currently maintain a remuneration committee and an audit committee.

Under the articles of incorporation of the Company, the board of directors of the Company may establish a risk management committee (the "**Risk Management Committee**") and the regulations on the Risk Management Committee require that such committee be composed of not less than three directors and that more than half of the committee members consist of non-standing directors. The Risk Management Committee is currently composed of one standing director, two non-standing directors and one advisory member without voting rights. The Risk Management Committee is responsible for risk management involved with the businesses and operations of the Company and is charged with establishing risk management principles and internal policies, determining appropriate risk and exposure levels and monitoring and evaluating compliance with the overall risk management framework.

The Officer Recommendation Committee is responsible for the selection and recommendation of candidates to serve as the president, directors and auditor of the Company. The regulations on the operation of Officer Recommendation Committee require that such committee be composed of non-standing directors and members appointed by the board of directors, which must not be less than one third of the total members of the Committee. The regulations also provide for the Officer Recommendation Committee of five to ten members, not less than half of whom must be non-standing directors.

In 2022, the Company also established an ESG committee (the "**ESG Committee**") to carry out the Company's ESG strategies. The ESG Committee is currently composed of three board members.

The directors' address is 38 Marine City 2-ro, Haeundae-gu, Busan 48120, Korea. Summary biographical information regarding the Company's directors is set out below.

Name	Age	Title	Position Held Since
Byung-Gil An	62	Standing Director; President and Chief Executive Officer	October 2024
Jae-Hyung Ryu	57	Standing Director	November 2024
Ji-Woo Park.....	68	Non-standing Director	October 2023
Byeong-Hee Lee	66	Non-standing Director	October 2023
Young-Ran Shin.....	46	Non-standing Director	October 2023
Chang-Soo Kim	54	Non-standing Director	January 2025
Sung-Min Hwang	56	Standing Statutory Auditor	October 2023

Byung-Gil An has served as a standing director, acting president and chief executive officer of the Company since October 2024. He previously served as the representative director of Busan Ilbo and a member of the 21st National Assembly. Mr. An holds a Ph.D. in public administration from Dong-A University and a master's degree in public administration from Pusan National University.

Jae-Hyung Ryu has served as a standing director of the Company since November 2024. He previously served as the Director General of the Busan Regional Office of Oceans and Fisheries of the MOF. Mr. Ryu holds a bachelor's degree from Yonsei University and a master's degree in marine policy from the University of Delaware.

Ji-Woo Park has served as a non-standing director of the Company since October 2023. Mr. Park is currently an outside director at Koryo Credit Information and previously served as the representative director of KB Capital. Mr. Kang holds a bachelor's degree from Sogang University and an M.B.A. from Aalto University School of Business.

Byeong-Hee Lee has served as a non-standing director of the Company since October 2023. Mr. Lee is currently an advisor on education policies at Office of Education in Gyeongsangnam-do and previously served as a member of the Local Counsel of Gyeongsangnam-do. Mr. Lee holds a master's degree in public administration from Changwon National University.

Young-Ran Shin has served as a non-standing director of the Company since October 2023. Ms. Shin is currently a professor at the Graduate School of Global Logistics at Korea Maritime & Ocean University. She previously served as a non-standing director of Busan Port Authority. Ms. Shin holds master's and doctorate degrees in shipping management from Korea Maritime & Ocean University.

Chang-Soo Kim has served as a non-standing director of the Company since January 2025. Mr. Kim is currently a professor at the Department of International Trade at Pusan National University. He holds a Ph.D. in international logistics, supply chain and shipping management from University of Plymouth and a master's degree in international trade from Pusan National University.

Sung-Min Hwang has served as a standing statutory auditor of the Company since October 2023. Mr. Hwang previously served as a standing statutory auditor for Gyeonggi Housing & Urban Development Corporation and KAMCO Ship Investment Management. Mr. Hwang holds a master's degree in media communication from Sungkyunkwan University.

Compensation of Directors and Executive Officers

The aggregate remuneration paid and benefits in kind granted to the Company's directors and executive officers was Won 1.4 billion in 2024. As of December 31, 2024, no loans were granted by the Company to its directors and executive officers.

REGULATION

The Company was established as a statutory juridical entity under the KOBC Act and is subject to the KOBC Act and the rules and regulations thereunder. The Company is also subject to all general rules and regulations applicable to corporations under the Commercial Code of Korea, unless otherwise provided for in the KOBC Act and the Act on the Management of Public Agencies ("**MOPA**").

The KOBC Act

Under the KOBC Act, the Company was established as a statutory juridical entity for the purposes of supporting Korean shipping companies with acquisition of vessels and securing access to liquidity; providing such services as necessary for the growth of the Korean maritime transport industry; and strengthening Korea's competitiveness in the industry. In order to achieve these objectives, the KOBC Act allows the Company to undertake, among others, the following activities:

- investment in assets related to the shipping and port services sectors, such as vessels and terminals;
- provision of guarantees in relation to financial indebtedness incurred by a person engaged in the shipping and port services sectors (as defined in the KOBC Act) (i) for the purposes of acquiring the above-mentioned assets or (ii) which financial indebtedness has been secured by the above-mentioned assets;
- in circumstances where support for the shipping and port services sectors is necessary (such as economic or social emergencies), providing guarantees in relation to financial indebtedness extended by a "financial company, etc." (as defined therein) under the Credit Guarantee Fund Act to a person engaged in the shipping and port services sectors (as defined in the KOBC Act);
- provision of tender guarantees and performance guarantees in relation to freight contracts entered into by a person engaged in the shipping and port services sectors (as defined in the KOBC Act);
- acquisition of, and intermediation with respect to, bonds and securities related to the shipping and port services sectors;
- acquisition, management, disposal and accepting delegations thereof concerning vessels, terminals and other assets related to the shipping and port services sectors;
- performing the functions of a specialized maritime industry supporting institution (as referred to in the KOBC Act);
- nurturing of professional talent in relation to shipping, port services and logistics;
- research and studies in relation to the above functions;
- performance of such functions as may be delegated to it by national, regional and other public institutions; and
- provision of subsidies for persons engaged in the shipping and port services sectors (as defined in the KOBC Act) pursuant to government policies.

Other than the functions described above, the Company (by way of resolution of its board of directors) is permitted to provide finance or investment to corporate entities engaged in functions similar to the above.

Under the KOBC Act, the MOF is granted the power to direct and supervise the Company's activities in accordance with the MOPA.

The Company (with the approval of the MOF) (as defined in the KOBC Act) may issue certain bonds for its business purposes in an aggregate principal amount not exceeding 400% of the sum of the Company's capital and reserve at any time. In order to proceed with such bond issuances, the Company must (prior to the occurrence of any bond issuances for the relevant year) (i) prepare a memorandum for all bond issuances proposed to take place in the relevant year (specifying such matters as use of proceeds, manner of issuance, aggregate principal amount, nominal value and interest rate for the bonds concerned) and (ii) have such memorandum approved by its board of directors as well as by the MOF. With the approval of its board of directors, the Company is able to raise finance or acquire assets as may be necessary for the performance of its functions. The Government may guarantee the repayment of the principal and interest on loans and bonds incurred or issued (as applicable) by the Company. For the avoidance of doubt, the Notes subject to this offering circular are not being guaranteed by the Government.

The Company's annual net losses for each fiscal year shall be debited to its reserve funds. If such reserve funds are not sufficient to cover the losses, the Government may assume the remaining losses.

Legislation Relating to the Operation and Management of the Company

The MOPA

The KOBC Act stipulates that, for matters within the purview of the KOBC Act and the MOPA, such matters be governed by such legislation; and that, for all other matters, the regulations applicable to limited companies (as defined therein) under the Commercial Act be applied to the Company. As a non-classified public agency under the MOPA, the Company is required to publicly disclose many aspects of its affairs including, among others, the objectives of management, its budget and business plan, its financial statements and supplementary documents, status of personnel including directors and officers, its articles of incorporation, its bond register, its internal regulations and the minutes of the board of directors (but confidential information on the management provided for in the minutes of board of directors need not be disclosed to the public) and the audit report of its auditor.

Regulations on Contractual Business of Non-Classified Public Agency

Contracts entered into by the Company must conform to the Regulations on Contractual Business of Non-Classified Public Agency (the "**Regulations on Contractual Business**") determined by the MOEF in accordance with MOPA. According to the Regulations on Contractual Business, if it is deemed necessary for the business characteristics of non-classified public agencies or for fairness and transparency, or if there are any other inevitable reasons, a standard or procedure different from those set forth in the Regulations on Contractual Business may be newly established with the approval of the MOEF. For those matters not specified in the Regulations on Contractual Business, the laws relating to contracts entered into by the Government will be applied. In principle, contracts must be made through open bids, but if it is deemed necessary, nominated competitive bids or private contracts may also be made.

TAXATION

Korean Taxation

The information provided below does not purport to be a complete summary of currently applicable Korean tax law and practice. Prospective investors who are in any doubt as to their tax position should consult with their own professional advisers.

The taxation of non-resident individuals and non-Korean corporations ("**Non-Residents**") depends on whether they have a "permanent establishment" (as defined under Korean law and applicable tax treaties) in Korea to which the relevant Korean source income is attributable or with which such income is effectively connected. Non-Residents without a permanent establishment in Korea are taxed in the manner described below. Non-Residents with permanent establishments in Korea are taxed in accordance with different rules.

Income Tax and Corporation Tax on Interest

Interest on the Notes paid to Non-Residents is exempt from income tax and corporation tax (whether payable by withholding or otherwise) pursuant to the Special Tax Treatment Control Law (the "**STTCL**"), provided that the Notes are "foreign currency denominated bonds" issued outside of Korea under the STTCL. The term "foreign currency denominated bonds" in this context is not defined under the STTCL. In this regard, the Korean tax authority issued an authoritative ruling to the effect that "Notes Issuance Facility, USCP, Euro CP and Banker's Acceptance, etc." are not treated as "foreign currency denominated bonds."

If not exempt under the STTCL, the rate of income tax or corporation tax applicable to interest or any premium on the Notes, for a Non-Resident, is currently 14%. In addition, a tax surcharge, called a local income tax, is imposed at the rate of 10% of the income or corporation tax (raising the total tax rate to 15.4%).

The tax rates may be reduced by applicable tax treaty, convention or agreement between Korea and the country of the recipient of the interest. The relevant tax treaties are discussed below. Effective July 1, 2012, in order to obtain the benefit of the reduced withholding tax rates available under the relevant tax treaties, a Non-Resident holder should submit an application for entitlement to reduced tax rate to the payor of the interest.

In order to obtain the benefit of a tax exemption available under applicable tax treaties, a Non-Resident holder should submit an application for exemption to the payor of the interest, together with a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident holder's residence country. The payor of the interest is required to submit the application for exemption together with the certificate of the Non-Resident holder's tax residence to its district tax office no later than the ninth day of the month following the month in which the interest is paid. However, this requirement does not apply to exemptions under Korean tax law.

Capital Gains Tax

The Korean tax laws currently exclude from Korean taxation gains made by a Non-Resident from the sale of Notes to another non-resident (other than to the other non-resident's Permanent Establishment in Korea). In addition, capital gains earned by a Non-Resident from the transfer outside Korea of the Notes are currently exempt from taxation by virtue of the STTCL, provided that the issuance of the Notes is deemed to be an overseas issuance.

In the absence of an applicable tax treaty or any other special tax laws reducing or eliminating the capital gains tax, the applicable rate of tax is the lower of 11% (including local income tax) of the gross realization proceeds (the "**Gross Realization Proceeds**") and (subject to the production of satisfactory evidence of the acquisition cost and certain direct transfer cost of the relevant Notes) 22% (including local income tax) of the gain made. There is no provision under the relevant Korean law for offsetting gains and losses or otherwise aggregating transactions for the purpose of computing the net gain attributable to sales of securities of Korean companies.

The purchaser or any other designated withholding agent of Notes is obliged under Korean law to withhold the applicable amount of Korean tax and make payment thereof to the relevant Korean tax authority. Unless the seller can claim the benefit of an exemption from the tax under an applicable tax treaty, in the absence of the seller producing satisfactory evidence of his or her acquisition cost and certain direct transfer cost in relation to the Notes being sold, the purchaser or such withholding agent must withhold an amount equal to 11% of the Gross Realization Proceeds. Any amounts withheld by the purchaser or such withholding agent must be paid to the relevant Korean tax authority no later than the tenth day of the month following the month in which the payment for the sale of the relevant Notes occurred. Failure to transmit the withheld tax to the Korean tax authorities in time technically subjects the purchaser or the withholding agent to penalties under Korean tax laws and a Non-Resident who is liable for payment of any Korean tax on gains, either as a seller of Notes or as a purchaser or the withholding agent who is obliged to withhold such tax, is subject to the Korean tax authorities seeking enforcement through attachment of, or other legal proceedings against, payments due to it from its Korean investments and to enforcement against the assets or revenues of any of the Non-Resident's branch or representative offices in Korea.

In addition, in order to obtain the benefit of a tax exemption available under applicable tax treaties, a Non-Resident holder should submit to the purchaser or the withholding agent an application for exemption, together with a certificate of the Non-Resident holder's tax residence issued by a competent authority of the Non-Resident holder's residence country. The purchaser or the withholding agent is required to submit the application for exemption together with the certificate of the Non-Resident holder's tax residence to its district tax office no later than the ninth day of the month following the month in which sale proceeds are paid. However, this requirement does not apply to exemptions under Korean tax law.

Inheritance Tax and Gift Tax

Korean inheritance tax is imposed upon (a) all assets (wherever located) of the deceased if at the time of his or her death he or she was domiciled in Korea or had resided in Korea for at least 183 days immediately prior to his or her death and (b) all property located in Korea which passes on death (irrespective of the domicile or residence of the deceased). Gift tax is imposed under similar circumstances as aforementioned at the time the gift is made. The taxes are imposed if the value of the relevant property is above a certain limit and the rate varies from 10% to 50% according to the value of the property and the identity of the parties involved. At present, Korea has not entered into any tax treaties regarding its inheritance or gift taxes.

Under the Korean inheritance and gift tax laws, notes issued by Korean corporations are deemed located in Korea irrespective of where they are physically located or by whom they are owned, and consequently, the Korean inheritance and gift taxes will be imposed on transfers of the Notes by inheritance or gift. Prospective purchasers should consult their personal tax advisers regarding the consequences of the imposition of the Korean inheritance or gift tax.

Stamp Duty and Securities Transaction Tax

No stamp, issue or registration duties will be payable in Korea by Non-Resident holders of Notes in connection with the issue of the Notes except for a nominal amount of stamp duty on certain documents executed in Korea which will be paid by the Issuer. A securities transaction tax will not be imposed on the transfer of Notes.

Tax Treaties

At the date of the Offering Circular, Korea has tax treaties with inter alia Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America under which the rate of withholding tax on interest is reduced, generally to between 5% and 16.5% (13.2% under the treaty with the United States) (including local income surtax), and the tax on capital gains is often eliminated (as it is generally under the treaty with the United States).

Each Non-Resident holder should enquire for himself whether he is entitled to the benefit of a tax treaty. It is the responsibility of the party claiming the benefits of a tax treaty in respect of interest payments to file with the Issuer a certificate as to his or her residence. In the absence of sufficient proof, the Issuer must withhold taxes in accordance with the above discussion.

Withholding and Gross-up

As mentioned above, interest on the Notes is exempt from any withholding or deduction on account of income tax or corporation tax pursuant to the STTCL. However, in the event that the Issuer is required by law to make any withholding or deduction for or on account of any Korean taxes, the Issuer has agreed, subject to certain customary exceptions as set out in Condition 9, to pay such additional amounts as may be necessary in order that the net amounts received by the Noteholder after such withholding or deduction shall equal the respective amounts received by the Noteholder in the absence of such withholding or deduction.

The Proposed Financial Transaction Tax ("FTT")

On February 14, 2013, the European Commission published a proposal (the "**Commission's proposal**") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has ceased to participate.

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Under the Commission's proposal, FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

BOOK-ENTRY CLEARANCE SYSTEMS

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (each a "Clearing System" and together, the "Clearing Systems") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer nor any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arranger, any Dealer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. The relevant Pricing Supplement will specify the Clearing System(s) applicable for each Series.

Book-entry Systems

DTC

DTC has advised the Issuer that it is a limited purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC System is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**").

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the United States Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co, or such other name as may be requested by an authorized representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Issuing and Paying Agent on the due date for payment in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*."

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other. Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The Issuer and may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note.

The Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Issuing and Paying Agent, the Registrar, or the Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a direct or indirect participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*," cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its rules and through action taken by the Registrar, the Issuing and Paying Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Issuing and Paying Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

The Dealers have, in the program agreement dated April 12, 2023, as amended, supplemented and/or restated from time to time (the "**Program Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes or, in the case of Definitive IAI Registered Notes, procure purchasers of Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*Terms and Conditions of the Notes*" above. In the Program Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Program and the issue of Notes under the Program and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may to the extent permitted by applicable laws and regulations engage in transactions that stabilize, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilize or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilizing or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilization activities are subject to certain prescribed time limits in certain jurisdictions.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Dealer (as described in the Offering Circular) or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or such affiliate on behalf of the issuer in such jurisdiction.

Certain Relationships

Certain of the Dealers and their affiliates are full service financial institutions engaged in various activities which may include securities trading, commercial and investment banking, financial advice, investment management, principal investment, hedging, financing and brokerage activities. Each of the Dealers may have engaged in, and may in the future engage in, various investment banking, commercial banking or advisory services in the ordinary course of business with the Issuer, its subsidiaries, jointly controlled entities, associated companies or affiliates, for which they have received and may in the future receive customary compensation. In the ordinary course of their various business activities, the Dealers or their affiliates may make or hold (on their own account, on behalf of clients or in their capacity of investment advisers) a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments and enter into other transactions, including credit derivatives (such as asset swaps, repackaging and credit default swaps) in relation thereto. Such transactions, investments and securities activities may involve securities and instruments of the Issuer or its subsidiaries, jointly controlled entities or associated companies, including Notes issued under the Program, may be entered into at the same time or proximate to offers and sales of Notes or at other times in the secondary market and be carried out with counterparties that are also purchasers, holders or sellers of Notes. The Dealers or their affiliates may purchase the Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Such persons do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code – Important Notice to CMIs (including private banks)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

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

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

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

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

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

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

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

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

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the relevant Pricing Supplement.

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

By placing an order, prospective investors (including any underlying investors in relation to omnibus orders) are deemed to represent to the Dealers that it is not a Sanctions Restricted Person. A "Sanctions Restricted Person" means an individual or entity (a "Person"): (a) that is, or is directly or indirectly owned or controlled by a Person that is, described or designated in (i) the most current "Specially Designated Nationals and Blocked Persons" list (which as of the date hereof can be found at: *http://www.treasury.gov/ofac/downloads/sdnlist.pdf*) or (ii) the Foreign Sanctions Evaders List (which as of the date hereof can be found at: *http://www.treasury.gov/ofac/downloads/fse/fselist.pdf*) or (iii) the most current "Consolidated list of persons, groups and entities subject to EU financial sanctions" (which as of the date hereof can be found at: *https://eeas.europa.eu/headquarters/headquartershomepage_en/8442/Consolidated%20list%20of%20sanctions*); or (b) that is otherwise the subject of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of the following (i) – (vi) to the extent that it will not result in violation of any sanctions by the Dealers: (i) their inclusion in the most current "Sectoral Sanctions Identifications" list (which as of the date hereof can be found at: *https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf*) (the "SSI List"), (ii) their inclusion in Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the "EU Annexes"), (iii) their inclusion in any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes, (iv) them being the subject of restrictions imposed by the U.S. Department of Commerce's Bureau of Industry and Security ("BIS") under which BIS has restricted exports, re-exports or transfers of certain controlled goods, technology or software to such individuals or entities; (v) them being an entity listed in the Annex to the new Executive Order of 3 June 2021 entitled "Addressing the Threat from Securities Investments that Finance Certain Companies of the People's Republic of China" (known as the Non-SDN Chinese Military- Industrial Complex Companies List), which amends the Executive Order 13959 of 12 November 2020 entitled "Addressing the threat from Securities Investments that Finance Chinese Military Companies"; or (vi) them being subject to restrictions imposed on the operation of an

online service, Internet application or other information or communication services in the United States directed at preventing a foreign government from accessing the data of U.S. persons; or (c) that is located, organized or a resident in a comprehensively sanctioned country or territory, including Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine, the Donetsk's People's Republic or Luhansk People's Republic. "Sanctions Authority" means: (a) the United States government; (b) the United Nations; (c) the European Union (or any of its member states); (d) the United Kingdom; (e) any other equivalent governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; and (f) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury.

Selling Restrictions

United States of America

The Notes have not been and will not be registered under the Securities Act, or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended (the Code) and Treasury regulations promulgated thereunder. The applicable Pricing Supplement will identify whether U.S. Treasury regulation section 1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for the purposes of section 4701 of the Code) (the TEFRA C Rules) or U.S. Treasury regulation section 1.163 5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for the purposes of section 4701 of the Code) (the TEFRA D Rules) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Program will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Each issuance of Notes which are also Index Linked Interest Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the relevant Issuer and the relevant Dealer may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement.

European Economic Area

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors" or otherwise specifies "Prohibition of Sales to EEA Retail Investors" as "Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II); or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No. 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

If the applicable Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each member state of the European Economic Area (each a "**Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

1. at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

2. at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

3. at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

If the applicable Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors" or otherwise specifies "Prohibition of Sales to UK Retail Investors" as "Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the pricing supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional

client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

If the applicable Pricing Supplement in respect of any Notes specifies the "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed and each further Dealer appointed under the Program will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(i) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation; or

(ii) at any time to fewer than 150 persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(iii) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in in (i) to (iii) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression "**an offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that:

(a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

A. whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or

B. who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Program will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Program will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Hong Kong

Each Dealer has represented, warranted and agreed that:

1. it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

2. it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Korea

The Notes have not been and will not be registered under the FSCMA. Accordingly, each Dealer severally but not jointly has represented and agreed, and each further Dealer appointed under the Program will be required to represent and agree, that the Notes have not been and will not be offered, sold or delivered, directly or indirectly, in Korea or to or for the account or benefit of any Korean resident (as such term is defined in the Foreign Exchange Transactions Law of Korea and its Enforcement Decree), or to any other person for reoffering, resale or re-delivery, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea, except as otherwise permitted under applicable Korean laws and regulations. Each Dealer severally but not jointly undertakes, and each further Dealer appointed under the Program will be required to undertake, to use commercially reasonable best measures as a Dealer in the ordinary course of its business so that any securities dealer to which it sells the Notes confirms that it is purchasing such Notes as principal and agrees with such Dealer that it will comply with the restrictions described above.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this Offering Circular nor any other offering or marketing material relating to the offering, nor the Issuer nor the Notes have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to supervision by any Swiss regulatory authority (e.g. the Swiss Financial Markets Supervisory Authority ("**FINMA**")), and investors in the Notes will not benefit from protection or supervision by such authority.

General

The distribution of this Offering Circular or any offering material and the offering, sale or delivery of the Notes is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Offering Circular or any offering material are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Offering Circular may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized.

No action has been or will be taken in any jurisdiction by the Issuer or the Dealers that would permit a public offering, or any other offering under circumstances not permitted by applicable law, of the Notes, or possession or distribution of this Offering Circular, any amendment or supplement thereto issued in connection with the proposed resale of the Notes or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

INDEPENDENT AUDITORS

The consolidated financial statements of the Company as of and for the years ended December 31, 2023 and 2024 contained in this Offering Circular have been prepared in accordance with K-IFRS and have been audited by Nexia Samduk, independent auditors, as stated in their report appearing herein.

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Independent Auditors' Report

(Based on a report originally issued in Korean)

To the Shareholders and Board of Directors of
Korea Ocean Business Corporation

Opinion

We have audited the consolidated financial statements of Korea Ocean Business Corporation and subsidiaries (the "Group"), which comprise the consolidated statements of financial position as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea ("Korean IFRS").

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

A member of Nexia International
Nexia International is a leading worldwide network of independent accounting and consulting firms, providing comprehensive portfolio of audit, accountancy, tax and advisory services.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, then we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Nexia Samduk

Seoul, Korea
March 21, 2025

This report is effective as of the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Financial Position
As of December 31, 2024 and 2023

(In Won)	Notes		2024	2023
Assets				
Cash and due from banks	5,28,31	₩	1,146,950,573,731	1,033,699,697,477
Financial assets	6,28,31		5,520,779,869,763	6,325,278,444,983
Financial assets measured at FVTPL			1,996,556,065,859	3,821,550,501,877
Financial assets measured at FVOCI			1,350,278,863,200	1,398,904,900,563
Financial assets measured at amortized cost			2,167,160,706,866	1,089,631,443,274
Financial guarantee assets			536,663,278	2,255,861,474
Derivative assets			6,247,570,560	12,935,737,795
Investments in associates	7		6,561,626,374,151	4,296,108,916,530
Finance lease receivables	8,31		223,454,825,871	335,960,150,329
Leased assets	9		78,947,012,813	404,169,743,759
Investment property	10		-	7,506,823,703
Property and equipment	11		154,115,726,473	7,910,987,112
Intangible assets	12		7,538,297,244	7,425,593,822
Other assets			25,428,255,000	27,655,985,595
Net defined benefit assets	15		369,215,635	617,410,619
Current tax assets			1,059,601,866	954,245,218
Other receivables	13,28,31		22,770,119,301	24,246,793,161
Other assets	13		1,229,318,198	1,837,536,597
Total assets			13,718,840,935,046	12,445,716,343,310
Liabilities				
Financial liabilities	14,28,31		4,125,153,519,287	3,297,440,360,536
Borrowings and debentures			3,963,165,133,659	3,184,473,704,296
Financial guarantee liabilities			38,661,642,826	46,539,803,120
Derivative liabilities			14,183,822,730	1,327,742,888
Lease liabilities			3,140,947,927	3,448,244,643
Financial liabilities for non-controlling interests			106,001,972,145	61,650,865,589
Other liabilities			1,532,069,386,024	1,467,315,086,872
Provisions	16		1,942,676,008	2,764,569,374
Current tax liabilities			26,413,276,979	32,618,935,308
Deferred income tax liabilities	26		1,425,959,250,792	1,359,741,194,368
Other payables	17,28		66,438,640,262	68,112,882,536
Other liabilities	17		11,315,541,983	4,077,505,286
Total liabilities			5,657,222,905,311	4,764,755,447,408
Equity				
Capital stock	1,18		3,133,875,295,000	3,133,875,295,000
Additional paid in other capital	18		211,155,473,486	211,155,473,486
Capital adjustments	18		(162,844,846,031)	(162,844,846,031)
Accumulated other comprehensive income	19		911,057,556,044	92,247,778,242
Retained earnings	20		3,968,374,551,236	4,406,527,195,205
(Regulatory reserve for bad debts as of December 31, 2024 and 2023 is ₩24,693,253,455 and ₩41,262,294,327, respectively. Regulatory reserve for bad debts to be reserved as of December 31, 2024 and 2023 is nil. Expected provision(reversal) of regulatory reserve for bad debts as of December 31, 2024 and 2023 is ₩ 14,232,525,169 and ₩ (16,569,040,872), respectively.)				
Total equity attributable to owners of the Group			8,061,618,029,735	7,680,960,895,902
Non-controlling interests			-	-
Total equity			8,061,618,029,735	7,680,960,895,902
Total liabilities and equity		₩	13,718,840,935,046	12,445,716,343,310

The accompanying notes are an integral part of these consolidated financial statements.

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income, continued
For the years ended December 31, 2024 and 2023

(In Won)	Notes		2024	2023
Operating revenues				
Investment income	21	₩	508,451,766,264	385,166,298,764
Interest income			206,340,107,896	155,395,359,296
Fees and commission income			166,499,153,971	183,714,720,132
Dividend income			8,992,862,028	7,193,633,554
Gains on valuation and disposal of financial instruments			122,582,903,823	16,075,164,288
Reversal of credit losses			3,109,145,482	21,705,830,155
Reversal of other provision			10,385,853	98,691,529
Other operating revenue			917,207,211	982,899,810
			508,451,766,264	385,166,298,764
Operating expenses				
Investment expense	22		(641,349,982,359)	(590,744,169,802)
Interest expense			(154,082,558,981)	(88,332,550,086)
Fees and commission expenses			(11,724,418,105)	(5,849,788,677)
Depreciation of leased assets and others			(23,019,269,602)	(26,143,807,832)
Losses on valuation and disposal of financial instruments			(432,547,752,843)	(465,557,435,317)
Provision for credit losses			(17,432,962,619)	(1,468,122,210)
Provision for others			(34,027,748)	-
Other operating expenses			(2,508,992,461)	(3,392,465,680)
General and administrative expenses	23		(38,001,359,791)	(37,875,930,225)
			(679,351,342,150)	(628,620,100,027)
Operating loss			(170,899,575,886)	(243,453,801,263)
Non-operating revenues	24		1,977,073,028,417	731,272,732,124
Non-operating expenses	25		(2,400,432,939,276)	(501,963,183,783)
Net loss before income taxes			(594,259,486,745)	(14,144,252,922)
Income tax benefits	26		(156,106,842,776)	(18,390,318,934)
Net income (loss) for the year			(438,152,643,969)	4,246,066,012
(Adjusted net income (loss) for the year after reversal of regulatory reserve for bad debts for the years ended December 31, 2024 and 2023 are ₩ (452,385,169,138) and ₩ 20,815,106,884, respectively)				

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income, continued
For the years ended December 31, 2024 and 2023

(Continued)

(In Won)	**Notes**		**2024**	**2023**
Other comprehensive income, net of tax	19,26			
Items will not be reclassified to profit or loss				
Net loss on valuation of financial assets measured at FVOCI		₩	(6,348,763,499)	(2,069,496,375)
Share of other comprehensive income of associates			740,316,523,767	8,043,510,632
Remeasurements of defined benefit liabilities			17,882,902	(292,109,111)
			733,985,643,170	5,681,905,146
Items that are or may be reclassified subsequently to profit or loss				
Share of other comprehensive loss of associates			44,692,864,004	(499,529,646)
Exchange differences on translation of foreign operations			49,654,830,713	(819,956,028)
Valuation gain (loss) on cash flow hedge			(9,523,560,085)	(3,963,232,524)
			84,824,134,632	(5,282,718,198)
Total comprehensive income (loss) for the year		₩	380,657,133,833	4,645,252,960
Net income (loss) attributable to:				
Owners of the Group			(438,152,643,969)	4,246,066,012
Non-controlling interests			-	-
Net income (loss) for the year			(438,152,643,969)	4,246,066,012
Total comprehensive income (loss) attributable to:				
Owners of the Group			380,657,133,833	4,645,252,960
Non-controlling interests			-	-
Total comprehensive income (loss) for the year		₩	380,657,133,833	4,645,252,960
Earnings (losses) per share				
Basic and diluted earnings (losses) per share	27	₩	(699)	7

The accompanying notes are an integral part of these consolidated financial statements.

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the years ended December 31, 2024 and 2023

		Attributable to owners of the Group							
(In Won)		Capital stock	Additional paid in other capital	Capital adjustments	Accumulated other comprehensive income	Retained earnings	Subtotal	Non-controlling interests	Total
Balance at January 1, 2023	₩	2,994,057,405,000	63,514,950,344	(162,844,846,031)	91,848,591,294	4,402,281,129,193	7,388,857,229,800	266,633,515	7,389,123,863,315
Net loss for the year		-	-	-	-	4,246,066,012	4,246,066,012	-	4,246,066,012
Other comprehensive income			-	-	399,186,948	-	399,186,948	-	399,186,948
Remeasurements of defined benefit liabilities		-	-	-	(292,109,111)	-	(292,109,111)	-	(292,109,111)
Net loss on valuation of financial assets measured at FVOCI		-	-	-	(2,069,496,375)	-	(2,069,496,375)	-	(2,069,496,375)
Share of other comprehensive income of associates		-	-	-	7,543,980,986	-	7,543,980,986	-	7,543,980,986
Exchange differences on translation of foreign operations		-	-	-	(819,956,028)	-	(819,956,028)	-	(819,956,028)
Valuation gains and losses on cash flow hedge		-	-	-	(3,963,232,524)	-	(3,963,232,524)	-	(3,963,232,524)
Total comprehensive income(loss)		-	-	-	399,186,948	4,246,066,012	4,645,252,960	-	4,645,252,960
Paid in capital increase		139,817,890,000	147,640,523,142	-	-	-	287,458,413,142	-	287,458,413,142
Acquisition and disposal of subsidiaries		-	-	-	-	-	-	(266,633,515)	(266,633,515)
Transaction with owners		139,817,890,000	147,640,523,142	-	-	-	287,458,413,142	(266,633,515)	287,191,779,627
Balance at December 31, 2023	₩	3,133,875,295,000	211,155,473,486	(162,844,846,031)	92,247,778,242	4,406,527,195,205	7,680,960,895,902	-	7,680,960,895,902
Balance at January 1, 2024	₩	3,133,875,295,000	211,155,473,486	(162,844,846,031)	92,247,778,242	4,406,527,195,205	7,680,960,895,902	-	7,680,960,895,902
Net income for the year		-	-	-	-	(438,152,643,969)	(438,152,643,969)	-	(438,152,643,969)
Other comprehensive income			-	-	818,809,777,802	-	818,809,777,802	-	818,809,777,802
Remeasurements of defined benefit liabilities		-	-	-	17,882,902	-	17,882,902	-	17,882,902
Net loss on valuation of financial assets measured at FVOCI		-	-	-	(6,348,763,499)	-	(6,348,763,499)	-	(6,348,763,499)
Share of other comprehensive income of associates		-	-	-	785,009,387,771	-	785,009,387,771	-	785,009,387,771
Exchange differences on translation of foreign operations		-	-	-	49,654,830,713	-	49,654,830,713	-	49,654,830,713
Valuation gains and losses on cash flow hedge		-	-	-	(9,523,560,085)	-	(9,523,560,085)	-	(9,523,560,085)
Total comprehensive income(loss)		-	-	-	818,809,777,802	(438,152,643,969)	380,657,133,833	-	380,657,133,833
Balance at December 31, 2024	₩	3,133,875,295,000	211,155,473,486	(162,844,846,031)	911,057,556,044	3,968,374,551,236	8,061,618,029,735	-	8,061,618,029,735

The accompanying notes are an integral part of these consolidated financial statements.

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

(In Won)		2024	2023
Cash flows from operating activities			
Net income (loss) for the year	₩	(438,152,643,969)	4,246,066,012
Adjustments			
Interest income		(467,708,282,956)	(155,395,359,296)
Interest expense		154,148,595,675	88,332,550,086
Income tax benefits		(156,106,842,776)	(18,390,318,934)
Dividend income		(8,992,862,028)	(7,193,633,554)
Loss(gain) of financial assets measured at FVTPL		306,083,390,749	320,119,657,792
Loss(gain) on conversion of financial assets measured at FVTPL		13,777,383,402	134,044,521,739
Valuation gain on equity method		(1,764,925,087,054)	(674,209,925,390)
Impairment loss of equity method		2,137,893,978,484	448,360,054,889
Loss (gain) on liquidation of subsidiaries		14,988,805	(22,502,478)
Provision for (reversal of) credit losses on loan		(450,052,722)	(20,307,533,496)
Reversal for credit losses on financial guarantee		15,162,404,406	(60,717,259)
Provision for (reversal of) credit losses on other provision		(1,290,416,595)	162,551,111
Provision for (reversal of) credit losses on unused credit lines		(385,538,892)	133,136,397
Fee income from payment guarantee		(21,853,284,973)	(39,601,833,656)
Others		127,381,766	(10,756,195)
Retirement benefit		1,185,227,640	1,043,967,047
Depreciation of property and equipment		1,525,933,061	1,577,690,885
Depreciation of investment property		104,134,451	208,269,903
Amortization		2,567,287,078	2,604,786,647
Depreciation of leased assets		22,642,347,559	25,933,141,184
Impairment loss on leased assets		376,922,043	210,666,648
Loss (gain) on foreign currency translation		47,186,128,626	(18,425,003,732)
Valuation gain on hedged item		(3,047,350,988)	(1,633,364,212)
Valuation loss(gain) on derivatives		6,608,509,282	330,296,310
Loss (gain) on credit loss of derivatives		(3,881,886)	(2,593,587)
Loss (gain) on disposal of Property and Equipment		(9,092,185,244)	-
Loss (gain) on disposal of Investment Property		(3,074,310,748)	-
		272,474,516,165	87,807,748,849
Change in operating assets and liabilities			
Due from banks		193,487,512,056	(183,812,920,849)
Loan measured at FVTPL		(139,030,172,216)	(429,498,659,874)
Loan measured at amortized cost		(858,105,206,925)	(290,188,918,312)
Debt instruments measured at amortized cost		(168,205,609,326)	24,717,064,247
Financial lease receivables		114,557,095,757	(1,168,052,702)
Other assets		(278,468,568)	(785,068,158)
Net defined benefit assets		(912,735,234)	(872,414,759)
Financial guarantee assets		640,712,885	1,896,322,152
Construction in progress		(146,475,909,502)	-
Financial guarantee liabilities		(5,158,860,364)	(33,405,999,674)
Other payables		44,039,888,348	86,581,192,285
Other liabilities		-	(266,633,515)
Provisions		841,321,860	(3,107,196)
		(964,600,431,229)	(826,807,196,355)
Interest received		471,272,547,399	150,701,231,392
Interest paid		(140,595,247,996)	(80,662,109,756)
Dividends received		8,992,862,028	7,193,633,554
Income taxes paid		(77,689,623,033)	(66,554,260,419)
Net cash provided by (used in) operating activities		(868,298,020,634)	(724,074,886,723)

Korea Ocean Business Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the years ended December 31, 2024 and 2023

(Continued)

(In Won)		2024	2023
Cash flows from investing activities			
Disposal of financial assets measured at FVOCI	₩	40,000,000,000	-
Acquisition of financial assets measured at amortized cost		(10,004,515,899)	(20,000,000,000)
Disposal of financial assets measured at amortized cost		20,000,000,000	-
Acquisition of investment in associates		(135,702,822,447)	(277,207,040,871)
Decrease, dividends and disposal of investments in associates		254,665,315,477	149,005,180,313
Acquisition of property and equipment		(670,439,320)	(383,166,231)
Disposal of property and equipment		-	273,734,500
Acquisition of intangible assets		(2,679,990,500)	(2,848,433,560)
Disposal of investment property		10,477,000,000	-
Disposal of leased assets		355,288,242,604	-
Decrease (increase) of other receivables		(120,000,000)	70,000,000
Net cash used in investing activities		531,252,789,915	(151,089,725,849)
Cash flows from financing activities			
Increase of borrowings		1,241,610,597,257	442,258,004,188
Redemption of borrowings		(1,747,630,569,148)	(151,919,357,838)
Issuance of debentures		1,533,441,889,085	504,928,996,589
Redemption of debentures		(430,000,000,000)	(330,000,000,000)
Decrease of lease liabilities		(912,452,004)	(819,821,063)
Payment of lease deposits		(6,542,570,000)	-
Increase of paid-in capital		-	287,458,413,142
Net cash provided by (used in) financing activities (Note 30)		589,966,895,190	751,906,235,018
Effects from changes in foreign currency exchange rate for cash and cash equivalents held		22,496,217,116	(9,865,877,726)
Net increase (decrease) in cash and cash equivalents		275,417,881,587	(133,124,255,280)
Cash and cash equivalents at the beginning of year		574,913,637,663	708,037,892,943
Cash and cash equivalents at the end of year (Note 30)	₩	850,331,519,250	574,913,637,663

The accompanying notes are an integral part of these consolidated financial statements

1. Summary of the Reporting Entity

The accompanying consolidated financial statements comprise Korea Ocean Business Corporation (the "Company") and subsidiaries (collectively the "Group"). General information of the Company and subsidiaries is stated below.

(1) Controlling company

Korea Ocean Business Corporation was established on July 5, 2018 to support shipping companies with a stable supply of tonnage and secure liquidity and to provide service needed to growth of shipping industry. Issued capital of the Company as of December 31, 2024 is ₩3,133,875 million.

The shareholders of the Company as of December 31, 2024 are as follow:

Shareholder	Number of shares	Ownership
Government of the Republic of Korea		
Ministry of Economy and Finance	249,297,013	39.77%
Ministry of Oceans and Fisheries	69,164,626	11.03%
Korea Development Bank	130,392,669	20.80%
The Export-Import Bank of Korea	109,557,908	17.48%
Others	68,362,843	10.92%
	626,775,059	100.00%

(2) Consolidated subsidiaries

1) The Company's consolidated subsidiaries as of December 31, 2024 and 2023 are as follows:

Subsidiaries	Subsidiaries of subsidiaries	Industry	Country (*1)	Ownership (%) 2024	Ownership (%) 2023
KOBC USA LLC (*2)	-	Investment	USA	100.00	100.00
Korea Shipping Global No.1 Investment Company (*2)	Ship owner Investment CO No.1 ~ 6 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Shipping Global No.2 Investment Company (*2)	Ship owner Investment CO No.7 ~ 10 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Shipping Global No.4 Investment Company (*2)	Ship owner Investment CO No.12 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.4 Investment Company (*2)	Ocean Trinity SH No.4 S.A.	Tonnage investment	Korea	-	100.00
Korea Ocean No.5 Investment Company (*2)	Ocean Trinity SH No.5 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.6 Investment Company (*2)	Ocean Trinity SH No.6 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.7 Investment Company (*2)	Ocean Trinity SH No.7 S.A.	Tonnage investment	Korea	-	100.00
Korea Ocean No.8 Investment Company (*2)	Ocean Trinity SH No.8 S.A.	Tonnage investment	Korea	-	100.00
Korea Ocean No.11 Investment Company (*2)	Ocean Trinity SH No.11 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.12 Investment Company (*2)	Ocean Trinity SH No.12 S.A.	Tonnage investment	Korea	100.00	100.00

1. Summary of the Reporting Entity, continued

Subsidiaries	Subsidiaries of subsidiaries	Industry	Country (*1)	Ownership (%) 2024	Ownership (%) 2023
Korea Ocean No.14 Investment Company (*2)	Ocean Trinity SH No.14 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.15 Investment Company (*2)	Ocean Trinity SH No.15 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.16 Investment Company (*2)	Ocean Trinity SH No.16 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.17 Investment Company (*2)	Ocean Trinity SH No.17 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.18 Investment Company (*2)	Ocean Trinity SH No.18 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.20 Investment Company (*2)	Ocean Trinity SH No.20 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.21 Investment Company (*2)	Ocean Trinity SH No.21 S.A.	Tonnage investment	Korea	-	100.00
Korea Ocean No.22 Investment Company (*2)	Ocean Trinity SH No.22 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.28 Investment Company (*2)	Ocean Trinity SH No.28 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.30 Investment Company (*2)	Ocean Trinity SH No.30 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.31 Investment Company (*2)	Ocean Trinity SH No.31 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.32 Investment Company (*2)	Ocean Trinity SH No.32 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.33 Investment Company (*2)	Ocean Trinity SH No.33 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.34 Investment Company (*2)	Ocean Trinity SH No.34 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.35 Investment Company (*2)	Ocean Trinity SH No.35 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.36 Investment Company (*2)	Ocean Trinity SH No.36 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.37 Investment Company (*2)	Ocean Trinity SH No.37 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.38 Investment Company (*2)	Ocean Trinity SH No.38 S.A.	Tonnage investment	Korea	100.00	100.00
Korea Ocean No.39 Investment Company (*2)	Ocean Trinity SH No.39 S.A.	Tonnage investment	Korea	100.00	-
Korea Ocean No.40 Investment Company (*2)	Ocean Trinity SH No.40 S.A.	Tonnage investment	Korea	100.00	-
Korea Ocean No.41 Investment Company (*2)	Ocean Trinity SH No.41 S.A.	Tonnage investment	Korea	100.00	-
Ocean Business No.1 Ship Investment Company (*2)	Ocean Trinity PO No.1 S.A.	Tonnage investment	Korea	100.00	100.00
Ocean Business No.2 Ship Investment Company (*3)	Ocean Trinity PO No.2 S.A.	Tonnage investment	Korea	-	-
Ocean Business No.3 Ship Investment Company (*3)	Ocean Trinity PO No.3 S.A.	Tonnage investment	Korea	-	-
KOBC Container Leasing No. 1 Limited (*2)	-	Shipping container rental business	Hong Kong	100.00	100.00
KOBC Container Leasing No. 2 Limited (*2)	-	Shipping container rental business	Hong Kong	100.00	100.00
KOBC Container Leasing No. 3 Limited (*2)	-	Shipping container rental business	Hong Kong	100.00	100.00

1. Summary of the Reporting Entity, continued

Subsidiaries	Subsidiaries of subsidiaries	Industry	Country (*1)	Ownership (%) 2024	Ownership (%) 2023
Multi Asset KOBC Container Professional Investment Private Investment Trust No.1 (*2)	KOSM Container Co., Ltd.	Financial service	Korea	-	100.00
SBK-WASKA Private Equity Fund (*2)	-	Financial service	Korea	67.41	67.41
Orion Maritime Private Placement Special Asset Fund No.1 (*2)	DM JADE S.A.	Financial service	Korea	83.33	83.33
Orion Maritime Private Placement Special Asset Fund No.2 (*2)	DM BEATRICE S.A.	Financial service	Korea	96.85	-
KSF Ocean Newbuilding Private Investment Trust No.3 (*2)	-	Financial service	Korea	90.00	90.00
KSF Green Ocean Private Placement Asset Fund No.3 (*2)	-	Financial service	Korea	99.01	-
Daol Next One Green Ocean Private Investment Trust No.18 (*2)	-	Financial service	Korea	99.01	-
VI Ocean Con-Box Private Investment Trust No.1 (*2)	-	Financial service	Korea	99.01	-
KSF No.1 Investment Company (*3)	-	Tonnage investment	Korea	-	-
KSF No.2 Investment Company (*3)	-	Tonnage investment	Korea	-	-
KSF No.7 Investment Company (*3)	-	Tonnage investment	Korea	-	-
KSF No.8 Investment Company (*3)	-	Tonnage investment	Korea	-	-
KSF No.10 Investment Company (*3)	KSF Global No. 10 S.A.	Tonnage investment	Korea	-	-
KSF No.11 Investment Company (*3)	KSF Global No. 11 S.A.	Tonnage investment	Korea	-	-
KSF No.12 Investment Company (*3)	KSF Global No. 12 S.A.	Tonnage investment	Korea	-	-
KSF No.14 Investment Company (*3)	KSF Global No. 14 S.A.	Tonnage investment	Korea	-	-
KSF No.15 Investment Company (*3)	KSF Global No. 15-1~2 S.A.	Tonnage investment	Korea	-	-
KSF No.16 Investment Company (*3)	KSF Global No. 16 S.A.	Tonnage investment	Korea	-	-
KSF No.17 Investment Company (*3)	KSF Global No. 17-1~2 S.A.	Tonnage investment	Korea	-	-
KSF No.19 Investment Company (*3)	KSF Global No. 19 S.A.	Tonnage investment	Korea	-	-
KSF No.20 Investment Company (*3)	KSF Global No. 20 S.A.	Tonnage investment	Korea	-	-
KSF No.21 Investment Company (*3)	KSF Global No. 21 S.A.	Tonnage investment	Korea	-	-
KSF No.22 Investment Company (*3)	KSF Global No. 22-1~2 S.A.	Tonnage investment	Korea	-	-
KSF No.23 Investment Company (*3)	KSF Global No. 23 S.A.	Tonnage investment	Korea	-	-
KSF No.24 Investment Company (*3)	KSF Global No. 24 S.A.	Tonnage investment	Korea	-	-
KSF No.25 Investment Company (*3)	KSF Global No. 25-1~2 S.A.	Tonnage investment	Korea	-	-
KSF No.26 Investment Company (*3)	KSF Global No. 26-1~5 S.A.	Tonnage investment	Korea	-	-
KSF No.27 Investment Company (*3)	KSF Global No. 27-1~5 S.A.	Tonnage investment	Korea	-	-

1. Summary of the Reporting Entity, continued

Subsidiaries	Subsidiaries of subsidiaries	Industry	Country (*1)	Ownership (%) 2024	Ownership (%) 2023
KSF No.28 Investment Company (*3)	KSF Global No. 28-1~3 S.A.	Tonnage investment	Korea	-	-
KSF No.29 Investment Company (*3)	KSF Global No. 29 S.A.	Tonnage investment	Korea	-	-
KSF No.30 Investment Company (*3)	KSF Global No. 30 S.A.	Tonnage investment	Korea	-	-
KSF No.31 Investment Company (*3)	KSF Global No. 31 S.A.	Tonnage investment	Korea	-	-
KSF No.32 Investment Company (*3)	KSF Global No. 32 S.A.	Tonnage investment	Korea	-	-
KSF No.33 Investment Company (*3)	KSF Global No. 33 S.A.	Tonnage investment	Korea	-	-
KSF No.34 Investment Company (*3)	KSF Global No. 34 S.A.	Tonnage investment	Korea	-	-
KSF No.35 Investment Company (*3)	KYG MARINE S.A.	Tonnage investment	Korea	-	-
KSF No.36 Investment Company (*3)	KSF GLOBAL No.36 S.A.	Tonnage investment	Korea	-	-
KSF No.37 Investment Company (*3)	KSF GLOBAL No.37 S.A.	Tonnage investment	Korea	-	-
International No.28 Investment Company (*3)	-	Tonnage investment	Korea	-	-
International No.32 Investment Company (*3)	KMARIN NO. 32A S.A.	Tonnage investment	Korea	-	-
International No.34 Investment Company (*3)	KMARIN NO. 34A~B S.A.	Tonnage investment	Korea	-	-
International No.35 Investment Company (*3)	KMARIN NO. 35A S.A.	Tonnage investment	Korea	-	-
International No.37 Investment Company (*3)	KMARIN NO. 37A~ C S.A.	Tonnage investment	Korea	-	-
International No.41 Investment Company (*3)	KMARIN NO. 41 S.A.	Tonnage investment	Korea	-	-
Ocean New Building No. 1 Ship Investment Company (*3)	Ocean Trinity New No. 1 S.A.	Tonnage investment	Korea	-	-
Ocean New Building No. 2 Ship Investment Company (*3)	Ocean Trinity New No. 2 S.A.	Tonnage investment	Korea	-	-
GMF No.1 Ship Investment Company (*3)	GMF KSS NO.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.2 Ship Investment Company (*3)	GMF CM No.1 S.A	Tonnage investment	Korea	-	-
GMF No.3 Ship Investment Company (*3)	GMF SKR No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.5 Ship Investment Company (*3)	GMF DM No.1 S.A.	Tonnage investment	Korea	-	-
GMF No.6 Ship Investment Company (*3)	GMF NS No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.7 Ship Investment Company (*3)	GMF DB No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.8 Ship Investment Company (*3)	GMF MY No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.9 Ship Investment Company (*3)	GMF HY No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.10 Ship Investment Company (*3)	GMF SPS No.1 S.A.	Tonnage investment	Korea		
GMF No.11 Ship Investment Company (*3)	GMF GLV No.1~4 S.A.	Tonnage investment	Korea	-	-
GMF No.12 Ship Investment Company (*3)	PPL Shipholding No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF No.13 Ship Investment Company (*3)	GMF HR No.1 S.A.	Tonnage investment	Korea	-	-

1. Summary of the Reporting Entity, continued

Subsidiaries	Subsidiaries of subsidiaries	Industry	Country (*1)	Ownership (%) 2024	Ownership (%) 2023
GMF No.14 Ship Investment Company (*3)	GMF SNK No.2~3 S.A.	Tonnage investment	Korea	-	-
GMF No.15 Ship Investment Company (*3)	GMF HA No.1 S.A.	Tonnage investment	Korea	-	-
GMF No.16 Ship Investment Company (*3)	GMF SNK No.4~7 S.A.	Tonnage investment	Korea	-	-
GMF No.17 Ship Investment Company (*3)	GMF KSS No.3 S.A.	Tonnage investment	Korea	-	-
GMF No.18 Ship Investment Company (*3)	GMF HA No.2 S.A.	Tonnage investment	Korea	-	-
GMF BBC No.1 Ship Investment Company (*3)	GMF CK No.1~2 S.A.	Tonnage investment	Korea	-	-
GMF BBC No.2 Ship Investment Company (*3)	GMF GPCTC No.1~4 Ltd	Tonnage investment	Korea	-	-

(*1) The subsidiary's country is defined by its place of incorporation and sales.
(*2) The Group invested directly in the subsidiary or in the beneficiary certificates issued by the subsidiary. Since the stake in the subsidiary exceeded the majority, it was judged to have control.
(*3) The Group invested in bonds issued by subsidiaries. The stake in the subsidiary was judged to be dominant by comprehensively considering the degree of involvement of the consolidated entity in the subsidiary and the degree of exposure to variable profits, etc., although the stake in the subsidiary was less than a majority.

1. Summary of the Reporting Entity, continued

2) Subsidiaries that are newly included in the consolidated financial statements and those that are excluded from the consolidated financial statements for the year ended December 31, 2024 are as follows:

	Changes	Reasons for changes
Korea Ocean No.39 Investment Company	Newly included	New equity investment
Korea Ocean No.40 Investment Company	Newly included	New equity investment
Korea Ocean No.41 Investment Company	Newly included	New equity investment
KSF No.33 Investment Company	Newly included	Subordinated bond investment
KSF No.34 Investment Company	Newly included	Subordinated bond investment
KSF No.35 Investment Company	Newly included	Subordinated bond investment
KSF No.36 Investment Company	Newly included	Subordinated bond investment
KSF No.37 Investment Company	Newly included	Subordinated bond investment
International No.41 Investment Company	Newly included	Subordinated bond investment
GMF No.10 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.11 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.12 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.13 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.14 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.15 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.16 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.17 Ship Investment Company	Newly included	Subordinated bond investment
GMF No.18 Ship Investment Company	Newly included	Subordinated bond investment
Orion Maritime Private Placement Special Asset Fund No.2	Newly included	New equity investment
KSF Green Ocean Private Placement Asset Fund No.1	Newly included	New equity investment
Daol Next One Green Ocean Private Investment Trust No.18	Newly included	New equity investment
VI Ocean Con-Box Private Investment Trust No.1	Newly included	New equity investment
GMF BBC No.1 Ship Investment Company	Newly included	Subordinated bond investment
GMF BBC No.2 Ship Investment Company	Newly included	Subordinated bond investment
Korea Ocean No.4 Investment Company	Excluded	Liquidation
Korea Ocean No.7 Investment Company	Excluded	Liquidation
Korea Ocean No.8 Investment Company	Excluded	Liquidation
Korea Ocean No.21 Investment Company	Excluded	Liquidation
Multi Asset KOBC Container Professional Investment Private Investment Trust No.1	Excluded	Liquidation
KSF No.9 Investment Company	Excluded	Liquidation
International No.30 Investment Company	Excluded	Liquidation

1. Summary of the Reporting Entity, continued

3) The financial information of investments in subsidiaries (based on consolidated financial statements of subsidiaries) as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
Korea Shipping Global No.1 Investment Company	₩ 43,977,511	19,140,627	24,836,884	94,399,479	93,144,761
Korea Shipping Global No.2 Investment Company	43,812,793	67,888	43,744,905	12,047,560	4,433,663
Korea Shipping Global No.4 Investment Company	12,739,280	630,044	12,109,236	336,151	284,736
Korea Ocean No.5 Investment Company	456	379	77	204,432	186,040
Korea Ocean No.6 Investment Company	436	414	22	439,840	421,016
Korea Ocean No.11 Investment Company	5,829,263	315,623	5,513,640	354,756	326,890
Korea Ocean No.12 Investment Company	13,488,375	591,731	12,896,644	809,136	781,636
Korea Ocean No.14 Investment Company	11,280,973	507,537	10,773,436	539,939	516,638
Korea Ocean No.15 Investment Company	10,512,685	288,977	10,223,708	401,617	354,232
Korea Ocean No.16 Investment Company	1,615,846	198,589	1,417,257	109,665	75,928
Korea Ocean No.17 Investment Company	6,788,099	282,422	6,505,677	316,707	293,969
Korea Ocean No.18 Investment Company	4,328,170	203,191	4,124,979	167,602	145,306
Korea Ocean No.20 Investment Company	5,271,679	444,655	4,827,024	215,867	178,770
Korea Ocean No.22 Investment Company	10,290,167	242,512	10,047,655	755,968	368,337
Korea Ocean No.28 Investment Company	23,950,956	1,097,375	22,853,581	706,145	687,143
Korea Ocean No.30 Investment Company	5,733,554	321,562	5,411,992	206,997	184,309
Korea Ocean No.31 Investment Company	18,697,850	763,942	17,933,908	549,591	525,681
Korea Ocean No.32 Investment Company	2,428,179	233,252	2,194,927	94,512	69,686
Korea Ocean No.33 Investment Company	4,448,971	242,371	4,206,600	144,221	126,585
Korea Ocean No.34 Investment Company	5,496,069	24,927	5,471,142	174,672	150,448
Korea Ocean No.35 Investment Company	8,304,301	474,697	7,829,604	273,248	253,005
Korea Ocean No.36 Investment Company	2,570,174	181,843	2,388,331	116,193	96,164
Korea Ocean No.37 Investment Company	7,918,351	450,948	7,467,403	283,869	264,063
Korea Ocean No.38 Investment Company	14,511,300	20,146	14,491,154	765,283	735,326
Korea Ocean No.39 Investment Company	11,026,888	460,002	10,566,886	597,479	521,495
Korea Ocean No.40 Investment Company	10,949,721	376,020	10,573,701	136,910	68,493
Korea Ocean No.41 Investment Company	10,344,947	24,056	10,320,891	80,627	18,916
Ocean Business No.1 Ship Investment Company	3,561,694	349,979	3,211,715	135,106	117,001
Ocean Business No.2 Ship Investment Company	11,396,735	11,412,852	(16,117)	360,026	3,974
Ocean Business No.3 Ship Investment Company	20,464,691	20,501,126	(36,435)	689,164	37,647
KSF No.1 Investment Company	5,414,185	5,431,604	(17,419)	322,922	(4,276)
KSF No.2 Investment Company	20,820,638	21,059,606	(238,968)	919,942	14,752

1. Summary of the Reporting Entity, continued

	December 31, 2024				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
KSF No.7 Investment Company ₩	21,271,108	21,610,050	(338,942)	705,855	6
KSF No.8 Investment Company	7,247,957	7,267,341	(19,384)	305,284	(2,419)
KSF No.10 Investment Company	10,306,527	10,305,383	1,144	375,536	120
KSF No.11 Investment Company	10,834,335	10,832,633	1,702	369,116	296
KSF No.12 Investment Company	9,981,355	9,979,683	1,672	365,045	22,057
KSF No.14 Investment Company	8,936,135	8,934,383	1,752	323,522	295
KSF No.15 Investment Company	9,365	8,615	750	823,248	129,365
KSF No.16 Investment Company	8,021,888	8,059,885	(37,997)	401,493	61,671
KSF No.17 Investment Company	70,903,955	70,903,204	751	2,426,205	97,035
KSF No.19 Investment Company	3,695,000	3,693,799	1,201	164,030	189
KSF No.20 Investment Company	13,554,977	13,620,181	(65,204)	598,076	18,818
KSF No.21 Investment Company	52,945,106	53,040,160	(95,054)	4,326,894	261,862
KSF No.22 Investment Company	25,006,640	25,004,401	2,239	1,065,166	704
KSF No.23 Investment Company	11,603,111	11,607,542	(4,431)	541,360	30,535
KSF No.24 Investment Company	26,809,459	26,807,565	1,894	1,306,713	680
KSF No.25 Investment Company	54,624,242	54,623,274	968	5,453,695	54
KSF No.26 Investment Company	127,532,527	127,531,183	1,344	8,071,315	338
KSF No.27 Investment Company	7,523,479	7,522,380	1,099	578,388	158
KSF No.28 Investment Company	13,755,323	13,753,468	1,855	754,906	759
KSF No.29 Investment Company	23,072,171	23,142,294	(70,123)	1,283,004	2,289
KSF No.30 Investment Company	18,520,232	18,529,353	(9,121)	1,058,705	103,650
KSF No.31 Investment Company	15,907,445	15,906,225	1,220	822,601	15,811
KSF No.32 Investment Company	25,246,282	25,296,596	(50,314)	1,588,297	4,113
KSF No.33 Investment Company	9,077,236	9,076,365	871	304,475	121
KSF No.34 Investment Company	14,656,628	14,655,607	1,021	511,372	271
KSF No.35 Investment Company	12,840,216	12,839,414	802	415,559	52
KSF No.36 Investment Company	37,232,231	37,231,446	785	1,351,922	32
KSF No.37 Investment Company	36,807,865	36,931,367	(123,502)	263,154	(124,252)
International No.28 Investment Company	28,164,078	28,497,898	(333,820)	1,048,661	24,320
International No.32 Investment Company	4,490,303	4,493,031	(2,728)	164,408	2,827
International No.34 Investment Company	47,853,994	47,911,980	(57,986)	1,563,388	126,473
International No.35 Investment Company	50,066,596	50,372,280	(305,684)	2,105,138	(78,065)
International No.37 Investment Company	88,873,398	88,928,098	(54,700)	6,183,179	7,321
International No.41 Investment Company	62,002,362	62,048,873	(46,511)	270,421	(37,304)
Ocean New Building No. 1 Ship Investment Company	20,726,539	20,728,772	(2,233)	581,402	6,920

1. Summary of the Reporting Entity, continued

	December 31, 2024				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
Ocean New Building No. 2 Ship Investment Company ₩	20,695,944	20,693,848	2,096	577,805	(4,388)
GMF No.1 Ship Investment Company	20,991,276	21,228,321	(237,045)	749,592	(17,141)
GMF No.2 Ship Investment Company	15,254,720	15,253,876	844	586,551	55,421
GMF No.3 Ship Investment Company	11,644,707	11,642,416	2,291	378,588	2,354
GMF No.5 Ship Investment Company	5,866	13	5,853	513,404	(9,613)
GMF No.6 Ship Investment Company	73,681,813	73,681,782	31	1,851,047	126,519
GMF No.7 Ship Investment Company	24,334,820	24,335,857	(1,037)	1,365,375	67,863
GMF No.8 Ship Investment Company	15,641,990	15,607,203	34,787	1,688,894	149,004
GMF No.9 Ship Investment Company	24,078,679	24,078,451	228	1,435,697	15,312
GMF No.10 Ship Investment Company	13,538,301	13,538,113	188	640,514	168
GMF No.11 Ship Investment Company	247,291,031	247,290,613	418	13,011,809	392
GMF No.12 Ship Investment Company	10,261,247	10,261,050	197	457,708	177
GMF No.13 Ship Investment Company	14,251,047	14,290,185	(39,138)	409,710	(39,158)
GMF No.14 Ship Investment Company	137,699,171	137,888,391	(189,220)	5,178,081	(203,585)
GMF No.15 Ship Investment Company	22,581,634	22,604,671	(23,037)	688,065	(23,334)
GMF No.16 Ship Investment Company	158,138,840	158,635,083	(496,243)	4,456,846	(490,758)
GMF No.17 Ship Investment Company	67,522,950	67,641,809	(118,859)	1,612,465	(119,034)
GMF No.18 Ship Investment Company	23,608,855	23,686,250	(77,395)	250,819	(75,802)
KOBC Container Leasing No. 1 Limited	18,845,224	1,627,304	17,217,920	16,231,155	8,556,319
KOBC Container Leasing No. 2 Limited	24,496,849	4,422,745	20,074,104	22,696,202	7,034,340
KOBC Container Leasing No. 3 Limited	8,474,593	2,942,869	5,531,724	15,785,415	1,779,912
KOBC USA LLC	27,108,760	-	27,108,760	-	(790,763)
SBK-WASKA Private Equity Fund	171,841,691	31,569	171,810,122	6,854,601	6,715,370
Orion Maritime Private Placement Special Asset Fund No.1	14,221,377	14,069	14,207,308	918,383	871,061
Orion Maritime Private Placement Special Asset Fund No.2	28,782,284	4,809	28,777,475	1,243,510	1,081,414
KSF Ocean Newbuilding Private Investment Trust No.3	456,194,738	37,188	456,157,550	20,643,113	20,510,128
KSF Green Ocean Private Placement Asset Fund No.1	20,352,146	4,999	20,347,147	753,079	607,328
Daol Next One Green Ocean Private Investment Trust No.18	30,167,393	6,096	30,161,297	1,002,532	574,257
VI Ocean Con-Box Private Investment Trust No.1	207,289,017	3,641,978	203,647,039	4,308,970	3,753,014
GMF BBC No.1 Ship Investment Company	15,778,994	15,983,428	(204,434)	383,694	(204,454)
GMF BBC No.2 Ship Investment Company	133,921,030	153,519,738	(19,598,708)	248	(19,542,868)

1. Summary of the Reporting Entity, continued

	December 31, 2023				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
Korea Shipping Global No.1 Investment Company	₩ 42,934,837	18,538,200	24,396,637	90,851,182	89,213,224
Korea Shipping Global No.2 Investment Company	51,013,825	1,159,076	49,854,749	12,009,212	4,403,828
Korea Shipping Global No.4 Investment Company	13,389,697	622,537	12,767,160	2,591,649	2,541,193
Korea Ocean No.4 Investment Company	296	276	20	75,832	57,132
Korea Ocean No.5 Investment Company	5,518,711	208,888	5,309,823	228,915	212,915
Korea Ocean No.6 Investment Company	8,699,646	180,492	8,519,154	482,449	462,581
Korea Ocean No.7 Investment Company	2,818,027	179,531	2,638,496	134,979	103,761
Korea Ocean No.8 Investment Company	11,518,122	556,878	10,961,244	455,088	423,681
Korea Ocean No.11 Investment Company	6,798,543	314,928	6,483,615	388,845	360,972
Korea Ocean No.12 Investment Company	15,304,295	591,730	14,712,565	865,872	825,185
Korea Ocean No.14 Investment Company	12,778,492	497,380	12,281,112	585,465	527,601
Korea Ocean No.15 Investment Company	11,056,183	285,522	10,770,661	416,632	390,339
Korea Ocean No.16 Investment Company	2,360,571	158,834	2,201,737	108,225	82,766
Korea Ocean No.17 Investment Company	7,752,018	281,477	7,470,541	343,942	321,037
Korea Ocean No.18 Investment Company	4,804,456	239,780	4,564,676	181,441	159,536
Korea Ocean No.20 Investment Company	5,811,017	287,689	5,523,328	217,692	197,458
Korea Ocean No.21 Investment Company	4,811,781	126,405	4,685,376	181,716	161,716
Korea Ocean No.22 Investment Company	10,889,796	242,511	10,647,285	405,954	385,954
Korea Ocean No.28 Investment Company	27,363,725	1,072,992	26,290,733	796,325	775,687
Korea Ocean No.30 Investment Company	6,569,936	342,311	6,227,625	232,223	208,581
Korea Ocean No.31 Investment Company	20,937,680	752,355	20,185,325	608,084	584,172
Korea Ocean No.32 Investment Company	3,203,365	295,969	2,907,396	112,600	91,056
Korea Ocean No.33 Investment Company	5,100,510	236,360	4,864,150	160,193	141,882
Korea Ocean No.34 Investment Company	6,305,554	23,919	6,281,635	195,333	170,377
Korea Ocean No.35 Investment Company	9,810,502	474,556	9,335,946	315,788	295,577
Korea Ocean No.36 Investment Company	3,097,148	181,611	2,915,537	134,444	114,459
Korea Ocean No.37 Investment Company	9,033,607	449,520	8,584,087	319,254	299,287
Korea Ocean No.38 Investment Company	17,955,287	24,058	17,931,229	598,238	472,167
Ocean Business No.1 Ship Investment Company	4,506,473	345,693	4,160,780	162,299	144,082
Ocean Business No.2 Ship Investment Company	12,964,996	12,981,113	(16,117)	399,160	(16,217)
Ocean Business No.3 Ship Investment Company	20,608,451	20,682,533	(74,082)	763,894	62,689
KSF No.1 Investment Company	6,395,055	6,408,198	(13,143)	376,833	10,835
KSF No.2 Investment Company	22,097,353	22,351,074	(253,721)	969,766	14,752
KSF No.7 Investment Company	21,272,725	21,611,674	(338,949)	704,650	-

1. Summary of the Reporting Entity, continued

	December 31, 2023				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
KSF No.8 Investment Company ₩	8,077,017	8,093,982	(16,965)	327,861	2,627
KSF No.9 Investment Company	27,590,072	27,588,201	1,871	862,970	443
KSF No.10 Investment Company	11,401,718	11,400,694	1,024	413,494	3,325
KSF No.11 Investment Company	12,808,917	12,807,511	1,406	458,878	37,358
KSF No.12 Investment Company	11,886,179	11,906,564	(20,385)	424,969	30,333
KSF No.14 Investment Company	10,659,085	10,657,628	1,457	381,553	7,339
KSF No.15 Investment Company	28,747,714	28,876,329	(128,615)	983,619	3,625
KSF No.16 Investment Company	9,043,853	9,143,522	(99,669)	387,537	11,281
KSF No.17 Investment Company	79,126,891	79,223,175	(96,284)	1,789,800	127,018
KSF No.19 Investment Company	4,766,496	4,765,483	1,013	197,679	180
KSF No.20 Investment Company	15,522,668	15,606,691	(84,023)	641,484	2,246
KSF No.21 Investment Company	54,592,562	54,949,523	(356,961)	4,483,728	83,661
KSF No.22 Investment Company	28,508,635	28,507,100	1,535	1,183,582	4,279
KSF No.23 Investment Company	12,666,136	12,701,102	(34,966)	567,006	20,157
KSF No.24 Investment Company	30,845,535	30,844,321	1,214	1,239,034	464
KSF No.25 Investment Company	108,356,777	108,355,885	892	4,178,275	145
KSF No.26 Investment Company	160,505,863	160,504,912	951	5,090,285	205
KSF No.27 Investment Company	16,532,885	16,531,943	942	1,140,251	192
KSF No.28 Investment Company	18,996,550	18,995,454	1,096	564,166	346
KSF No.29 Investment Company	22,228,728	22,301,140	(72,412)	487,596	(73,162)
KSF No.30 Investment Company	20,188,655	20,301,426	(112,771)	293,117	(113,521)
KSF No.31 Investment Company	17,624,066	17,638,657	(14,591)	330,165	(15,341)
KSF No.32 Investment Company	23,686,500	23,740,928	(54,428)	113,261	(55,178)
International No.28 Investment Company	29,885,891	30,244,031	(358,140)	1,129,495	39,511
International No.30 Investment Company	5,116,354	5,123,973	(7,619)	195,501	578
International No.32 Investment Company	5,109,539	5,111,913	(2,374)	201,267	7,012
International No.34 Investment Company	19,711,971	19,896,431	(184,460)	528,563	12,397
International No.35 Investment Company	51,984,228	52,143,873	(159,645)	2,042,780	(88,697)
International No.37 Investment Company	85,004,644	85,044,120	(39,476)	2,382,909	(39,576)
Ocean New Building No. 1 Ship Investment Company	23,305,753	23,314,906	(9,153)	656,684	27,432
Ocean New Building No. 2 Ship Investment Company	23,284,303	23,290,587	(6,284)	700,126	64,246
GMF No.1 Ship Investment Company	19,426,149	19,646,053	(219,904)	752,409	(219,932)
GMF No.2 Ship Investment Company	17,127,876	17,182,454	(54,578)	616,179	29,856
GMF No.3 Ship Investment Company	15,221,266	15,221,328	(62)	464,436	2,058

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1. Summary of the Reporting Entity, continued

	December 31, 2023				
	Assets	Liabilities	Equity	Operating revenue	Net income (loss)
GMF No.5 Ship Investment Company	₩ 12,269,263	12,255,040	14,223	637,463	14,481
GMF No.6 Ship Investment Company	10,840,227	10,966,714	(126,487)	349,278	(126,507)
GMF No.7 Ship Investment Company	27,673,303	27,742,203	(68,900)	483,053	(68,920)
GMF No.8 Ship Investment Company	19,567,882	19,682,099	(114,217)	260,724	(114,237)
GMF No.9 Ship Investment Company	24,210,899	24,225,992	(15,093)	401,704	(15,112)
KOBC Container Leasing No. 1 Limited	171,863,683	162,425,299	9,438,384	20,620,738	2,763,213
KOBC Container Leasing No. 2 Limited	186,030,782	163,714,586	22,316,196	17,879,923	1,510,994
KOBC Container Leasing No. 3 Limited	191,962,259	189,647,354	2,314,905	18,869,930	2,534,235
Multi Asset KOBC Container Professional Investment Private Investment Trust No.1	14,261,224	88,695	14,172,529	479,942	416,883
SBK-WASKA Private equity fund	175,717,139	15,970	175,701,169	6,177,235	6,039,191
Orion Maritime Private Placement Special Asset Fund No.1	14,660,965	14,929	14,646,036	374,306	348,301
KSF Ocean Newbuilding Private Investment Trust No.3	16,986,658	536	16,986,122	904,475	858,954

2. Basis of Preparation

(1) Application of accounting standards

The consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS"), as prescribed in the Act on External Audits of Corporations Article 5-1(1) in the Republic of Korea.

(2) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statements of financial position:

- Financial instruments measured at fair value.
- Liabilities for defined benefit plans, which are recognized as net of the total present value of defined benefit obligations less the fair value of plan assets.

(3) Basis of consolidation

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power of the entity. When the Group evaluates its control over another entity, it considers the potential voting rights held by itself as well as the potential voting rights held by the other party.

Consolidated financial statements summarize the assets, liabilities, capital, income, expense and cash flows of the parent and subsidiaries on the same basis and the carrying amount of the investment of each subsidiary in the parent and the equity of the parent in each subsidiary are offset, intra-group balances, income and expenses, unrealized gain and loss and dividends resulting from intra-group transactions are fully eliminated. The revenues and expenses of the subsidiaries are included in the consolidated financial statements from the Group obtains control of the subsidiaries until lose it.

The financial statements of the parent and subsidiaries used in preparing the consolidated financial statements have the same reporting period end date. If the end of the reporting date of the parent company and subsidiary differ from each other, the subsidiary shall prepare the additional financial statements in such a way that the parent company can consolidate the subsidiary's financial information. If the subsidiary cannot practically apply, the parent uses the most recent financial statements of the subsidiary that adjusted the effect of significant transactions or events. In any case, the difference between the financial statement date of the subsidiary and the consolidated financial statements date does not exceed three months, and the length of the reporting period and the differences in the financial statement dates apply equally to each period.

If a subsidiary of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to its financial statements in preparing the consolidated financial statements.

Non-controlling interests in a subsidiary are accounted for separately from the parent's ownership interests in a subsidiary. Each component of net profit or loss and other comprehensive income is attributed to the owners of the parent and non-controlling interest holders, even when the allocation reduces the non-controlling interests balance below zero.

Changes in the parent company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions with owners in their capacity as owners.

If the parent loses control of the subsidiary, the Group derecognizes the assets and liabilities of the former subsidiary in the consolidated statement of financial position and recognizes the remaining investment in the previous subsidiary as a fair value when the entity ceases to have control. Investments in and receivables from subsidiaries are accounted for in accordance with K-IFRS and recognize gains or losses related to loss of control attributable to previous controlling interests.

2. Basis of Preparation, continued

(4) Functional and presentation currency
These consolidated financial statements are presented in Korean won ("₩"), which is the Group's functional currency and the currency of the primary economic environment in which the Group operates.

(5) Use of estimates and judgments
The preparation of the consolidated financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Management's estimates of outcomes may differ from actual outcomes if management's estimates and assumptions based on management's best judgment at the reporting date are different from the actual environment.

Estimates and assumptions are continually evaluated and any change in an accounting estimate is recognized prospectively by including it in profit or loss in the period of the change, if the change affects that period only.

(i) Uncertainty of assumptions and estimation
The following are the key sources of estimation and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities. Details are disclosed in Note 4:

- Fair value of financial instruments
- Assessment of impairment
- Defined benefit liabilities
- Income tax expense

(ii) Measurement of fair value
The Group primarily uses observable inputs in the market where available for the measurement of financial instruments. The fair value of the financial instruments is classified into the following three-level hierarchy based on the inputs used in valuation technique.

- Level 1: Unadjusted quoted prices from accessible active markets of same assets and liabilities on measuring date
- Level 2: Directly or indirectly observable inputs except quoted prices of level 1
- Level 3: Unobservable inputs

When various inputs used to measure the fair value of assets and liabilities, the Group classifies entire fair value as the same level of input that the lowest in the fair value hierarchy. And the Group recognizes transfers between levels at the end of reporting period when events or changes in circumstances causing the transfers between levels have occurred.

(6) Approval of issuance of consolidated financial statements
The Group's consolidated financial statements were approved for issue by the board of directors on March 13, 2025. It is expected to be finally approved at the shareholders' meeting on March 28, 2025.

3. Significant Accounting Policies

The significant accounting policies applied by the Group in preparation of its consolidated financial statements are included below.

(1) Cash and cash equivalents

Investment assets whose original maturities is three months or less from the date of acquisition is classified as cash and cash equivalents. Equity securities are excluded from cash equivalents but are included in cash equivalents if the redemption date is fixed and the period from acquisition date to redemption date is short-term such as preferred stock.

(2) Non-derivative assets

The Group recognizes a financial asset or a financial liability in its statements of financial position when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, a financial asset is measured at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. In the case of a financial asset at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset are recognized to profit or loss immediately.

A regular way purchase or sale of financial assets is recognized and derecognized using trade date accounting. A regular way purchase or sale is a contract that purchases or sells financial assets in accordance with the terms and conditions of the delivery of the financial instrument within generally established period by the regulations or practices in the relevant market.

(i) Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument including all the fees and points paid to or received from parties to the contract that are an integral part of the effective interest rate, including transaction costs, and all other premiums or discounts.

Interest income of debt instruments is recognized in the effective interest method except when the debt instruments are classified as financial assets measured at FVTPL.

(ii) Financial assets at fair value through profit or loss

Any non-derivative financial asset classified as held for trading or not classified as financial assets at fair value through other comprehensive income or financial assets measured at amortized cost is categorized under financial assets at fair value through profit or loss.

The Group may designate certain financial assets upon initial recognition as at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

After initial recognition, a financial asset at fair value through profit or loss is measured at fair value and gains or losses arising from a change in the fair value are recognized in profit or loss. Interest income and dividend income from financial assets at fair value through profit or loss are also recognized in profit or loss.

3. Significant Accounting Policies, continued

(iii) Financial assets at fair value through other comprehensive income

The Group classifies financial assets as financial assets at fair value through other comprehensive income if they meet the following conditions: 1) debt instruments that are a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and consistent with representing solely payments of principal and interest on the principal amount outstanding or 2) equity instruments, not held for trading with the objective of generating a profit from short-term fluctuations in price or dealer's margin, designated as financial assets at fair value through other comprehensive income. After initial recognition, a financial asset at fair value through other comprehensive income is measured at fair value. Gain and loss from changes in fair value, other than dividend income and interest income amortized using effective interest method and exchange differences arising on monetary items which are recognized directly in income as interest income or expense, are recognized as other comprehensive income in equity.

At disposal of financial assets at fair value through other comprehensive income, cumulative gain or loss is recognized as profit or loss for the reporting period. However, cumulative gain or loss of equity instrument designated as fair value through other comprehensive income are not recycled to profit or loss at disposal.

Financial assets at fair value through other comprehensive income denominated in foreign currencies are translated at the closing rate. Exchange differences resulting from changes in amortized cost are recognized in profit or loss, and other changes are recognized as equity.

(iv) Financial assets measured at amortized cost

A financial asset, which are held within the business model whose objective is to hold assets in order to collect contractual cash flows and consistent with representing solely payments of principal and interest on the principal amount outstanding, are classified as a financial asset at amortized cost. Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method after initial recognition and interest income is recognized using the effective interest method.

The Group defers LOF/LOCs associated with originating loans and LOCs that have future economic benefits. Loan balances are reported net of these LOF/LOCs. The deferred LOF/LOCs are amortized based on the effective interest rate method with the amortization recognized as adjustments to interest income.

(v) Expected credit loss of financial assets

The Group measures expected credit loss and recognizes loss allowance at the end of the reporting period for financial assets measured at amortized cost and fair value through other comprehensive income with the exception of financial asset measured at fair value through profit or loss.

The expected credit loss ("ECL") is the weighted average amount of possible outcomes within a certain range, reflecting the time value of money, estimates on the past, current and future situations, and information accessible without excessive cost of effort.

The Group uses the following three measurement techniques in accordance with K-IFRS:
- General approach: for financial assets and off-balance-sheet unused credit line that are not applied below two approaches
- Simplified approach: for receivables, contract assets and lease receivables
- Credit-impaired approach: for purchased or originated credit-impaired financial assets

The general approach is applied differently depending on the significance of the increase of the credit risk. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, an entity shall measure the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If the credit risk on that financial instrument has increased significantly since initial recognition, an entity shall measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses at each reporting date.

3. Significant Accounting Policies, continued

The approach requires expected lifetime losses to be recognized from initial recognition of the financial assets. Under credit-impaired approach, the Group shall only recognize the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for purchased or originated credit-impaired financial assets.

The following non-exhaustive list of information may be relevant in assessing changes in credit risk:
- Significant changes in internal price indicators of credit risk as a result of a change in credit risk since inception
- Other changes in the rates or terms of an existing financial instrument that would be significantly different
- An actual or expected significant change in the financial instrument's external credit rating.
- An actual or expected internal credit rating downgrade for the borrower or decrease in behavioural scoring used to assess credit risk internally
- An actual or expected significant change in the operating results of the borrower
- Past due information

a) Considering forward-looking information
The Group uses forward-looking information, when it determines whether the credit risk has increased significantly since initial recognition and measures expected credit losses.

The Group assumes the risk component has a certain correlation with the business cycle, and calculates the expected credit loss by reflecting the forward-looking information with macroeconomic variables on the measurement inputs.

Forward looking information used in calculation of expected credit loss is derived after comprehensive consideration of a variety of factors including worst-case scenario and others.

b) Measuring expected credit losses on financial assets at amortized cost
The amount of the loss on financial assets at amortized cost is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The Group estimates expected future cash flows for financial assets that are individually significant (individual assessment of impairment).

For financial assets that are not individually significant, the Group collectively estimates expected credit loss by grouping loans with homogeneous credit risk profile (collective assessment of impairment).

① Individual assessment of impairment
Individual assessment of impairment losses is calculated using management's best estimate on present value of expected future cashflows. The Group uses all the available information including operating cash flow of the borrower and net realizable value of any collateral held.

② Collective assessment of impairment
Collective assessment of loss allowance involves historical loss experience along with incorporation of forward-looking information. Such process incorporates factors such as type of product and borrowers, credit rating, size of portfolio and recovery period and applies probability of default on a group of assets and loss given default by type of recovery method. Also, the expected credit loss model involves certain assumption to determine input based on loss experience and forward-looking information. These models and assumptions are periodically reviewed to reduce gap between loss estimate and actual loss experience.

The expected credit loss for financial assets measured at amortized cost is recognized as the loss allowance, and when the financial asset is determined to be irrecoverable, the carrying amount and loss allowance are decreased. If financial assets previously written off are recovered, the loss allowance is increased and the difference is recognized in the current profit or loss.

3. Significant Accounting Policies, continued

c) Measuring expected credit losses on financial assets at fair value through other comprehensive income
Measuring method of expected credit losses on financial assets at fair value through other comprehensive income is equal to the method of financial assets at amortized cost, except for changes in loss allowances that are recognized as other comprehensive income. Amounts recognized in other comprehensive income for sale or repayment of financial assets at fair value through other comprehensive income are reclassified to profit or loss.

(vi) Derecognition of financial assets
Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial assets have been transferred and substantially all the risks and rewards of ownership of the financial assets are also transferred, or all the risks and rewards of ownership of the financial assets are neither substantially transferred nor retained and the Group has not retained control. If the Group neither transfers nor disposes of substantially all the risks and rewards of ownership of the financial assets, the Group continues to recognize the financial asset to the extent of its continuing involvement in the financial asset. If the Group transfers the contractual rights to receive the cash flows of the financial asset, but retains substantially all the risks and rewards of ownership of the financial asset, the Group continues to recognize the transferred asset in its entirety and recognize a financial liability for the consideration received.

When the entire financial asset is derecognized, the difference between the total amount received, cumulative gain or loss previously recognized in other comprehensive income and the carrying amount of the asset is recognized in profit or loss.

Unless the entire amount of the financial asset is derecognized, the Group allocates the existing carrying amount of the financial asset to the part that is continuously recognized and no longer recognized, according to the extent of continuing involvement, based on the relative fair value of each part as of the transfer date. The difference between the amount received and the cumulative gain or loss recognized in other comprehensive income allocated to the portion removed, and the carrying amount allocated to the portion that is no longer recognized is recognized in profit or loss. Cumulative gain or loss recognized in other comprehensive income is allocated to the portion that is recognized continuously and no longer recognized based on the relative fair value of each portion.

(vii) Offsetting
Financial assets and liabilities are offset, and the net amount reported in the statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously.

3. Significant Accounting Policies, continued

(3) Investments in associates

Investments in associates are accounted using the equity method, except where the investments are classified as held for sale.

Associates are companies in which the Group has control or significant influence. When evaluating whether the Group has control or significant influence, the Group consider the existence and impact of potential voting rights that are currently exercisable or convertible, including potential voting rights held by other entities.

The equity method report investments in associates at cost initially, and the Group's share of the changes in net assets of the investees after acquisition is added or subtracted to the investment assets. The Group's profit or loss includes the amount of the investor's portion of the net profit or loss of the investee. The other comprehensive income includes the amount of the investor's portion of the other comprehensive income of the investee.

Among the difference between the cost of the investment and the fair value of the identifiable assets and liabilities of the investee, the goodwill related to the subsidiary and the associate is included in the carrying amount of the investment and is not amortized. The portion of the net fair value of the identifiable assets and liabilities of the investee that exceeds the cost of the investment is included in the income when determining the portion of the net profit or loss of the subsidiary and associate in the period in which the investment is acquire. And accounting is conducted to adjust the Group's portion of net profit or loss of the associates after the acquisition.

The Group recognizes gains and losses only not related to the portion of associates in 'upward' or 'downward' transactions between the Group and its associates.

If the end of the reporting period of the subsidiaries and affiliates used for the application of the equity method is different from the end of the reporting period of the Group’s financial statements, the effect of significant transactions or events between the reporting date of the Group's financial statements and the reporting date of the associates' financial statements is applied. In this case, the difference between the end of the period is less than three months, the difference between the length of the reporting period and the ending date of the reporting period is applied equally.

The Group adopts the same accounting policies for the same transactions and events that occur under similar circumstances. If the associates do not use the same accounting policies as the Group's for the same transactions and events in similar circumstances, the Group adjust the accounting policies of its associates as consistent with its when the Group uses the financial statements of associates in order to apply the equity method.

If the Group's portion of losses from associates is greater than or equal to the investment in associates, the Group ceases to recognize losses in excess of investment. Investments in associates are sum of carrying amount of investment for associates determined using equity method and long-term investment that practically constitute the net investment in the associates. After the Group's equity is reduced to zero, if the Group has a legal or constructive obligation or is required to make payments on behalf of its associates the Group only recognizes losses and liabilities up to that amount. If the subsidiary and associates report profits in the future, the Group resumes recognition of its interest in the share but recognizes only the excess of the unrecognized losses.

The Group applies K-IFRS 1028 ‘Investments in Associates and Joint Ventures’ to determine whether it is necessary to recognize additional impairment losses on the net investment in associates. Goodwill, which is a part of the carrying amount of investments in associates, is not separately recognized and therefore is not tested for impairment. Instead, whenever an indication of impairment exists, the carrying amount of the investment is tested for impairment as a single asset by comparing to recoverable amount (the greater amount between net fair value and usage value). Impairment losses recognized in these circumstances are not allocated to any assets (including goodwill) that constitute the carrying amount of the associates, and all reversal of the impairment loss are recognized as the recoverable amount of these investments increases subsequently.

3. Significant Accounting Policies, continued

The Group ceases the use of the equity method from the date that the investment does not meet the definition of associates. If the remaining equity in the former subsidiary and associate is a financial asset, the residual equity is measured at fair value. The difference between fair value of the remaining equity, fair value of the consideration received as a result of a partial disposal of the equity in associates and difference in carrying amount of investment assets when the equity method is discontinued is recognized in profit or loss. When the equity method is discontinued, the Group accounts for all amounts recognized in other comprehensive income in the same manner as the investee directly disposed the related asset or liability.

(4) Lease

(i) Lessee accounting

The Group recognizes a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments at the commencement date of the lease. The Group elected not to apply the requirements to the short-term leases and low value assets.

① Right-of-use asset

The right-of-use asset is measured at its cost less subsequent accumulated depreciation and accumulated impairment loss with adjustments reflected arising from remeasurements of the lease liability. The cost of the right-of-use asset comprise the amount of the initial measurement of the lease liability, any initial direct costs incurred by the lessee and any lease payments made at or before the commencement date, less any lease incentive received. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis from the commencement date of the lease.

② Lease liabilities

At the commencement date, the lease liability is measured at present value of the lease payments that are not paid at that date. Lease payments include fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers those payments occurs.

When measuring the present value, the lease payments are discounted using the interest rate implicit in the lease. If such implicit rate cannot be readily determined, the Group uses the Group's incremental borrowing rate. The lease liability is subsequently increased by the amount of interest expenses recognized on the lease liability and reduced by the lease payments made.

Lease liabilities are remeasured when the future lease payments are changed due to the following:

- Changes in lease;
- Changes in in-substance fixed payments;
- Changes in the assessment of whether a purchase option or an option to renew is reasonably certain to be exercised; or
- Changes in lease term.

③ Leases of low-value assets and short-term leases

The Group applies the recognition exemption for leases of low-value assets and short-term leases (i.e., leases with a lease term of 12 months or less). In these cases, lease payments are charged to profit or loss on a straight-line basis over the period of lease.

3. Significant Accounting Policies, continued

(ii) Lessor accounting

The classification of leases is based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor.

① Finance lease

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases, and the Group presents them as a receivable at an amount equal to the net investment in the lease. Also, initial direct cost that includes directly and additionally incurred commission fee, legal expenses, and internal accrued costs are included in finance lease receivables. The Group accounts for lease payment by apportioning into finance lease receivables and interest revenue, and interest revenue is recognized using the EIR method on uncollected finance lease net investment.

② Operating lease

A lease is classified as operating lease if it does not transfer substantially all the risks and rewards incidental to ownership, and the related asset is presented as acquisition cost less accumulated depreciation. Moreover, the minimum lease payment excluding guaranteed residual value is recognized as revenue on a straight-line basis over the lease term. Initial direct costs incurred by lessors in negotiating and arranging an operating lease shall be added to the carrying amount of the leased asset and recognized as an expense over the lease term, and the depreciation method and useful lives of operating lease assets are as follows:

Type	Useful lives (years)	Depreciation method
Ship	3 ~ 8	Straight-line method
Shipping container	15	Straight-line method

(5) Property and equipment

Property and equipment are initially measured at cost. The cost of a property and equipment includes costs that are directly attributable to the location and condition necessary to operate the asset in an intended manner by management, and costs that are estimated to be necessary to dismantle, remove, or recover the property.

The Group's property and equipment are recognised at the carrying amount at historical costs less accumulated depreciation and accumulated impairment in value.

Subsequent costs are recognised in the carrying amount of assets or, if appropriate, as separate assets if the probabilities future economic benefits associated with the assets will flow into the Group and the costs can be measured reliably; the carrying amount of the replaced part is derecognised. Furthermore, any other repairs or maintenances are charged to profit or loss as incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to the amount of residual value less acquisition cost over the following estimated useful lives.

Any gain or loss arising from the disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in non-operating income (expense) in the statements of comprehensive income.

Useful lives of property and equipment are as follows:

Type	Useful lives (years)
Building	40
Equipment	5
Others	5

The Group assesses residual value, economic life and depreciation method of its assets at each reporting date and adjusts these as change of estimates when necessary.

3. Significant Accounting Policies, continued

(6) Investment property

The Group classifies property held for rental income or benefits from capital appreciation as investment property. Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, the cost model is applied. Subsequent to initial recognition, an item of investment property is carried at its cost less any accumulated depreciation and any accumulated impairment loss.

Subsequent costs are recognised in the carrying amount of assets or, if appropriate, as separate assets if the probabilities future economic benefits associated with the assets will flow into the Group and the costs can be measured reliably; the carrying amount of the replaced part is derecognised. Furthermore, any other repairs or maintenances are charged to profit or loss as incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to the amount of residual value less acquisition cost over estimated useful lives of 40 years.

The Group assesses residual value, economic life and depreciation method of its assets at each reporting date and adjusts these as change of estimates when necessary.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statements of comprehensive income in the period of de-recognition.

(7) Intangible assets

Intangible assets are recognised at the acquisition cost, and subsequently, the cost less accumulated depreciation and accumulated impairment is recognised as the carrying amount.

Amortization of intangible assets is calculated using the straight-line method over estimated useful lives of 4 years from when available. Residual value of intangible assets is zero (“0”).

In case of intangible assets with finite lives, the Group assesses economic life and amortization method at each reporting date. Furthermore, the Group reviews intangible assets with indefinite useful lives to determine whether it is appropriate to consider these assets to have indefinite useful lives. If in the case the Group concludes an asset is not qualified to be classified as non-finite, prospective measures are taken to consider such an asset as finite.

(i) Research & Development

Expenditures for the research or the research stage of internal project are recognized as an expense when incurred. Expenditure at the development stage is recognized as an intangible asset when the Group can present both the technical feasibility of completing the asset, the intent and ability of the Group to use or sell the asset, the availability of the necessary resources, the future economic benefits of the intangible asset and the associated expenditure is measured reliably. And other development expenditures are recognized as an expense when incurred.

(ii) Subsequent costs

Subsequent costs are recognised in the carrying amount of assets if the probabilities future economic benefits associated with the assets will flow into the Group and any other expenditures are recognized as an expense when incurred include internally generated goodwill and brand name.

3. Significant Accounting Policies, continued

(8) Impairment of non-financial assets

The Group tests for any evidence of impairment in assets and reviews whether the impairment has taken place by estimating the recoverable amount, at the end of each reporting period.

The recoverable amount is estimated for each individual asset or, if the recoverable amount of an individual asset cannot be estimated, for each cash-generating unit to which the asset belongs. The recoverable amount is the greater of the value in use and the net fair value. The value in use is calculated by discounting the expected future cash flows expected to be generated by the asset or cash-generating unit with an appropriate discount rate reflecting the time value and the current market's assessment of the unique risk.

If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset is reduced and that amount is recognized immediately in profit or loss.

(9) Non-derivative liabilities

The Group recognizes a financial liability in its statements of financial position when the Group becomes a party to the contractual provisions of the instrument. At initial recognition, a financial liability is measured at its fair value plus or minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability. In the case of a financial liability at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability are recognized to profit or loss immediately.

The Group classifies financial liabilities as financial liabilities at fair value through profit or loss, or other liabilities.

(i) Financial liabilities at fair value through profit or loss

Any non-Derivative liabilities classified as held for trading or designated as financial liabilities at fair value through profit or loss is categorized under financial liabilities at fair value through profit or loss.

Financial liabilities classified as held for trading are as follows:

- If it is issued for the purpose of repurchasing in the short term
- At initial recognition, there is evidence that the most recent actual operation is for short-term gain and liabilities are part of a portfolio of jointly managed financial instruments
- Derivatives that are designated as hedging instruments and are not effective for hedging

Financial liabilities other than classified as held for trading can be designated as financial liabilities at fair value through profit or loss at initial recognition. Details are as follows:

- If it is designated as an item of recognized profit or loss, it is possible to eliminate or significantly reduce discrepancies of measurement or recognition if not designated.
- A financial liability is a component of a financial instrument set (a set of financial assets, financial liabilities or a combination of financial assets and financial liabilities) in accordance with the Group's documented risk management or investment strategy, is managed and evaluated on a fair value basis, and providing that information internally.
- Financial liability is part of an agreement that includes one or more embedded derivatives and the entire hybrid contract is classified as financial liabilities at fair value through profit or loss in accordance with K-IFRS 1109 “Financial Instruments”.

Financial liabilities at fair value through profit or loss is measured as fair value and gains and losses on valuation recognized in profit or loss. For the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, the Group present this change in other comprehensive income. Meanwhile, transaction costs that are directly attributable to the issue of the financial liability are recognized to profit or loss immediately.

3. Significant Accounting Policies, continued

(ii) Other liabilities
Other liabilities are recognised subsequently at amortized costs and interest expense is recognized using the EIR.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expenses over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument including all the fees and points paid to or received from parties to the contract that are an integral part of the effective interest rate, including transaction costs, and all other premiums or discounts.

(iii) Derecognition of financial liabilities
Financial liabilities are derecognized from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expires. The difference between payment cost and carrying amounts of financial liabilities are recognized as profit or loss.

(iv) Interest rate benchmark reform
If the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, then the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform only if the following conditions are met:
- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. Additional changes are then handled by applying existing accounting policies.

(10) Financial guarantee contracts
In financial guarantee contracts, the issuer (the Group) must pay a specific amount to compensate for losses incurred to the holder due to the failure to pay on the payment due date by a specific debtor according to the initial or changed contract terms of the debt instruments.

Financial guarantee contracts are initially measured at fair value and subsequently measured at the greater of the following:

- Provision for loss calculated in accordance with the K-IFRS 1109
- Initial recognition amount after deducting accumulated profits recognized in accordance with K-IFRS 1115

(11) Employee benefits

(i) Short-term employee benefits
Short-term employee benefits are employee benefits that are due to be settled wholly before 12 months after the end of the period in which the employees render the related service. When an employee has rendered service to the Group during an accounting period, the Group recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

3. Significant Accounting Policies, continued

(ii) Retirement benefits
The Group operates both defined benefit plans and defined contribution plans.

- Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. If the net value of the defined benefit obligation less the fair value of the plan assets is an asset, then the Group recognizes its assets at the present value of the economic benefits available.

The remeasurement elements of the net defined benefit liability are actuarial gains and losses, income from plan assets excluding the amount included in the net interest of the net defined benefit liability, and changes in the asset recognition cap effect excluding the amount included in the net interest of the net defined benefit liability. and is immediately recognized in other comprehensive income. The Group determines the net interest on the net defined benefit liability (assets) by multiplying the net defined benefit liability (assets) by the discount rate determined at the beginning of the annual reporting period, and changes in the net defined benefit liability (assets) due to contribution payments and salary payments during the reporting period. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When an amendment or reduction of plans, the gain or loss resulting from the change or decrease in the benefits to the past service is immediately recognized in profit or loss. The branch recognizes the gain or loss on settlement when the settlement of defined benefit plans occurs.

- Defined contribution plans

The Group pays a fixed amount of contributions to a separate fund and contributions are recognized as expenses when employees provide service.

(12) Provisions
Provisions are recognized when the Group has a present legal or constructive obligation because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, and when determining the Group considers the unavoidable risks and uncertainties of the related event and circumstances. If the time value effect is important, the provision is evaluated as the present value of the expenditure expected to fulfil the obligation, and the discount rate is the pre-tax rate reflecting the current market's assessment of the inherent risk and the time value of the money. The risks reflected in the discount rate do not reflect the risks considered when estimating future cash flows. If there is sufficient and objective evidence that a future event will occur that will affect the amount of expenditure required to meet the present obligation, the amount of the provision is estimated based on such future events and expected disposal gain is not considered.

If it is probable that a third party will repay part or all of the expenditure required to settle the obligation, the repayment amount will be recognized and accounted for as a separate asset only when it is almost certain that the obligation will be reimbursed and the amount recognized as an asset cannot exceed the related provision.

At the end of each reporting period, the Group reviews the balance of the provision, adjusts it to reflect the best estimate, and if the probability of outflow of resources having economic benefits is no longer high, the related provision is reversed. Provisions are only used for expenditures related to initial recognition.

3. Significant Accounting Policies, continued

(13) Foreign exchange

Transactions in foreign currencies are translated to the functional currency of the Group, at exchange rates of the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation and at the time of the settlement of monetary assets and liabilities are recognised in profit or loss. When gains and losses arising from non-monetary items are recognized as other comprehensive income, the effects of exchange rate fluctuations included in the gains and losses are also recognized as other comprehensive income, and when they are recognized as profit or loss, the effects of exchange rate fluctuations are also recognized as profit or loss.

(14) Paid in capital

Common stock is classified as equity. Incremental costs directly attributable to equity transactions are deducted from equity as a net amount reflecting tax effects.

(15) Recognition of revenue and expenses

(i) Financial income and financial expenses

Financial income includes interest income from investments including financial assets and gains or losses on disposal of financial assets. Interest income is recognized in profit or loss using the effective interest method. Financial expenses include interest expense on borrowings.

(16) Income tax expense

Income tax expense consists of current tax and deferred tax and is recognized in profit or loss except which is directly recognized in other comprehensive income, equity or arises from business combinations.

(i) Current tax

Current tax is calculated based on taxable income for the year. Taxable income differs from profit or loss in the statements of comprehensive income because it excludes income and loss items that are added or deducted in other taxation periods and items that are not tax deducted from income before income taxes. Current tax liabilities related to current tax are calculated using tax rates enacted or substantively enacted.

(ii) Deferred income tax

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of the related assets and liabilities at the end of the reporting period.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and the carrying amount of the deferred income tax asset is reduced when there is no longer sufficient taxable income to arise to cover the benefits of the deferred income tax asset.

Deferred income tax assets and liabilities are measured using tax rates that are expected to be applied to the periods in which the asset is realized or the liability is settled, based on tax legislation enacted or substantively enacted at the end of the reporting period.

Deferred income tax assets and liabilities are off-set only if the assets and liabilities relate to income tax levied by the same tax authority and the Group has a legally enforceable right to off-set the related current income tax assets and liabilities, and intend to settle on a net basis. If an additional income tax expense is recognized as a result of dividend payments, the Group recognizes income tax expense when liabilities related to the payment of dividends recognized.

(iii) Global Minimum Tax

The global minimum tax paid under the Pillar 2 regulations qualifies as income tax under K-IFRS 1012, "Income Taxes." The Group has applied the temporary relief from deferred tax accounting for the impact of the global minimum tax and has recognized it as current income tax at the time of occurrence.

3. Significant Accounting Policies, continued

(17) Earnings per share
The Group represents its basic earnings per common share in the separate statements of comprehensive income. Basic earnings per share (EPS) is calculated by dividing net profit attributable to shareholders of the Group by the weighted average number of common shares outstanding during the reporting period.

(18) Business combination of entities under common control
The assets and liabilities acquired under business combinations under common control are recognised at the carrying amounts recognised previously in the financial statement. The difference between consideration transferred and carrying amounts of net assets acquired is recognised as part of capital adjustments.

(19) Non-current assets held for sale
If the carrying amount of a non-current asset or disposal asset group is expected to be mainly recovered through a sale transaction rather than continued use, it is classified as an asset to be sold. These conditions are considered to be satisfied only when the asset (or disposal asset group) must be immediately available for sale in its current state and is highly likely to be sold.

The Group measures the smaller of the carrying amount and the net fair of the asset(or assets and liabilities) just before the initial classification of assets held for sale. If the net fair value of an asset whose impairment was recognized at the time of initial classification falls, the impairment loss is immediately recognized as profit or loss, and if the net fair value increases, it is recognized as profit or loss by limiting the accumulated amount of impairment loss previously recognized. If a non-current asset is classified as an asset held for sale or part of a group of disposed assets, the asset is not amortized.

(20) Hedge accounting
Derivatives are initially recognized as fair value at the time of sign of the derivatives contract and are subsequently remeasured to fair value. Changes in the fair value of derivatives are accounted for differently depending on whether the derivatives are designated as hedging instruments and the character of the hedging instrument.

The Group designates the following hedging instruments for hedging relationship.

- Hedges against changes in fair value of recognised assets or liabilities or firm commitment (Fair value hedge)
- Hedges against changes in cash flows from recognised assets or liabilities or highly likely expected transactions (Cashflow hedge)
- Hedges of a Net Investment in a Foreign Operation (net investment risk hedge)

The Group documents the economic relationship between the hedging instrument and the hedged item, including whether the hedging instrument is expected to offset changes in the hedged item's cashflow at the time of the hedging commencement. In addition, the Group documents the purposes and strategies of risk management for carrying out hedging transactions.

- Fair value hedge
Changes in the fair value of derivatives designated as fair value hedge and that meet the applicable requirements are recognized in profit or loss, and changes in the fair value of the hedged item due to the hedging risk are also recognized in profit or loss. Both changes in the fair value of the hedging instrument and the hedged item due to the hedging risk are recognized in the statement of comprehensive income in profit or loss. Fair value hedging accounting is suspended if the entity no longer specifies a hedging relationship or if the hedging instrument is extinguished, sold, liquidated or exercised, or if it no longer meets the requirements for fair value hedge. The adjustment of the carrying amount of the hedged item due to the hedging risk is amortized from the date the hedging account is suspended and recognized as profit or loss.

3. Significant Accounting Policies, continued

- Cashflow hedge
Among changes in the fair value of derivatives that meet the application requirements by designating them as cash flow hedge, the effective part is recognized in other comprehensive income, and the ineffective part is recognized in the statement of comprehensive income immediately in profit or loss. The accumulated amount in the other comprehensive income is recognized in the statement of comprehensive income through profit or loss during the period in which the hedging entity's profit or loss is affected (e.g., at the time of occurrence of expected sales subject to hedging). If the hedging instrument is extinguished or sold, or if it no longer meets the application requirements of hedge accounting, Accumulated valuation gains and losses recognised in other comprehensive income are recognised in other comprehensive income accruals and are recognised in profit or loss when the expected transaction is recognised in the statement of comprehensive income. If the expected transaction is no longer expected, the accumulated gains or losses recognized in capital are immediately recognized in the statement of comprehensive income through profit or loss.

(21) Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized as part of the cost of the asset, while other borrowing costs are recognized as expenses in the period in which they are incurred. A qualifying asset refers to an asset that requires a substantial period of time to be ready for its intended use or sale. Financial assets, inventories manufactured or produced in a short period, and assets that are ready for their intended use or sale at the time of acquisition are not considered qualifying assets.

For funds specifically borrowed for the acquisition of a qualifying asset, the amount of capitalizable borrowing costs is determined by deducting any investment income earned from the temporary investment of those borrowings during the reporting period. For general borrowings used for the acquisition of a qualifying asset, capitalizable borrowing costs are determined by applying a capitalization rate to the expenditures related to the asset. The capitalization rate is calculated as the weighted average of borrowing costs incurred on borrowings during the reporting period, excluding borrowings made specifically for the acquisition of a qualifying asset. The amount of borrowing costs capitalized during the reporting period cannot exceed the actual borrowing costs incurred during that period.

(22) Changes of accounting policies and disclosure

1) New and amended standards and interpretations adopted
The Group newly applied the following amended and enacted standards and interpretations for the annual period beginning on January 1, 2024. The nature and the impact of each new standard or amendment are described below:

i) K-IFRS 1001 "Presentation of Financial Statements" – Classification of Current and Non-Current Liabilities
This amendment clarifies the requirements for classifying liabilities based on liquidity and introduces disclosure requirements for non-current liabilities that are subject to future loan covenants. The amendment has no significant impact on the consolidated financial statements.

ii) K-IFRS 1007 "Statement of Cash Flows" and K-IFRS 1107 "Financial Instruments: Disclosures" – Supplier Finance Arrangements
This amendment requires disclosure of supplier finance arrangements to help financial statement users understand their impact on the Groups' liabilities, cash flows, and exposure to liquidity risk. The amendment has no significant impact on the consolidated financial statements.

iii) K-IFRS 1116 "Leases" – Lease Liabilities Arising from a Sale and Leaseback Transaction
This amendment clarifies the subsequent measurement of lease liabilities arising from a sale and leaseback transaction, ensuring that seller-lessees do not recognize gains or losses related to the right-of-use asset when determining lease payments or modified lease payments. The amendment has no significant impact on the consolidated financial statements.

iv) K-IFRS 1001 "Presentation of Financial Statements" – Disclosure of Virtual Assets
This amendment introduces additional disclosure requirements for entities holding virtual assets, holding virtual assets on behalf of customers, or issuing virtual assets. The amendment has no significant impact on the consolidated financial statements.

3. Significant Accounting Policies, continued

2) New standards and interpretations issued but not effective
As of the end of the reporting period, the date of implementation has not arrived, and the revised K-IFRS and interpretation statement that the Group did not apply early are as follows.

The Group did not early apply the following amendments and interpretations and is not expected to have a significant impact on the amount recognized in the Group's consolidated financial statements.

i) K-IFRS 1021 "The Effects of Changes in Foreign Exchange Rates" – Lack of Exchangeability
This amendment defines situations in which a currency is considered exchangeable for another currency for accounting purposes. It also introduces guidance on assessing exchangeability and estimating the spot exchange rate when exchangeability is lacking, along with additional disclosure requirements. This amendment is effective for annual periods beginning on or after January 1, 2025, with early adoption permitted. The group is unable to determine the impact of this amendment and is monitoring the implementation process.

ii) K-IFRS 1107 "Financial Instruments: Disclosures" and K-IFRS 1109 "Financial Instruments"
These amendments clarify the assessment of contractual cash flow characteristics to determine whether they consist solely of payments of principal and interest. Additionally, they introduce disclosure requirements for fair value changes and realized gains or losses for investments in equity instruments measured at fair value through other comprehensive income (FVOCI) based on investment categories. These amendments are effective for annual periods beginning on or after January 1, 2026, with early adoption permitted. The group is unable to determine the impact of these amendments and is monitoring the implementation process.

4. Use of estimates and judgments

The following are the key assumptions at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities:

(1) Fair value of financial instruments
The fair value of financial instruments which are not traded in active market is estimated by a valuation technique in principle requiring management's assumption on the expected future cash flows and discount rate. Based on major present market condition, the Group decides assumptions to apply and adapts various valuation techniques. Diverse valuation techniques are used to determine the fair value of financial instruments, from generally accepted market valuation models to internally developed valuation models that incorporate various types of assumptions and variables.

(2) Impairment assessment
The Group assesses impairment on the basis of individual assessment or collective assessment and reflects the impairment on carrying amounts. Accuracy of provisions for credit losses is dependent upon estimation of expected cash flows of the borrower for individually assessed allowances of loans, and upon assumptions and methodology used for collectively assessed allowances for groups of loans.

(3) Defined benefit liabilities
The Group operates a defined benefit plan. Defined benefit liability is calculated by annual actuarial valuations as of the reporting date. The present value of the defined benefit obligation can vary depending on various factors that are determined by actuarial methods. The assumptions used to determine the defined benefit obligation include the discount rate and any changes in these assumptions will affect the carrying amount of the defined benefit obligation. The Group determines the appropriate discount rate at the end of each year, which represents the interest rate that should be used to determine the present value of the estimated future cash outflows expected to be incurred in settlement of the defined benefit obligation.

(4) Income tax
The Group have a number of different types of transactions and calculations that will uncertain the final tax value in the normal business. The Group recognized the future tax effects of current operations as the current and deferred tax. However, the ultimate income tax may not be consistent with the recognized assets and liabilities. Such differences may affect the current and deferred income tax assets and liabilities when the final tax effect is finalized.

5. Cash and Due from Banks

(1) Cash and due from banks as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Due from banks in Korean won:			
Demand deposits	₩	159,516,443	108,994,335
Time deposits		244,250,916	365,990,952
Other deposits		10,132,254	190,649,306
		413,899,613	665,634,593
Due from banks in foreign currencies:			
Demand deposits		274,497,907	211,679,832
Time deposits		164,553,054	150,827,992
Other deposits		294,000,000	5,557,280
		733,050,961	368,065,104
	₩	1,146,950,574	1,033,699,697

(2) Restricted due from banks as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023	Financial institution	Reason for restriction
Demand deposits				Busan Bank and others	Cooperative fund for low-interest loans, pledged and others
	₩	53,448,426	46,588,521		
Time deposits				Industrial Bank of Korea and others	Cooperative fund for low-interest loans, pledged and others
		19,070,628	126,640,258		
	₩	72,519,054	173,228,779		

6. Financial Assets

(1) Financial assets measured at FVTPL

1) Financial assets measured at FVTPL as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024	
	Carrying amounts	Fair value
Corporate bonds	₩ 2,978,372	2,978,372
Privately placed corporate bonds	637,239,569	637,239,569
Equity instruments	1,300,728,357	1,300,728,357
Beneficiary certificates	55,609,768	55,609,768
	₩ 1,996,556,066	1,996,556,066

	December 31, 2023	
	Carrying amounts	Fair value
Corporate bonds	₩ 6,593,063	6,593,063
Privately placed corporate bonds	483,934,833	483,934,833
Equity instruments	3,286,571,133	3,286,571,133
Beneficiary certificates	44,451,473	44,451,473
	₩ 3,821,550,502	3,821,550,502

2) Details of equity instruments as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024					
	Interest rate	Issuing date	Maturity date	Par value	Fair value	Carrying amounts
HMM Co., Ltd. convertible bond No. 197 (*1)	3.00%	April 23, 2020	April 23, 2050	₩ 360,000,000	1,273,621,680	1,273,621,680
Korus Logistics Infra LLC (*2)	-	-	-		27,106,677	27,106,677
					1,300,728,357	1,300,728,357

(*1) Details of convertible bonds are as follows:

	Convertible right	Call option of issuer	Interest rate / Maturity date
HMM Co., Ltd. convertible bond No. 197	- Conversion period: April 24, 2021 ~ March 22, 2050 - Conversion price: 5,000 won - Conversion ratio: par value / adjusted conversion price on conversion date - Underlying shares: HMM Co., Ltd. ordinary shares	- Early redemption period: once every three months from April 23, 2025 - Early redemption price: per 10 billion won or principal	The interest rate of 3% is applied during five years from the issuing date and after that will be adjusted. The maturity date could be extended by the issuer's decision.

(*2) Details of Equity instrument are as follows:

	Type of Shares	Key Details
Korus Logistics Infra LLC	Preferred Stock	① Cumulative annual dividends of 5.2% within the limit of distributable profits. ② The right to receive the following amounts in the event of the disposal of assets or liquidation of the investee company: a. Preferred stock investment principal and earnings (excluding amounts already distributed up to that point). b. 25% of the asset disposal gains.

6. Financial Assets, continued

	December 31, 2023					
	Interest rate	Issuing date	Maturity date	Par value	Fair value	Carrying amounts
HMM Co., Ltd. convertible bond No. 194 (*)	3.00%	May 24, 2019	May 24, 2049	₩ 50,000,000	195,713,244	195,713,244
HMM Co., Ltd. convertible bond No. 195 (*)	3.00%	June 27, 2019	June 27, 2049	100,000,000	391,688,733	391,688,733
HMM Co., Ltd. convertible bond No. 196 (*)	3.00%	October 28, 2019	October 28, 2049	330,000,000	1,290,995,676	1,290,995,676
HMM Co., Ltd. convertible bond No. 197 (*)	3.00%	April 23, 2020	April 23, 2050	360,000,000	1,408,173,480	1,408,173,480
				₩ 840,000,000	3,286,571,133	3,286,571,133

(*) Details of convertible bonds are as follows:

	Convertible right	Call option of issuer	Interest rate / Maturity date
HMM Co., Ltd. convertible bond No. 194	- Conversion period: May 24, 2020 ~ April 24, 2049 - Conversion price: 5,000 won - Conversion ratio: par value / adjusted conversion price on conversion date - Underlying shares: HMM Co., Ltd. ordinary shares	- Early redemption period: once every three months from May 24, 2024 - Early redemption price: per 10 billion won or principal	The interest rate of 3% is applied during five years from the issuing date and after that will be adjusted. The maturity date could be extended by the issuer's decision.
HMM Co., Ltd. convertible bond No. 195	- Conversion period: June 28, 2020 ~ May 26, 2049 - Conversion price: 5,000 won - Conversion ratio: par value / adjusted conversion price on conversion date - Underlying shares: HMM Co., Ltd. ordinary shares	- Early redemption period: once every three months from June 27, 2024 - Early redemption price: per 10 billion won or principal	
HMM Co., Ltd. convertible bond No. 196	- Conversion period: October 29, 2020 ~ September 27, 2049 - Conversion price: 5,000 won - Conversion ratio: par value / adjusted conversion price on conversion date - Underlying shares: HMM Co., Ltd. ordinary shares	- Early redemption period: once every three months from October 28, 2024 - Early redemption price: per 10 billion won or principal	
HMM Co., Ltd. convertible bond No. 197	- Conversion period: April 24, 2021 ~ March 22, 2050 - Conversion price: 5,000 won - Conversion ratio: par value / adjusted conversion price on conversion date - Underlying shares: HMM Co., Ltd. ordinary shares	- Early redemption period: once every three months from April 23, 2025 - Early redemption price: per 10 billion won or principal	

6. Financial Assets, continued

(2) Financial assets measured at FVOCI

1) Financial assets measured at FVOCI as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	
		Carrying amounts	Fair value
Stocks	₩	1,350,278,863	1,350,278,863

		December 31, 2023	
		Carrying amounts	Fair value
Stocks	₩	1,350,278,863	1,350,278,863
Equity instruments		48,626,037	48,626,037
	₩	1,398,904,900	1,398,904,900

2) Stocks and equity instruments as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Busan Port Authority	₩	541,038,327	541,038,327
Ulsan Port Authority		117,315,415	117,315,415
Incheon Port Authority		490,839,177	490,839,177
Yeosu Gwangyang Port Authority		200,807,081	200,807,081
Polaris Shipping Co., Ltd. (perpetual convertible bond)		-	48,626,037
KM CARGO SERVICES SDN.BHD		278,863	278,863
	₩	1,350,278,863	1,398,904,900

6. Financial Assets, continued

(3) Financial assets measured at amortized cost

1) Financial assets measured at amortized cost as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024	
	Carrying amounts	Fair value
Employee loans	₩ 86,296	80,775
Less: Allowance for credit losses	(5,521)	
	80,775	80,775
Special bonds	10,004,516	10,002,265
Less: Allowance for credit losses	(2,251)	
	10,002,265	10,002,265
Ship financing receivables	1,903,720,450	1,900,643,720
Less: Allowance for credit losses	(3,076,730)	
	1,900,643,720	1,900,643,720
Corporate bonds	256,859,109	256,433,946
Less: Allowance for credit losses	(425,163)	
	256,433,946	256,433,946
	₩ 2,167,160,706	2,167,160,706

	December 31, 2023	
	Carrying amounts	Fair value
Employee loans	₩ 88,518	82,855
Less: Allowance for credit losses	(5,663)	
	82,855	82,855
Financial bonds	20,000,000	19,995,500
Less: Allowance for credit losses	(4,500)	
	19,995,500	19,995,500
Ship financing receivables	984,053,650	981,016,896
Less: Allowance for credit losses	(3,036,754)	
	981,016,896	981,016,896
Corporate bonds	88,653,500	88,536,192
Less: Allowance for credit losses	(117,308)	
	88,536,192	88,536,192
	₩ 1,089,631,443	1,089,631,443

6. Financial Assets, continued

2) Changes in allowance for loan losses for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 3,164,225	-	-	3,164,225
Provision of credit losses	345,440	-	-	345,440
Ending balance	₩ 3,509,665	-	-	3,509,665

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 3,601,613	-	2,276,472	5,878,085
Changes in beginning balance:				
Transfer to 12-month expected credit loss	2,276,472	-	(2,276,472)	-
Reversal of credit losses	(2,713,860)	-	-	(2,713,860)
Ending balance	₩ 3,164,225	-	-	3,164,225

6. Financial Assets, continued

3) Changes in exposures of credit risk related to financial assets measured at amortized cost for the years ended December 31, 2024 and 2023 are as follow (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 1,092,795,668	-	-	1,092,795,668
Acquisition	1,330,072,418	-	-	1,330,072,418
Redemption	(313,757,087)	-	-	(313,757,087)
Foreign currency translation	61,559,372	-	-	61,559,372
Ending balance	₩ 2,170,670,371	-	-	2,170,670,371

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 777,342,445	-	13,456,670	790,799,115
Changes in beginning balance:				
Transfer to 12-month expected credit loss	13,456,670	-	(13,456,670)	-
Acquisition	534,747,810	-	-	534,747,810
Redemption	(231,480,393)	-	-	(231,480,393)
Foreign currency translation	(1,270,864)	-	-	(1,270,864)
Ending balance	₩ 1,092,795,668	-	-	1,092,795,668

6. Financial Assets, continued

(4) Derivative assets

1) The derivative assets for hedging as of December 31, 2024 and 2023, are as follows (USD, in thousands of won):

			December 31, 2024	
		Notional amount	Carrying amount (Fair value)	Valuation gain (loss)
Fair value hedge (*1)	Interest rate swaps	USD 300,000,000	₩ 6,247,571	6,247,571
Cashflow hedge (*2)	Interest rate swaps	USD 159,073,581	-	-
	Credit risk valuation adjustment		-	3,833
			-	3,833
			₩ 6,247,571	6,251,454

(*1) In 2024, the Group entered into an interest rate swap contract with ING Bank Seoul Branch to hedge the fair value risk arising from interest rate fluctuations on its fixed-rate foreign currency bonds amounting to USD 300,000,000.
(*2) The valuation gain (or loss) of cashflow hedging instruments was recognized in other comprehensive income.

		December 31, 2023	
	Notional amount	Carrying amount (Fair value)	Valuation gain (loss) (*)
Interest rate swaps	USD 159,073,581 ₩	12,939,620	(5,409,758)
Credit risk valuation adjustment		(3,883)	2,594
	₩	12,935,737	(5,407,164)

(*) The valuation gain (or loss) on the interest rate swap was recognized in other comprehensive income as the cash flow hedge accounting has been adopted.

2) During 2024, the breakdown of gain (loss) on risk hedged items and gain (loss) on risk hedging instruments related to derivative assets for fair value risk hedging purposes are as follows (In thousands of won):

	2024	2023
Fair value hedged item loss	₩ (6,797,721)	-
Fair value hedging instrument gain	6,247,571	-
	₩ (550,150)	-

7. Investments in Associates

(1) Investments in associates as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
HMM Co., Ltd.	₩	6,018,374,948	3,861,865,127
IGIS UNCT Infra Fund		35,300,549	46,216,679
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1		-	20,168,876
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.1		-	47,566,519
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.2		45,883,983	26,712,550
KIAMCO KDB&KOBC Green Ocean Private Investment Trust No.3		18,265,979	16,339,985
Multi Asset K-Container Box General Private Investment Trust Fund No.1		42,321,231	39,871,203
Multi Asset K-Container Box General Private Investment Trust Fund No.2		12,935,384	1,510,716
KIAMCO Shipping Investment Private Investment Trust No.3		107,851,755	77,100,036
KIAMCO Shipping Investment Private Investment Trust No.4		108,212,322	77,218,667
KIAMCO Shipping Investment Private Investment Trust No.5		106,571,236	62,526,664
Andover DULC Private Equity Investment Trust No.1		19,216,048	19,011,837
Daol Smart Ocean Private Investment Trust No.1		46,692,872	-
Others		68	59
	₩	6,561,626,375	4,296,108,918

(2) The market value of marketable investments in associates as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024		December 31, 2023	
		Market value	Carrying amounts	Market value	Carrying amounts
HMM Co., Ltd.	₩	5,184,814,570	6,018,374,948	3,868,829,019	3,861,865,127

7. Investments in Associates, continued

(3) Changes in investments in associates for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024						
	Beginning balance	Acquisition /disposal	Valuation gain (loss) on equity method	Impairment loss on equity method (*1)	Dividends	Share of other comprehensive income	Ending balance
HMM Co., Ltd. (*2)	₩ 3,861,865,127	1,690,860,000	1,724,112,188	(2,137,893,978)	(138,313,601)	1,017,745,212	6,018,374,948
IGIS UNCT Infra Fund	46,216,679	(11,283,181)	1,915,556	-	(1,548,505)	-	35,300,549
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1	20,168,876	(20,561,974)	610,047	-	(821,046)	604,097	-
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.1	47,566,519	(49,096,430)	1,022,569	-	(588,637)	1,095,979	-
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.2	26,712,550	14,105,170	2,862,828	-	(2,817,240)	5,020,675	45,883,983
KIAMCO KDB&KOBC Green Ocean Private Investment Trust No.3	16,339,985	(383,795)	1,463,169	-	(1,388,399)	2,235,019	18,265,979
Multi Asset K-Container Box General Private Investment Trust Fund No.1	39,871,203	(3,638,606)	3,901,163	-	(3,220,472)	5,407,943	42,321,231
Multi Asset K-Container Box General Private Investment Trust Fund No.2	1,510,716	10,326,401	360,932	-	(369,252)	1,106,587	12,935,384
KIAMCO Shipping Investment Private Investment Trust No.3	77,100,036	17,257,588	7,524,992	-	(5,894,386)	11,863,525	107,851,755
KIAMCO Shipping Investment Private Investment Trust No.4	77,218,667	17,365,301	7,407,567	-	(5,580,909)	11,801,696	108,212,322
KIAMCO Shipping Investment Private Investment Trust No.5	62,526,664	31,510,504	7,472,923	-	(6,250,423)	11,311,568	106,571,236
Andover DULC Private Equity Investment Trust No.1	19,011,837	-	1,116,468	-	(912,257)	-	19,216,048
Daol Smart Ocean Private Investment Trust No.1	-	44,916,667	3,551,216	-	(1,775,011)	-	46,692,872
Others	59	(3)	6	-	-	6	68
	₩ 4,296,108,918	1,741,377,642	1,763,321,624	(2,137,893,978)	(169,480,138)	1,068,192,307	6,561,626,375

(*1) The Group determined the signs of impairment in accordance with K-IFRS 1028 due to the continuous decline in the share price of its associate HMM Co., Ltd. and recognized the impairment loss by calculating the recoverable amount in accordance with K-IFRS 1036.

(*2) The Group acquired an additional 96,000,000 common shares of HMM by exercising the convertible right included in HMM Co., Ltd. No. 194, No. 195, No. 196 convertible bonds.

7. Investments in Associates, continued

	December 31, 2023						
	Beginning balance	Acquisition /disposal	Valuation gain (loss) on equity method	Impairment loss on equity method (*1)	Dividends	Share of other comprehensive income	Ending balance
HMM Co., Ltd. (*2)(*3)	₩ 2,268,598,005	1,490,000,000	655,776,354	(448,360,055)	(117,109,031)	12,959,854	3,861,865,127
IGIS UNCT Infra Fund	57,778,228	(11,313,182)	1,713,289	-	(1,961,656)	-	46,216,679
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1	19,407,182	27,715	2,195,773	-	(1,781,508)	319,714	20,168,876
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.1	10,932,644	36,547,679	1,611,216	-	(1,164,265)	(360,755)	47,566,519
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.2	26,253,716	-	2,269,610	-	(2,260,253)	449,477	26,712,550
KIAMCO KDB&KOBC Green Ocean Private Investment Trust No.3	-	16,486,487	624,955	-	(340,911)	(430,546)	16,339,985
Multi Asset K-Container Box General Private Investment Trust Fund No.1	3,203,463	38,786,849	(633,914)	-	(950,978)	(534,217)	39,871,203
Multi Asset K-Container Box General Private Investment Trust Fund No.2	-	1,593,215	18,660	-	(49,673)	(51,486)	1,510,716
KIAMCO Shipping Investment Private Investment Trust No.3	15,956,662	60,711,226	3,375,900	-	(2,090,643)	(853,109)	77,100,036
KIAMCO Shipping Investment Private Investment Trust No.4	20,171,190	56,231,064	3,681,825	-	(2,278,272)	(587,140)	77,218,667
KIAMCO Shipping Investment Private Investment Trust No.5	19,633,700	42,584,449	3,111,865	-	(2,013,890)	(789,460)	62,526,664
Andover DULC Private Equity Investment Trust No.1	-	19,000,000	464,399	-	(452,562)	-	19,011,837
Others	64	1	(6)	-	-	-	59
	₩ 2,441,934,854	1,750,655,503	674,209,926	(448,360,055)	(132,453,642)	10,122,332	4,296,108,918

(*1) The Group determined the signs of impairment in accordance with K-IFRS 1028 due to the continuous decline in the share price of its associate HMM Co., Ltd. and recognized the impairment loss by calculating the recoverable amount in accordance with K-IFRS 1036.

(*2) The Group acquired an additional 100,000,000 common shares of HMM by exercising the convertible right included in HMM Co., Ltd. No. 192 convertible bonds and the warrant included in HMM Co., Ltd. No 193 bond with warrant in 2023.

(*3) The Group was trying to sell 197,590,859 common shares of HMM Co., Ltd. through an open bidding method during the past period, but as negotiations with the final selected preferred bidder broke down, the shares were classified as investments in associates using equity method according to the Groups' accounting policy related to the criteria for classifying non-current assets held for sale.

7. Investments in Associates, continued

(4) The financial information and ownership of investments in associates as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024								
	Country	Fiscal year end	Industry	Assets	Liabilities	Equity	Operating revenue	Net income (loss)	Owner-ship (%)
HMM Co., Ltd.	Korea	December	Shipping	₩ 33,848,561,564	5,972,386,519	27,876,175,045	11,700,223,648	3,780,720,584	33.32
IGIS UNCT Infra Fund (*)	Korea	December	Financial investment business	51,705,251	19,440	51,685,811	702,859	683,348	68.03
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.2	Korea	December	Financial investment business	91,776,221	8,253	91,767,968	5,802,978	5,725,657	50.00
KIAMCO KDB&KOBC Green Ocean Private Investment Trust No.3	Korea	December	Financial investment business	36,549,889	17,933	36,531,956	2,925,346	2,926,337	50.00
Multi Asset K-Container Box General Private Investment Trust Fund No.1	Korea	December	Financial investment business	84,679,451	36,988	84,642,463	6,656,061	7,793,815	50.00
Multi Asset K-Container Box General Private Investment Trust Fund No.2	Korea	December	Financial investment business	25,871,849	1,080	25,870,769	772,999	721,801	50.00
KIAMCO Shipping Investment Private Investment Trust No.3	Korea	December	Financial investment business	215,774,933	71,421	215,703,512	15,053,760	15,049,985	50.00
KIAMCO Shipping Investment Private Investment Trust No.4	Korea	December	Financial investment business	216,495,941	71,299	216,424,642	15,047,888	14,815,133	50.00
KIAMCO Shipping Investment Private Investment Trust No.5	Korea	December	Financial investment business	213,211,016	68,546	213,142,470	14,204,787	14,945,846	50.00
Andover DULC Private Equity Investment Trust No.1(*)	Korea	December	Financial investment business	20,244,387	17,165	20,227,222	242,470	227,222	95.00
Daol Smart Ocean Private Investment Trust No.1	Korea	December	Financial investment business	98,792,798	17,446	98,775,352	1,554,902	1,517,385	45.83

(*) Even though the Group's shareholding in the associates are more than 50%, these were classified as associates because the Group did not have control and had significant influence under the trust contract.

7. Investments in Associates, continued

	December 31, 2023								
	Country	Fiscal year end	Industry	Assets	Liabilities	Equity	Operating revenue	Net income (loss)	Owner-ship (%)
HMM Co., Ltd.	Korea	December	Shipping	₩ 25,713,363,849	4,272,549,677	21,440,814,172	8,400,968,936	968,692,088	28.68
IGIS UNCT Infra Fund (*)	Korea	December	Financial investment business	68,440,654	25,713	68,414,941	1,039,317	1,013,483	68.03
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1	Korea	December	Financial investment business	80,736,680	61,175	80,675,505	9,018,919	8,783,090	25.00
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.1	Korea	December	Financial investment business	95,140,950	7,913	95,133,037	3,513,227	3,222,432	50.00
Multi Asset KDB&KOBC Green Ocean Private Investment Trust No.2	Korea	December	Financial investment business	53,429,927	4,826	53,425,101	4,728,903	4,539,220	50.00
KIAMCO KDB&KOBC Green Ocean Private Investment Trust No.3	Korea	December	Financial investment business	32,695,673	15,704	32,679,969	1,601,794	1,249,910	50.00
Multi Asset K-Container Box General Private Investment Trust Fund No.1	Korea	December	Financial investment business	79,766,951	24,545	79,742,406	2,219,597	(1,267,933)	50.00
Multi Asset K-Container Box General Private Investment Trust Fund No.2	Korea	December	Financial investment business	3,021,562	131	3,021,431	99,845	37,317	50.00
KIAMCO Shipping Investment Private Investment Trust No.3	Korea	December	Financial investment business	154,244,254	44,181	154,200,073	7,180,568	6,751,800	50.00
KIAMCO Shipping Investment Private Investment Trust No.4	Korea	December	Financial investment business	154,478,124	40,791	154,437,333	7,464,440	7,363,649	50.00
KIAMCO Shipping Investment Private Investment Trust No.5	Korea	December	Financial investment business	125,092,711	39,384	125,053,327	6,753,163	6,223,730	50.00
Andover DULC Private Equity Investment Trust No.1(*)	Korea	December	Financial investment business	20,263,876	263,876	20,000,000	260,959	245,711	95.00

(*) Even though the Group's shareholding in the associates are more than 50%, these were classified as associates because the Group did not have control and had significant influence under the trust contract.

7. Investments in Associates, continued

(5) The relationship between the associates' financial information and carrying amount as of December 31, 2024 and 2023 are as follows (In thousands of won):

	2024				
	Net assets	Ownership (%)	The Company's share of net assets	Others	Carrying amount
HMM Co., Ltd. (*1) (*2)	₩ 27,154,554,385	33.32	9,048,775,888	(3,030,400,940)	6,018,374,948
IGIS UNCT Infra Fund (*3)	51,685,811	68.03	35,161,858	138,691	35,300,549
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2	91,767,968	50.00	45,883,983	-	45,883,983
KIAMCO KDB&KOBC Green Ocean General Private Equity Investment Trust No. 3	36,531,956	50.00	18,265,979	-	18,265,979
Multi Asset K-Container Box General Private Equity Investment Trust No. 1	84,642,463	50.00	42,321,231	-	42,321,231
Multi Asset K-Container Box General Private Equity Investment Trust No. 2	25,870,769	50.00	12,935,384	-	12,935,384
KIAMCO Shipping Investment Private Investment Trust No.3	215,703,512	50.00	107,851,755	-	107,851,755
KIAMCO Shipping Investment Private Investment Trust No.4	216,424,642	50.00	108,212,322	-	108,212,322
KIAMCO Shipping Investment Private Investment Trust No.5	213,142,470	50.00	106,571,236	-	106,571,236
Andover DULC Private Equity Investment Trust No.1 (*3)	20,227,222	95.00	19,215,861	187	19,216,048
Daol Smart Ocean Private Investment Trust No.1 (*3)	98,775,352	45.83	45,268,744	1,424,128	46,692,872

(*1) The amount of the net assets of HMM Co., Ltd. reflects the effects such as adjustments on hybrid securities issued by HMM Co., Ltd.

(*2) Others consist of the fair value adjustment incurred at the time of acquisition and impairment loss. As of December 31, 2024, it includes ₩2,261,117,928 thousand in fair value adjustments and ₩5,291,518,868 thousand in impairment losses recognized in accordance with the review of investment stocks of associates.

(*3) In accordance with paragraph 19 of K-IFRS 1028, It was measured as fair value by selecting it as FVTPL without applying the equity method.

7. Investments in Associates, continued

	2023				
	Net assets	Ownership (%)	The Company's share of net assets	Others	Carrying amount
HMM Co., Ltd. (*1) (*2)	₩ 19,806,052,320	28.68	5,679,637,980	(1,817,772,853)	3,861,865,127
IGIS UNCT Infra Fund (*3)	68,414,941	68.03	46,542,684	(326,005)	46,216,679
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1	80,675,505	25.00	20,168,876	-	20,168,876
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 1	95,133,037	50.00	47,566,519	-	47,566,519
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2	53,425,101	50.00	26,712,550	-	26,712,550
KIAMCO KDB&KOBC Green Ocean General Private Equity Investment Trust No. 3	32,679,969	50.00	16,339,985	-	16,339,985
Multi Asset K-Container Box General Private Equity Investment Trust No. 1	79,742,405	50.00	39,871,203	-	39,871,203
Multi Asset K-Container Box General Private Equity Investment Trust No. 2	3,021,431	50.00	1,510,716	-	1,510,716
KIAMCO Shipping Investment Private Investment Trust No.3	154,200,074	50.00	77,100,036	-	77,100,036
KIAMCO Shipping Investment Private Investment Trust No.4	154,437,333	50.00	77,218,667	-	77,218,667
KIAMCO Shipping Investment Private Investment Trust No.5	125,053,327	50.00	62,526,664	-	62,526,664
Andover DULC Private Equity Investment Trust No.1 (*3)	20,000,000	95.00	19,000,000	11,837	19,011,837

(*1) The amount of the net assets of HMM Co., Ltd. reflects the effects such as adjustments on hybrid securities issued by HMM Co., Ltd.

(*2) Others consist of the fair value adjustment incurred at the time of acquisition and impairment loss. As of December 31, 2023, it includes ₩1,335,888,318 thousand in fair value adjustments and ₩3,153,624,890 thousand in impairment losses recognized in accordance with the review of investment stocks of associates.

(*3) In accordance with paragraph 19 of K-IFRS 1028, It was measured as fair value by selecting it as FVTPL without applying the equity method.

8. Finance Lease Receivables

(1) Finance lease receivables as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Finance lease receivables	₩	223,563,920	336,838,100
Less: Allowance for credit losses		(109,094)	(877,950)
	₩	223,454,826	335,960,150

(2) Gross investment in the lease and present value of minimum lease payment as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	
Period		Gross investment in the lease	Present value of minimum lease payment
Within 1 year	₩	38,423,731	38,965,557
Over 1 year through 2 years		41,787,418	45,192,224
Over 2 years through 3 years		44,403,904	40,063,541
Over 3 years through 4 years		33,743,660	28,386,887
Over 4 years through 5 years		37,226,466	29,416,893
Over 5 years		55,381,556	41,538,818
	₩	250,966,735	223,563,920

		December 31, 2023	
Period		Gross investment in the lease	Present value of minimum lease payment
Within 1 year	₩	51,451,931	50,482,554
Over 1 year through 2 years		50,625,451	47,786,310
Over 2 years through 3 years		61,601,814	56,025,180
Over 3 years through 4 years		55,810,251	48,408,352
Over 4 years through 5 years		141,360,944	116,237,323
Over 5 years		21,721,522	17,898,381
	₩	382,571,913	336,838,100

(3) Unearned finance income related to finance lease as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Gross investment in the lease	₩	250,966,735	382,571,913
Net investment in the lease			
Present value of minimum lease payment		78,179,854	207,567,294
Present value of unguaranteed residual value		145,384,066	129,270,806
		223,563,920	336,838,100
Unearned finance income	₩	27,402,816	45,733,813

8. Finance Lease Receivables, continued

(4) Changes in allowance for credit losses for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 877,950	-	-	877,950
Reversal of credit loss	(768,856)	-	-	(768,856)
Ending balance	₩ 109,094	-	-	109,094

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 1,627,237	-	-	1,627,237
Reversal of credit loss	(749,287)	-	-	(749,287)
Ending balance	₩ 877,950	-	-	877,950

(5) Changes in exposures of credit risk related to finance lease receivables for the years ended December 31, 2024 and 2023 is as follows (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	W 336,838,100	-	-	336,838,100
Origination	120,264,672	-	-	120,264,672
Collection	(234,821,768)	-	-	(234,821,768)
Foreign currency translation	1,282,916	-	-	1,282,916
Ending balance	W 223,563,920	-	-	223,563,920

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩ 335,670,047	-	-	335,670,047
Origination	33,887,988	-	-	33,887,988
Collection	(32,719,935)	-	-	(32,719,935)
Ending balance	₩ 336,838,100	-	-	336,838,100

9. Leased Assets

(1) Leased assets as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024		
		Acquisition cost	Accumulated depreciation	Carrying amount
Operating leased assets:				
Ships	₩	150,377,890	(71,430,877)	78,947,013
	₩	150,377,890	(71,430,877)	78,947,013

		December 31, 2023		
		Acquisition cost	Accumulated depreciation	Carrying amount
Operating leased assets:				
Ships	₩	150,377,890	(64,192,685)	86,185,205
Shipping container		384,774,940	(66,790,401)	317,984,539
	₩	535,152,830	(130,983,086)	404,169,744

(2) Changes in leased assets for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024					
		Beginning balance	Disposal	Impairment	Depreciation	Foreign currency translation	Ending balance
Ships	₩	86,185,205	-	-	(7,238,192)	-	78,947,013
Shipping container		317,984,539	(303,066,343)	(376,922)	(15,404,155)	862,881	-
	₩	404,169,744	(303,066,343)	(376,922)	(22,642,347)	862,881	78,947,013

		2023					
		Beginning balance	Impairment	Depreciation	Foreign currency translation	Others	Ending balance
Ships	₩	93,423,397	-	(7,238,192)	-	-	86,185,205
Shipping container		330,888,049	(210,667)	(18,694,949)	6,334,991	(332,885)	317,984,539
	₩	424,311,446	(210,667)	(25,933,141)	6,334,991	(332,885)	404,169,744

(3) Future minimum lease payments expected under leased assets as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Within 1 year	₩	29,600,319	46,306,910
Over 1 year through 5 years		-	73,123,466
	₩	29,600,319	119,430,376

10. Investment Property

(1) Changes in investment property for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024		
		Land	Buildings	Total
Beginning balance	₩	1,015,776	6,491,048	7,506,824
Depreciation		-	(104,134)	(104,134)
Disposal		(1,015,776)	(6,386,914)	(7,402,690)
Ending balance	₩	-	-	-
Acquisition cost	₩	-	-	-
Accumulated depreciation		-	-	-

		2023		
		Land	Buildings	Total
Beginning balance	₩	1,015,776	6,699,317	7,715,093
Depreciation		-	(208,269)	(208,269)
Ending balance	₩	1,015,776	6,491,048	7,506,824
Acquisition cost	₩	1,015,776	8,330,756	9,346,532
Accumulated depreciation		-	(1,839,708)	(1,839,708)

(2) Recognized gain or loss related to investment property for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Rental income	₩	62,811	125,280
Gain on disposal		3,074,311	-
Rental expense		199,883	371,543

(3) The fair value of investment property as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024		December 31, 2023	
		Carrying amounts	Fair value	Carrying amounts	Fair value
Buildings	₩	-	-	7,506,824	8,996,758

The fair value of the investment property is determined on the basis of average sale price of the sale agency and rental ratio. Additionally, fair value of investment property is classified as level 3 according to fair value hierarchy.

Valuation technique	Unobservable inputs	Effect of unobservable inputs to fair value
Sale price	Comparable trade price	An increase in the selling price leads to a rise in fair value.

11. Property and Equipment

(1) Changes in property and equipment for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024						
	Land	Buildings	Equipment	Others	Right-of-use assets	Construction in progress (*)	Total
Beginning balance ₩	662,386	2,495,033	449,723	381,118	3,922,727	-	7,910,987
Acquisition	-	-	669,349	1,090	584,324	146,475,910	147,730,673
Subsidy depreciation	-	-	17,800	-	-	-	17,800
Depreciation	-	(68,247)	(204,885)	(235,083)	(1,035,518)	-	(1,543,733)
Ending balance ₩	662,386	2,426,786	931,987	147,125	3,471,533	146,475,910	154,115,727
Acquisition cost ₩	662,386	2,729,884	3,456,852	3,204,471	4,936,675	146,475,910	161,466,178
Subsidy	-	-	(26,283)	-	-	-	(26,283)
Accumulated depreciation	-	(303,098)	(2,498,582)	(3,057,346)	(1,465,142)	-	(7,324,168)

(*) During 2024, the Group is in the process of constructing a vessel. As of the end of 2024, the carrying amount of construction-in-progress includes borrowing costs related to the vessel construction amounting to ₩3,902,883 thousand. The capitalization rate applied is 3.68%.

	2023					
	Land	Buildings	Equipment	Others	Right-of-use assets	Total
Beginning balance ₩	729,646	2,740,210	323,875	641,261	565,353	5,000,345
Acquisition	-	-	266,734	116,433	4,349,213	4,732,380
Disposal or cancellation	(67,260)	(174,446)	-	-	(2,341)	(244,047)
Subsidy depreciation	-	-	17,802	-	-	17,802
Depreciation	-	(70,731)	(158,688)	(376,576)	(989,498)	(1,595,493)
Ending balance ₩	662,386	2,495,033	449,723	381,118	3,922,727	7,910,987
Acquisition cost ₩	662,386	2,729,884	2,787,503	3,203,381	4,451,773	13,834,927
Subsidy	-	-	(44,083)	-	-	(44,083)
Accumulated depreciation	-	(234,851)	(2,293,697)	(2,822,263)	(529,046)	(5,879,857)

(2) Details of right-of-use assets as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024		
	Acquisition cost	Accumulated depreciation	Carrying value
Buildings ₩	4,742,795	(1,345,309)	3,397,486
Vehicles	193,880	(119,833)	74,047
₩	4,936,675	(1,465,142)	3,471,533

	December 31, 2023		
	Acquisition cost	Accumulated depreciation	Carrying value
Buildings ₩	4,257,893	(473,840)	3,784,053
Vehicles	193,880	(55,206)	138,674
₩	4,451,773	(529,046)	3,922,727

11. Property and Equipment, continued

(3) Changes in right-of-use assets for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
	Beginning balance	Acquisition	Depreciation	Ending balance
Buildings	₩ 3,784,053	584,324	(970,891)	3,397,486
Vehicles	138,674	-	(64,627)	74,047
	₩ 3,922,727	584,324	(1,035,518)	3,471,533

	2023				
	Beginning balance	Acquisition	Depreciation	Cancellation	Ending balance
Buildings	₩ 499,020	4,227,353	(939,979)	(2,341)	3,784,053
Vehicles	66,333	121,860	(49,519)	-	138,674
	₩ 565,353	4,349,213	(989,498)	(2,341)	3,922,727

(4) The amounts related to lease recognized in the consolidated statements of comprehensive income for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024	2023
Interest expenses on the lease liabilities	₩ 127,382	72,156
Expense relating to leases of low-value assets	122,467	117,709

12. Intangible Assets

Changes in intangible assets for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
	Development costs	Development in progress	Software	Total
Beginning balance	₩ 6,150,011	-	1,275,583	7,425,594
Acquisition	16,500	2,472,969	190,522	2,679,991
Amortization	(2,012,307)	-	(554,981)	(2,567,288)
Ending balance	₩ 4,154,204	2,472,969	911,124	7,538,297
Acquisition cost	₩ 15,268,921	2,472,969	3,359,846	21,101,736
Accumulated amortization	(11,114,717)	-	(2,448,722)	(13,563,439)

	2023		
	Development costs	Software	Total
Beginning balance	₩ 5,341,071	1,841,866	7,182,937
Acquisition	2,695,789	152,645	2,848,434
Amortization	(1,886,849)	(717,938)	(2,604,787)
Others (Reclassification)	-	(990)	(990)
Ending balance	₩ 6,150,011	1,275,583	7,425,594
Acquisition cost	₩ 15,252,421	3,169,325	18,421,746
Accumulated amortization	(9,102,410)	(1,893,742)	(10,996,152)

13. Other Receivables and Other Assets

Other receivables and other assets as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Other receivables			
Accounts receivable	₩	2,184,475	1,312,775
Accrued interest		17,817,661	20,281,427
Tenancy deposit		2,767,693	2,652,301
Others		290	290
		22,770,119	24,246,793
Other assets			
Advance payments		425,938	1,672,810
Prepaid expenses		727,415	88,600
Value added tax refundable		75,965	76,126
		1,229,318	1,837,536
	₩	23,999,437	26,084,329

14. Financial Liabilities

(1) Borrowings and debentures

Borrowings and debentures as of December 31, 2024 and 2023 are as follows (In thousands of won):

	Interest rate (%)		December 31, 2024	December 31, 2023
Borrowings in foreign currencies (*1)	6.68%	₩	-	25,788,000
	3M Term SOFR + 0.67% ~ 0.85%		441,000,000	397,135,200
	Compounded SOFR + CAS + 1.90% ~ 2.80%		-	499,240,369
Less: Deferred Borrowing Costs			(2,391,309)	-
			438,608,691	922,163,569
Debentures in Korean won	1.34% ~ 2.30%		1,350,000,000	1,780,000,000
Debentures in foreign currencies (*2)	0.99% ~ 5.38%		1,480,957,285	385,186,636
	Compounded Daily SOFR + 0.88% ~ 0.97%		705,600,000	103,152,000
Less: Discount on bond issuance			(12,000,843)	(6,028,501)
			3,524,556,442	2,262,310,135
		₩	3,963,165,133	3,184,473,704

(*1) Borrowings in foreign currencies include borrowings under the credit line commitment. As of the end of 2024, the total committed amount and the undrawn balance are USD 600,000,000 and USD 600,000,000, respectively. As of the end of 2023, the total committed amount and the undrawn balance were USD 600,000,000 and USD 272,000,000, respectively.

(*2) As of the end of 2024 and 2023, the cumulative fair value hedge accounting adjustments included in the carrying amount of fixed-rate foreign currency bonds designated as hedged items were ₩ (-)4,680,715 thousand and ₩ (-)1,633,364 thousand, respectively.

(2) Financial guarantee liabilities

1) Financial guarantee liabilities as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Loss allowance	₩	19,075,035	8,716,780
Adjustment (*)		19,586,608	37,823,023
	₩	38,661,643	46,539,803

(*) If the initial recognition amount of financial guarantees liability less accumulated profit recognized according to K-IFRS 1115 is greater than loss allowance for credit losses, the difference is adjusted.

14. Financial Liabilities, continued

2) Changes in loss allowance related to financial guarantee contracts for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired (*2)	Total
Beginning balance	₩ 8,716,780	-	-	8,716,780
Changes in beginning balance:				
Transfer to credit impaired financial asset	(390,509)	-	390,509	-
Changes in financial guarantees liabilities (*1)	(4,413,640)	-	(390,509)	(4,804,149)
Provision of credit loss	1,190,483	-	13,971,922	15,162,405
Ending balance	₩ 5,103,113	-	13,971,923	19,075,036

(*1) The amounts include changes of the loss allowance recognized as financial guarantees liability less accumulated profit recognized according to K-IFRS 1115 at the initial recognition.

(*2) A credit event occurred in January 2025 involving a customer for whom the Group had provided a financial guarantee as of December 31, 2024. As a result, the Group became obligated to fulfil the customer's debt obligations to its creditors. As of December 31, 2024, the Group expects to pay W51,215,288 thousand to the customer's creditors and recover W37,243,367 thousand from the customer through subrogation. Accordingly, the Group recognized a credit loss provision of W13,971,922 thousand, representing the expected net loss arising from the credit event.

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Beginning balance	₩ 8,602,991	-	-	8,602,991
Changes in financial guarantees liabilities (*)	174,506	-	-	174,506
Reversal of credit loss	(60,717)	-	-	(60,717)
Ending balance	₩ 8,716,780	-	-	8,716,780

(*) The amounts include changes of the loss allowance recognized as financial guarantees liability less accumulated profit recognized according to K-IFRS 1115 at the initial recognition.

14. Financial Liabilities, continued

3) Changes in exposures of credit risk related to financial guarantee contracts for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Beginning balance	₩ 1,819,639,653	-	-	1,819,639,653
Changes in beginning balance:				
Transfer to credit impaired financial asset	(53,983,682)	-	53,983,682	-
Changes in financial guarantee contracts	(254,698,960)	-	(2,768,394)	(257,467,354)
Ending balance	₩ 1,510,957,011	-	51,215,288	1,562,172,299

	2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Beginning balance	₩ 2,519,733,557	-	-	2,519,733,557
Changes in financial guarantee contracts	(700,093,904)	-	-	(700,093,904)
Ending balance	₩ 1,819,639,653	-	-	1,819,639,653

14. Financial Liabilities, continued

(3) Derivative liabilities

1) Derivative liabilities for Hedging as of December 31, 2024 is as follows (In thousands of won):

			December 31, 2024		December 31, 2023	
	Notional amount		Carrying amount (Fair value)	Valuation loss	Carrying amount (Fair value)	Valuation loss
Fair value hedge (*):						
Interest rate swap	USD 150,000,000	₩	4,331,361	(3,003,618)	1,327,743	(1,327,743)
Currency swap	USD 118,063,754		9,852,462	(9,852,462)	-	-
		₩	14,183,823	(12,856,080)	1,327,743	(1,327,743)

(*) For the year ended December 31, 2024, the Group has signed a currency swap agreement with Hana Bank to hedge the risk of fair value fluctuations caused by exchange rate fluctuations on CHF 100,000,000 of foreign debentures with fixed interest rates. For the year ended December 31, 2023, it signed an interest swap agreement with Citibank Korea to hedge the risk of fair value fluctuations caused by interest rates fluctuations on USD 150,000,000 of foreign debentures with fixed interest rates.

2) The gain (loss) on fair value hedged items and hedging instruments for the years ended December 31, 2024 and 2023, are as follows (In thousands of won):

		2024	2023
Gain on fair value hedged items	₩	9,845,072	1,633,364
Loss on fair value hedging instruments		(12,856,080)	(1,327,743)
	₩	(3,011,008)	305,621

(4) Lease liabilities

Changes in lease liabilities for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Beginning balance	₩	3,448,245	493,219
New lease contracts		477,774	3,702,691
Interest expense		127,382	72,156
Lease payment		(912,452)	(819,821)
Ending balance	₩	3,140,949	3,448,245

15. Net Defined Benefit Assets

The Group operates a defined benefit plan and defined contribution plan. The plan assets are in trusts with Korea Investment & Securities Co., Ltd, Samsung Securities Co., Ltd and others.

(1) Components of financial position due to the duty of the Group related to the defined benefit plan as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Fair value of plan assets	₩	6,639,044	5,958,217
Present value of defined benefit obligation		(6,269,828)	(5,340,807)
Net defined benefit assets	₩	369,216	617,410

(2) Changes in present value of defined benefit obligation for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Beginning balance	₩	5,340,807	4,041,338
Current service costs		1,213,146	1,090,666
Interest expense		230,756	205,666
Payments from the plan		(379,580)	(441,734)
Others (changes in the retirement benefit plan, etc.)		(73,279)	-
Remeasurements of defined benefit liabilities:			
Changes in financial assumption		245,281	450,926
Changes in demographic assumptions		-	(1,522)
Experience adjustment		(307,303)	(4,533)
		(62,022)	444,871
Ending balance	₩	6,269,828	5,340,807

(3) Changes in fair value of plan assets for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Beginning balance	₩	5,958,217	5,227,081
Expected interest income		258,674	268,945
Contribution		900,000	850,000
Payments from the plan		(369,850)	(435,900)
Others (changes in the retirement benefit plan, etc.)		(70,273)	-
Remeasurements of defined benefit liabilities		(37,724)	48,091
Ending balance	₩	6,639,044	5,958,217

15. Net Defined Benefit Assets, continued

(4) Fair value of plan assets as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024		December 31, 2023	
	Amount	Ratio(%)	Amount	Ratio(%)
Structured securities	₩ 3,657,131	55.09	4,220,133	70.83
Asset-backed securities, etc.	2,981,913	44.91	1,738,084	29.17
	₩ 6,639,044	100.00	5,958,217	100.00

(5) The actuarial assumptions used as of December 31, 2024 and 2023 are as follows:

	December 31, 2024	December 31, 2023
Discount rate (*)	4.01%	4.52%
Future salary increasing rate	4.43%	4.49%

(*) The market interest rate of AA+ rating non-guaranteed corporate bond considering expected retirement benefit schedule is applied.

(6) Weighted average maturity of defined benefit obligation as of December 31, 2024 and 2023 are 8.30 years and 8.26 years, respectively.

(7) Sensitivity analysis

Changes of present value of defined benefit liabilities as changes in principal assumptions as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024	
	1% increase in assumption	1% decrease in assumption
Discount rate	₩ (463,825)	533,680
Future salary increasing rate	539,809	(477,060)

	December 31, 2023	
	1% increase in assumption	1% decrease in assumption
Discount rate	₩ (389,513)	447,544
Future salary increasing rate	455,091	(402,485)

(8) The retirement benefit recognized as expense related to the defined contribution plan for year ended December 31, 2024 is ₩30,516 thousand.

16. Provisions

(1) Provisions as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Provision for employee incentives (*1)	₩	1,489,653	1,962,390
Provision for restoration (*2)		418,995	416,640
Provision for litigation (*3)		34,028	-
Provision for unused credit lines		-	385,539
	₩	1,942,676	2,764,569

(*1) The estimated incentives granting to employee according to management performance and evaluation are recognized as provision. These estimates are subject to change.
(*2) The Group recognized its restoration liabilities as present value of expenses incurred in restoring a rented building.
(*3) The Group estimated the retroactive portion of salaries payable based on the outcome of litigation involving executives and employees and recognized it as a provision. These estimates are subject to change.

(2) Changes in provisions for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024		
		Beginning balance	Increase (Decrease)	Ending balance
Provision for employee incentives	₩	1,962,390	(472,737)	1,489,653
Provision for restoration		416,640	2,355	418,995
Provision for litigation		-	34,028	34,028
Provision for unused credit lines		385,539	(385,539)	-
	₩	2,764,569	(821,893)	1,942,676

		2023		
		Beginning balance	Increase (Decrease)	Ending balance
Provision for employee incentives	₩	1,701,147	261,243	1,962,390
Provision for restoration		120,149	296,491	416,640
Provision for unused credit lines		252,402	133,137	385,539
	₩	2,073,698	690,871	2,764,569

(3) Changes in provisions for unused credit lines for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024			
			Lifetime expected credit loss		
		12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩	385,539	-	-	385,539
Reversal		(385,539)	-	-	(385,539)
Ending balance	₩	-	-	-	-

		2023			
			Lifetime expected credit loss		
		12-month expected credit loss	Non-credit-impaired	Credit-impaired	Total
Beginning balance	₩	252,402	-	-	252,402
Provision		133,137	-	-	133,137
Ending balance	₩	385,539	-	-	385,539

17. Other Payables and Other Liabilities

Other payables and other liabilities as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Other payables:			
Security deposit	₩	5,162,677	6,542,570
(Present value discount)		-	(66,037)
Accrued expense		24,785,970	14,633,391
Accounts payable		741,794	527,700
Other deposit		34,514,784	45,314,482
Others		1,233,415	1,160,777
		66,438,640	68,112,883
Other liabilities:			
Advance receipts		1,724,505	1,019,322
Unearned revenue		9,591,037	3,058,183
		11,315,542	4,077,505
	₩	77,754,182	72,190,388

18. Capital Stock, Additional Paid in Other Capital and Capital Adjustments

(1) Capital stock, Additional Paid in Other Capital and capital adjustments as of December 31, 2024 and 2023 are as follows (Share, In thousands of won):

		December 31, 2024	December 31, 2023
Number of authorized shares	₩	1,000,000,000	1,000,000,000
Par value per share (won)		5,000	5,000
Number of issued shares		626,775,059	626,775,059
Capital stock		3,133,875,295	3,133,875,295
Additional paid in other capital		211,155,473	211,155,473
Capital adjustments:			
Other capital adjustment (*)		(162,844,846)	(162,844,846)
	₩	(162,844,846)	(162,844,846)

(*) The amount is the difference the net assets of Korea Ship & Ocean Co., Ltd. and Korea Marine Guarantee Insurance Co., Ltd., which were comprehensively succeeded at the time of the Group's establishment, and the amount paid as consideration for the succession.

(2) There are no changes in capital stock, additional paid-in other capital and capital adjustments for the year ended December 31, 2024. The changes for the year ended December 31, 2023 are as follows (Shares, in thousands of won):

		2023			
		Number of issued shares	Capital stock	Additional paid in other capital	Other capital adjustment
Beginning balance	₩	598,811,481	2,994,057,405	63,514,950	(162,844,846)
Increase (Decrease)		27,963,578	139,817,890	147,640,523	-
Ending balance	₩	626,775,059	3,133,875,295	211,155,473	(162,844,846)

19. Accumulated Other Comprehensive Income

Changes of accumulated other comprehensive income for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024			
	Beginning balance	Increase (Decrease)	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets measured at FVOCI	₩ 6,348,763	(8,626,037)	2,277,274	-
Remeasurements of defined benefit liabilities	(349,993)	24,296	(6,415)	(332,112)
Share of other comprehensive income of associates	76,593,276	1,066,588,842	(281,579,454)	861,602,664
Exchange differences on translation of foreign operations	132,172	67,465,803	(17,810,972)	49,787,003
Valuation gain (loss) on cash flow hedge	9,523,560	(12,939,620)	3,416,060	-
	₩ 92,247,778	1,112,513,284	(293,703,507)	911,057,555

	2023			
	Beginning balance	Increase (Decrease)	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets measured at FVOCI	₩ 8,418,258	(2,827,376)	757,881	6,348,763
Remeasurements of defined benefit liabilities	(57,882)	(396,782)	104,671	(349,993)
Share of other comprehensive income of associates	69,049,295	10,122,332	(2,578,351)	76,593,276
Exchange differences on translation of foreign operations	952,127	(1,115,830)	295,875	132,172
Valuation gain (loss) on cash flow hedge	13,486,793	(5,409,758)	1,446,525	9,523,560
	₩ 91,848,591	372,586	26,601	92,247,778

20. Retained Earnings

(1) Composition of retained earnings as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Legal reserve (*)	₩	1,353,262,740	1,353,262,740
Reserve for guarantees performance (*)		1,353,262,740	1,353,262,740
Regulatory reserve for bad debts		24,238,824	43,675,848
Unappropriated retained earnings		1,237,610,247	1,656,325,868
	₩	3,968,374,551	4,406,527,196

(*) In accordance with the Korea Ocean Business Corporation Act, in case of net income as a result of settlement, the Group must accumulate at least 20% of the net income as legal reserve at each settlement period until it reaches the capital under Article 5 of the same Act and accumulate at least 20% of the net income as reserve for guarantees performance at each settlement period until it reaches half of the capital under Article 5 of the same Act. The reserve can only be used to transfer to capital and preserve deficit.

(2) Regulatory reserve for bad debts

The Group's reserve for bad debts is calculated and disclosed in accordance with Article 6 in Regulation on Supervision of Korea Ocean Business Corporation ("the Regulation"). When the total sum of allowance for credit losses under K-IFRS is lower than the amount prescribed in the Regulation, the Group records the difference as regulatory reserve for bad debts at the end of each reporting period. In the case that the existing regulatory reserve for credit losses exceeds the amount needed to be set aside at the reporting date, the surplus may be reversed. Furthermore, in the case that undisposed deficit exists, regulatory reserve for bad debts is saved from the time the undisposed deficit is disposed.

2-1) Regulatory reserve for bad debts as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Regulatory reserve for bad debts	₩	24,693,254	41,262,295
Planned provision (reversal) of regulatory reserve for bad debts		14,232,525	(16,569,041)
	₩	38,925,779	24,693,254

20. Retained Earnings, continued

2-2) Reversal (provision) of reserve for bad debts and adjusted net income (loss) after reflecting reserve for bad debts for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Net income (loss) for the year	₩	(438,152,644)	4,246,066
Reversal (provision) of regulatory reserve for bad debts		(14,232,525)	16,569,041
Adjusted net income (loss) after regulatory reserve for bad debts	₩	(452,385,169)	20,815,107
Adjusted basic and diluted earnings (loss) per share after regulatory reserve for bad debts (In won)	₩	(722)	34

21. Investment Income

Investment income for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Interest income:			
Due from banks	₩	37,813,511	32,866,031
Financial assets measured at FVTPL		21,668,481	38,214,722
Financial assets measured at FVOCI		4,004,646	5,161,417
Financial assets measured at amortized cost		116,151,997	48,787,889
Finance lease receivables		24,539,090	21,816,462
Others		2,162,383	8,548,838
		206,340,108	155,395,359
Fees and commission income:			
Guarantees fee		21,853,285	39,601,834
Others		8,407,717	4,847,060
Charter revenue		105,668,760	102,128,244
Lease payment		30,569,392	37,137,582
		166,499,154	183,714,720
Dividend income			
Financial assets measured at FVTPL		3,721,571	2,517,272
Financial assets measured at FVOCI		5,271,291	4,676,361
		8,992,862	7,193,633
Gain on valuation and disposal of financial instruments:			
Gain on valuation of financial assets measured at FVTPL		5,250,373	10,065,513
Gain on disposal of financial assets measured at FVTPL		7,374,834	3,378,841
Gain on conversion of financial assets measured at FVTPL (*)		86,742,495	-
Gain on transaction of derivatives		7,118,676	997,447
Gain on valuation of derivatives		6,251,454	-
Gain on valuation of the hedged items		9,845,072	1,633,364
		122,582,904	16,075,165
Reversal of credit losses:			
Financial assets measured at amortized cost		1,857,470	3,676,662
Finance lease receivables		838,737	870,566
Other receivables		27,399	6,475
Provision for indemnity receivables		-	16,886,300
Provision for financial guarantees liabilities		-	112,844
Provision for unused credit lines		385,539	152,983
		3,109,145	21,705,830
Reversal of other provision:			
Restoration		10,386	98,692
Other operating income		917,207	982,900
	₩	508,451,766	385,166,299

(*) For the year ended December 31, 2024, the conversion rights of the HMM Co., Ltd.'s No. 194 and No. 195 convertible bonds, which are classified as financial assets measured at FVTPL, were exercised and converted into the investments in associates. The Group recognized a conversion gain in relation to this transaction.

22. Investment Expense

Investment expense for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Interest expense:			
Borrowings	₩	32,502,337	35,785,858
Debentures		109,454,762	50,527,126
Others		12,125,460	2,019,566
		154,082,559	88,332,550
Fees and commission expenses		11,724,418	5,849,789
Depreciation of leased assets etc.		23,019,270	26,143,808
Losses on valuation and disposal of financial instruments:			
Loss on valuation of financial assets measured at FVTPL		311,333,764	330,185,171
Loss on redemption of financial assets measured at FVTPL		1,040,310	-
Loss on conversion of financial assets measured at FVTPL (*)		100,519,878	134,044,522
Loss on valuation of derivatives		12,856,080	1,327,743
Loss on valuation of the hedged items		6,797,721	-
		432,547,753	465,557,436
Provision for credit losses:			
Financial assets measured at amortized cost		2,200,677	957,146
Financial lease receivables		69,882	121,278
Other receivables		-	51,450
Financial guarantees		15,162,405	52,127
Unused credit lines		-	286,121
		17,432,964	1,468,122
Provision for other provision:			
Litigation		34,028	-
Other operating expense		2,508,992	3,392,465
	₩	641,349,984	590,744,170

(*) The conversion rights of the HMM Co., Ltd.'s No. 196 convertible bonds were exercised for the year ended December 31, 2024 and the conversion rights of its No. 192 convertible bonds and warrants attached to its No. 193 bonds with warrants were done for the year ended December 31, 2023. These bonds, which are classified as financial assets measured at FVTPL, were converted into the investments in associates and the Group recognized a conversion loss in relation to this transaction.

23. General and Administrative Expenses

General and administrative expenses for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Salaries	₩	13,391,614	13,876,966
Retirement benefit		1,456,025	1,043,967
Employee welfare benefits		618,815	626,517
Taxes and dues		2,959,211	3,001,080
Fees and commission		1,549,754	2,733,754
Service fee		5,975,721	5,941,196
Event fee		392,635	268,269
Rental expenses		912,501	889,432
Depreciation		1,525,933	1,577,691
Amortization		2,567,287	2,604,787
Others		6,651,864	5,312,271
	₩	38,001,360	37,875,930

24. Non-Operating Revenues

Non-operating revenues for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Gain on disposal of investment property	₩	3,074,311	-
Valuation gain on equity method		1,763,321,624	674,843,845
Gain on disposal of investments using equity method		1,603,464	-
Gain on disposal of investments in subsidiaries		1	29,413
Foreign currency transaction gain		55,319,999	16,075,113
Foreign currency translation gain		144,200,944	39,804,853
Others		9,552,687	519,508
	₩	1,977,073,030	731,272,732

25. Non-Operating Expense

Non-operating expense for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Valuation loss on equity method	₩	-	633,921
Impairment loss on investments using equity method		2,137,893,978	448,360,055
Loss on disposal of subsidiaries		14,989	6,911
Foreign currency transaction loss		68,674,451	30,058,543
Foreign currency translation loss		191,387,072	21,379,850
Depreciation of investment property		104,134	208,270
Interest expense on lease liabilities		127,382	72,156
Interest expense on security deposit		66,037	129,729
Others		2,164,896	1,113,749
	₩	2,400,432,939	501,963,184

26. Income Tax Benefits

(1) Income tax benefits for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Current income tax	₩	74,215,391	66,745,434
Adjustments for prior years (*)		(2,836,783)	1,836,116
Changes in deferred income tax due to temporary differences:			
Recognition of deferred income tax on increase or decrease of temporary difference for the current period		66,218,056	(86,998,469)
Income tax benefits (expenses) that recognized directly to equity			
Other comprehensive income		(293,703,507)	26,601
	₩	(156,106,843)	(18,390,318)

(*) Changes due to final reporting and others are included.

(2) Net loss before income taxes and income tax benefits for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Net loss before income taxes	₩	(594,259,487)	(14,144,253)
Income taxes calculated using enacted tax rates		(58,831,689)	(1,400,281)
Adjustments			
Effect of recognition of unrecognized income tax in the past period:			
Changes in final tax return on the prior year		(2,836,783)	1,836,116
Income taxes on non-deductible losses and non-taxable income		(1,944,197)	(3,507,955)
Effect of tax rate fluctuation		-	(5,459,395)
Difference of tax rates and others		(92,494,174)	(9,858,803)
Income tax benefits	₩	(156,106,843)	(18,390,318)
Effective tax rate (*)		-	-

(*) No average effective tax rate was calculated for the current and prior periods as no profit was generated.

26. Income Tax Benefits, continued

(3) Changes in temporary differences and deferred income tax assets (liabilities) for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

	2024					
	Temporary differences			Deferred income tax assets (liabilities)		
	Beginning balance	Increase (decrease)	Ending balance	Beginning balance	Increase (decrease)	Ending balance
Financial assets measured at FVOCI	₩ (8,626,037)	8,626,037	-	(2,277,274)	2,277,274	-
Financial assets measured at FVTPL	(2,434,079,065)	1,521,794,837	(912,284,228)	(642,596,873)	401,753,837	(240,843,036)
Investments using equity method	(2,645,333,343)	(1,721,822,242)	(4,367,155,585)	(698,368,003)	(454,561,071)	(1,152,929,074)
Accrued revenue	(19,497,664)	812,317	(18,685,347)	(5,147,383)	214,451	(4,932,932)
Property and equipment and intangible assets	249,392	(471,196)	(221,804)	65,839	(124,395)	(58,556)
Financial guarantee liabilities	153,969	15,162,405	15,316,374	40,648	4,002,875	4,043,523
Insurance contract liabilities	174,572	(100,070)	74,502	46,087	(26,418)	19,669
Provisions	2,965,607	(751,156)	2,214,451	782,920	(198,305)	584,615
Right-in-use assets	(3,922,728)	451,195	(3,471,533)	(1,035,600)	119,115	(916,485)
Lease liabilities	3,448,245	(307,297)	3,140,948	910,337	(81,127)	829,210
Derivative liabilities	1,327,743	(640,618)	687,125	350,524	(169,123)	181,401
Debentures in foreign currencies	(1,633,364)	(3,047,351)	(4,680,715)	(431,208)	(804,501)	(1,235,709)
Others	(45,762,153)	(70,532,836)	(116,294,989)	(12,081,208)	(18,620,669)	(30,701,877)
	(5,150,534,826)	(250,825,975)	(5,401,360,801)	(1,359,741,194)	(66,218,057)	(1,425,959,251)
Tax rate	26.40%		26.40%			
Deferred income tax assets (liabilities)	₩ (1,359,741,194)	(66,218,057)	(1,425,959,251)	(1,359,741,194)	(66,218,057)	(1,425,959,251)

	2023					
	Temporary differences			Deferred income tax assets (liabilities)		
	Beginning balance	Increase (decrease)	Ending balance	Beginning balance	Increase (decrease)	Ending balance
Financial assets measured at FVOCI	₩ (11,453,415)	2,827,378	(8,626,037)	(3,035,155)	757,881	(2,277,274)
Financial assets measured at FVTPL	(3,875,861,432)	1,441,782,367	(2,434,079,065)	(1,027,103,279)	384,506,406	(642,596,873)
Investments using equity method	(1,549,516,730)	(1,095,816,613)	(2,645,333,343)	(410,621,933)	(287,746,070)	(698,368,003)
Accrued revenue	(13,599,419)	(5,898,245)	(19,497,664)	(3,603,846)	(1,543,537)	(5,147,383)
Loans	13,843,385	(13,843,385)	-	3,668,497	(3,668,497)	-
Property and equipment and intangible assets	459,189	(209,797)	249,392	121,685	(55,846)	65,839
Financial guarantee liabilities	214,686	(60,717)	153,969	56,892	(16,244)	40,648
Insurance contract liabilities	510,916	(336,344)	174,572	135,393	(89,306)	46,087
Provisions	2,546,177	419,430	2,965,607	674,737	108,183	782,920
Right-in-use assets	(565,353)	(3,357,375)	(3,922,728)	(149,819)	(885,781)	(1,035,600)
Lease liabilities	493,219	2,955,026	3,448,245	130,703	779,634	910,337
Derivative liabilities	997,447	330,296	1,327,743	264,323	86,201	350,524
Debentures in foreign currencies	-	(1,633,364)	(1,633,364)	-	(431,208)	(431,208)
Others	(27,463,627)	(18,298,526)	(45,762,153)	(7,277,861)	(4,803,347)	(12,081,208)
	(5,459,394,957)	308,860,131	(5,150,534,826)	(1,446,739,663)	86,998,469	(1,359,741,194)
Tax rate	26.50%		26.40%			
Deferred income tax assets (liabilities)	₩ (1,446,739,664)	86,998,470	(1,359,741,194)	(1,446,739,663)	86,998,469	(1,359,741,194)

26. Income Tax Benefits, continued

(4) Deferred income tax that recognized directly to equity for the year ended December 31, 2024 and 2023 is as follows (In thousands of won):

	2024		
	Before tax effect	Income tax effect	After tax effect
Other comprehensive income:			
Net gain(loss) on valuation of financial assets measured at FVOCI ₩	(8,626,037)	2,277,274	(6,348,763)
Remeasurements of defined benefit liabilities	24,296	(6,415)	17,881
Share of other comprehensive income of associates	1,066,588,842	(281,579,454)	785,009,388
Exchange differences on translation of foreign operations	67,465,803	(17,810,972)	49,654,831
Valuation gain (loss) on cash flow hedge	(12,939,620)	3,416,060	(9,523,560)
₩	1,112,513,284	(293,703,507)	818,809,777

	2023		
	Before tax effect	Income tax effect	After tax effect
Other comprehensive income:			
Net gain(loss) on valuation of financial assets measured at FVOCI ₩	(2,827,377)	757,881	(2,069,496)
Remeasurements of defined benefit liabilities	(396,780)	104,671	(292,109)
Share of other comprehensive income of associates	10,122,332	(2,578,351)	7,543,981
Exchange differences on translation of foreign operations	(1,115,831)	295,875	(819,956)
Valuation gain (loss) on cash flow hedge	(5,409,758)	1,446,525	(3,963,233)
₩	372,586	26,601	399,187

(5) Global Minimum Tax Law

Under the Global Minimum Tax Law effective from 2024, each subsidiary in the Group is required to pay additional tax on the difference between the effective tax rate in the jurisdiction to which it belongs and the minimum tax rate of 15%. As the controlling entity within the Group, the Company has considered the impact of the introduction of the Global Minimum Tax Law on all subsidiaries within the Group as of December 31, 2024.

Based on our review, the effective tax rate for subsidiaries in 2024 is expected to be below 15%, except for those located in the Marshall Islands, Panama, and Liberia. This is due to the fact that these subsidiaries have satisfied the transitional exemption provisions of their respective jurisdictions, and no corporate income tax is imposed locally on subsidiaries operating in the Marshall Islands or certain other jurisdictions. Accordingly, as the controlling entity of the Group, the Company has recognized an expected global minimum tax-related expense of ₩10,798,688 thousand as income tax expense for 2024. Furthermore, the Company has applied the exception to the recognition and disclosure of deferred income tax assets and liabilities related to the global minimum tax and, as a result, has not recognized any deferred income tax assets or liabilities in this regard.

27. Earnings (Losses) per Share

(1) Diluted and basic earnings (losses) per share for the year ended December 31, 2024 and 2023 are equal because there is no potential dilutive instrument. Basic earnings (losses) per share for the years ended December 31, 2024 and 2023 are as follows (In won, share):

		2024	2023
Net income (loss) for the year	₩	(438,152,643,969)	4,246,066,012
Weighted-average number of ordinary shares outstanding		626,775,059	607,085,636
Basic earnings (losses) per share	₩	(699)	7

(4) Weighted-average number of ordinary shares outstanding

	2024		
	Number of ordinary shares outstanding	Days	Weighted-average number of ordinary shares outstanding
Beginning number of ordinary shares (a)	626,775,059	366	626,775,059
Increased paid-in capital (b)	-	-	-
Weighted-average number of ordinary shares outstanding (a+b)			626,775,059

	2023		
	Number of ordinary shares outstanding	Days	Weighted-average number of ordinary shares outstanding
Beginning number of ordinary shares (a)	598,811,481	365	598,811,481
Increased paid-in capital (b) September 15, 2023	27,963,578	108	8,274,155
Weighted-average number of ordinary shares outstanding (a+b)			607,085,636

28. Fair Value Hierarchy of Financial Instruments

The Group classifies fair value of the financial instruments into the following three-level hierarchy:

- Level 1: Measure at quoted prices from active markets
- Level 2: Measure using valuation techniques where all significant inputs are observable market data
- Level 3: Measure using valuation techniques where one or more significant inputs are not based on observable market data

(1) The fair value hierarchy of financial instruments measured at fair value as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at FVTPL ₩	-	640,217,941	1,356,338,125	1,996,556,066
Financial assets measured at FVOCI	-	-	1,350,278,863	1,350,278,863
Derivative assets	-	6,247,571	-	6,247,571
	-	646,465,512	2,706,616,988	3,353,082,500
Financial liabilities				
Derivative liabilities ₩	-	14,183,823	-	14,183,823

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets measured at FVTPL ₩	-	490,527,896	3,331,022,606	3,821,550,502
Financial assets measured at FVOCI	-	-	1,398,904,900	1,398,904,900
Derivative assets	-	12,935,737	-	12,935,737
	-	503,463,633	4,729,927,506	5,233,391,139
Financial liabilities				
Derivative liabilities ₩	-	1,327,743	-	1,327,743

(2) There was no transfer of financial instrument measured at fair value between level 1 and level 2 for the years ended December 31, 2024 and 2023.

28. Fair Value Hierarchy of Financial Instruments, continued

(5) Details of valuation technique and input variable used in the fair value measurement categorized within level 2 of the fair value hierarchy of financial instruments as of December 31, 2024 and 2023 are as follows (In thousands of won):

	2024		
	Amount	Valuation technique	Input variable
Financial assets:			
Financial assets measured at FVTPL	₩ 640,217,941	Discounted cash flow method, Net asset valuation	Discount rate, Asset Price, etc.
Derivative assets	6,247,571	Discounted cash flow method	Discount rate
Financial liabilities:			
Derivative liabilities	14,183,823	Discounted cash flow method	Discount rate

	2023		
	Amount	Valuation technique	Input variable
Financial assets:			
Financial assets measured at FVTPL	₩ 490,527,896	Discounted cash flow method, Net asset valuation	Discount rate, Asset Price, etc.
Derivative assets	12,935,737	Discounted cash flow method	Discount rate
Financial liabilities:			
Derivative liabilities	1,327,743	Discounted cash flow method	Discount rate

(4) The Group's policies for measuring fair value of financial instruments at amortized costs are as follows:

Classification	Method of measuring fair value
Cash and due from banks	The fair value of cash is considered equivalent to the carrying amount. As due from banks is mostly consist of short-term instruments, the carrying amount is assumed as the fair value.
Loans	The fair value of the loans is estimated as present value of cash flows expected to receive.
Borrowings and debentures	As the carrying amount is considered a close estimate of the fair value, the carrying amount is assumed as the fair value.

28. Fair Value Hierarchy of Financial Instruments, continued

(5) The fair value hierarchy of financial instruments that are not measured but disclosed at fair value as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Financial assets				
Cash and due from banks	₩ -	1,146,950,574	-	1,146,950,574
Financial assets at amortized cost	-	-	2,167,160,706	2,167,160,706
Other receivables	-	-	22,770,119	22,770,119
	-	1,146,950,574	2,189,930,825	3,336,881,399
Financial liabilities				
Borrowings and debentures	-	-	3,963,165,133	3,963,165,133
Other financial liabilities	-	-	106,001,972	106,001,972
Other payables	-	-	66,438,640	66,438,640
	₩ -	-	4,135,605,745	4,135,605,745

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Financial assets	₩			
Financial assets at amortized cost	-	1,033,699,697	-	1,033,699,697
Other receivables	-	-	1,089,631,443	1,089,631,443
Indemnity receivables	-	-	24,246,793	24,246,793
		1,033,699,697	1,113,878,236	2,147,577,933
Financial liabilities				
Borrowings and debentures	-	-	3,184,473,704	3,184,473,704
Other financial liabilities	-	-	61,650,866	61,650,866
Other payables	-	-	68,112,883	68,112,883
	₩ -	-	3,314,237,453	3,314,237,453

29. Related Party Transactions

(1) Related parties as of December 31, 2024 and 2023 are as follows:

December 31, 2024

Classification	Corporate name
Companies that have an influence on the Group:	
Significant influence companies	Government of the Republic of Korea, Korea Development Bank
Companies that the Group has an influence on:	
Associates (*)	HMM Co., Ltd., IGIS UNCT Infra Fund, KIAMCO Shipping Investment Private Investment Trust No.3, KIAMCO Shipping Investment Private Investment Trust No.4, KIAMCO Shipping Investment Private Investment Trust No.5, Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2, Multi Asset K-Container Box General Private Equity Investment Trust No. 1, Multi Asset K-Container Box General Private Equity Investment Trust No. 2, KIAMCO KDB&KOBC Green Ocean General Private Equity Investment Trust No. 3, Andover DULC Private Equity Investment Trust No.1, Daol Smart Ocean Infra Private Investment Trust No.1

(*) Subsidiaries of associates are not disclosed.

December 31, 2023

Classification	Corporate name
Companies that have an influence on the Group:	
Significant influence companies	Government of the Republic of Korea, Korea Development Bank
Companies that the Group has an influence on:	
Associates (*)	HMM Co., Ltd., IGIS UNCT Infra Fund, KIAMCO New Build Promotion Special Asset Private Investment Trust No.1, KIAMCO Shipping Investment Private Investment Trust No.3, KIAMCO Shipping Investment Private Investment Trust No.4, KIAMCO Shipping Investment Private Investment Trust No.5, Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 1, Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2, Multi Asset K-Container Box General Private Equity Investment Trust No. 1, Multi Asset K-Container Box General Private Equity Investment Trust No. 2, KIAMCO KDB&KOBC Green Ocean General Private Equity Investment Trust No. 3, Andover DULC Private Equity Investment Trust No.1

(*) Subsidiaries of associates are not disclosed.

29. Related Party Transactions, continued

(2) Significant financing transactions with related parties for the years ended December 31, 2024 and 2023 are as follows. The transactions with subsidiaries of HMM Co., Ltd. are included (In thousands of won):

		2024							
Related parties		Interest receipts	Other receipts	Interests and fees payment	Paid-in capital increase	Stock purchase / liquidation	Capital reduction with compensation	Dividends	Total
Significant influence companies:									
Korea Development Bank	₩	888,500	-	-	-	-	-	-	888,500
	₩	888,500	-	-	-	-	-	-	888,500
Associates:									
HMM Co., Ltd.	₩	22,723,007	174,149,115	(4,384,868)	-	-	-	138,313,601	330,800,855
IGIS UNCT Infra Fund		-	-	-	-	-	11,283,182	1,548,505	12,831,687
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1 (*)		-	-	-	-	20,561,974	-	821,046	21,383,020
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 1 (*)		-	-	-	-	49,096,430	-	588,637	49,685,067
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2		-	-	-	(14,105,170)	-	-	2,817,240	(11,287,930)
KIAMCO KDB&KOBC Green Ocean General Private Equity Trust No.3		-	-	-	(222,283)	-	606,079	1,388,399	1,772,195
Multi Asset K-Container Box General Private Equity Investment Trust No. 1		-	-	-	-	-	3,638,606	3,220,472	6,859,078
Multi Asset K-Container Box General Private Equity Investment Trust No. 2		-	-	-	(10,463,377)	-	136,976	369,252	(9,957,149)
KIAMCO SHIPPING General Private Equity Trust No. 3		-	-	-	(17,257,588)	-	-	5,894,386	(11,363,202)
KIAMCO SHIPPING General Private Equity Trust No. 4		-	-	-	(17,365,301)	-	-	5,580,909	(11,784,392)
KIAMCO SHIPPING General Private Equity Trust No. 5		-	-	-	(31,510,504)	-	-	6,250,423	(25,260,081)
Andover DULC Private Equity Investment Trust No.1		-	-	-	-	-	-	912,256	912,256
Daol Smart Ocean Infra Private Investment Trust No.1		-	-	-	(44,916,667)	-	-	1,775,010	(43,141,657)
	₩	22,723,007	174,149,115	(4,384,868)	(135,840,890)	69,658,404	15,664,843	169,480,136	311,449,747

(*) Excluded from the related parties for the year ended December 31, 2024.

29. Related Party Transactions, continued

Related parties		2023 Interest receipts	Other receipts	Interests and fees payment	Paid-in capital increase	Stock purchase / liquidation	Capital reduction with compensation	Dividends	Total
Significant influence companies:									
Korea Development Bank	₩	279,787	-	-	-	-	-	-	279,787
	₩	279,787	-	-	-	-	-	-	279,787
Associates:									
HMM Co., Ltd.	₩	34,370,947	139,465,565	(3,975,560)	191,150,473	-	-	117,109,031	478,120,456
IGIS UNCT Infra Fund		-	-	-	-	-	11,313,182	1,961,656	13,274,838
KIAMCO New Build Promotion Special Asset Private Investment Trust No.1		-	-	-	(5,266,071)	-	5,238,356	1,781,508	1,753,793
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 1		-	-	-	(36,547,679)	-	-	1,164,265	(35,383,414)
Multi Asset KDB&KOBC Green Ocean General Private Equity Investment Trust No. 2		-	-	-	-	-	-	2,260,253	2,260,253
KIAMCO KDB&KOBC Green Ocean General Private Equity Trust No.3		-	-	-	(5,812,019)	(10,674,468)	-	340,911	(16,145,576)
Multi Asset K-Container Box General Private Equity Investment Trust No. 1		-	-	-	(38,890,007)	-	94,233	959,903	(37,835,871)
Multi Asset K-Container Box General Private Equity Investment Trust No. 2		-	-	-	-	(1,593,215)	-	49,673	(1,543,542)
KIAMCO SHIPPING General Private Equity Trust No. 3		-	-	-	(60,711,226)	-	-	2,090,643	(58,620,583)
KIAMCO SHIPPING General Private Equity Trust No. 4		-	-	-	(56,231,064)	-	-	2,278,272	(53,952,792)
KIAMCO SHIPPING General Private Equity Trust No. 5		-	-	-	(42,584,449)	-	-	2,013,890	(40,570,559)
Andover DULC Private Equity Investment Trust No.1		-	-	-	-	(19,000,000)	-	452,562	(18,547,438)
	₩	34,370,947	139,465,565	(3,975,560)	(54,892,042)	(31,267,683)	16,545,771	132,462,567	232,809,565

29. Related Party Transactions, continued

(3) Details of outstanding balances with related parties arising from the transactions as of December 31, 2024 and 2023 are as follows (In thousands of won):

December 31, 2024			
Related parties	Classification		Amount
HMM Co., Ltd.	Financial assets measured at FVTPL	₩	1,273,621,680
	Accrued interest		2,025,000
	Allowance for doubtful accounts		(6,986)

December 31, 2023			
Related parties	Classification		Amount
Korea Development Bank	Time deposits in Korean won	₩	25,000,000
	Accrued interest		625,297
	Accrued expense		318,445
HMM Co., Ltd.	Financial assets measured at FVTPL		3,286,571,133
	Accrued interest		3,891,837
	Accrued expense		780,142

(4) Significant transactions with related parties for the years ended December 31, 2024 and 2023 are as follows. The transactions with subsidiaries of HMM Co., Ltd. are included (In thousands of won):

	2024			
	Interest income	Interest expenses	Lease income	Fees and commission income
Korea Development Bank	₩ 263,203	-	-	-
HMM Co., Ltd.	26,614,844	(4,384,868)	176,472,220	8,189,036
	₩ 26,878,047	(4,384,868)	176,472,220	8,189,036

	2023			
	Interest income	Interest expenses	Lease income	Fees and commission income
Korea Development Bank	₩ 846,510	-	-	-
HMM Co., Ltd.	34,336,140	(4,792,494)	173,909,217	21,278,811
	₩ 35,182,650	(4,792,494)	173,909,217	21,278,811

29. Related Party Transactions, continued

(5) Details of payment guarantees provided by the Group to the related parties as of December 31, 2024 and 2023 are as follows (In thousands of won):

December 31, 2024

Classification	Provided to	Credit providers		Amounts
Financial guarantees for shipbuilding	NURINURI S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED	₩	73,741,264
	GAONGAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		73,741,264
	GARAMGARAM S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,848
	MIRMIR S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,848
	HANBADAHANBADA S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,847
	RAONRAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,847
	DAONDAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,847
	HANULHANUL S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		75,975,847
Financial guarantees for scrubber equipment	HMM Co., Ltd.	Shinhan Bank, Hana Bank		18,145,410
			₩	621,483,022

December 31, 2023

Classification	Provided to	Credit providers		Amounts
Financial guarantees for shipbuilding	NURINURI S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED	₩	72,521,819
	GAONGAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		72,521,819
	GARAMGARAM S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
	MIRMIR S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
	HANBADAHANBADA S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
	RAONRAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
	DAONDAON S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
	HANULHANUL S.A.	STANDARD CHARTERED BANK (HONG KONG) LIMITED		74,481,869
Financial guarantees for scrubber equipment	HMM Co., Ltd.	Shinhan Bank, Hana Bank		32,157,541
			₩	624,092,393

29. Related Party Transactions, continued

(6) Implementation agreement of competitiveness enhancement plan with HMM Co., Ltd.
The Group signed an agreement to enhance the competitiveness of HMM Co., Ltd., and the main contents of the agreement are as follows:

Classification	Contents
Agreement implementer	Korea Ocean Business Corporation and HMM Co., Ltd.
Main contents of agreement	1. General rules - Objectives - Definition of terms 2. Contents of support for strengthening competitiveness - Support for strengthening competitiveness - Cooperation of the company 3. Competitiveness Secure - Management of HMM. Co., Ltd. - Operation of advisory group and management recommendation committee - Dispatch of cooperative officers - Prior consultation and prior report items - Information submission of management plan - Submission of executive evaluation results - Treatment of executives - Management improvement 4. Implementation and termination of the agreement - Inspection of contract performance - Effect of agreement - Termination and cancellation of agreement 5. Others - Change of agreement - Interpretation of agreement - Competent court - Responsibilities of Korea Ocean Business Corporation and HMM Co., Ltd. - Others
Period of agreement implementation	From December 26, 2024 to December 31, 2026 The agreement termination date is automatically extended for two years if neither party gives written notice of termination of the contract one month prior to the end of the period.

29. Related Party Transactions, continued

(7) Collateral provided to or received from related parties
There is no collateral provided or provided to any related party for the years ended December 31, 2024 and 2023.

(8) Compensation for the key management
The Group judged registered executive officers, non-registered executive officers, internal auditors and chief managers of each business department as key management personnel who have significant authority and responsibility for the planning, operating and controlling of business activities. Details of compensation to key management personnel for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Short-term employee compensation	₩	1,345,944	1,219,131
Retirement benefit		76,516	51,557
	₩	1,422,460	1,270,688

30. Statements of Cash Flows

(1) The details of cash and cash equivalents as of December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Cash	₩	-	-
Deposits in Korean won		413,899,613	665,634,593
Deposits in foreign currencies		733,050,961	368,065,104
		1,146,950,574	1,033,699,697
Less: Restricted due from bank		(72,519,054)	(173,228,779)
Due from banks with a maturity of three months or more at acquisition		(224,100,001)	(285,557,280)
	₩	850,331,519	574,913,638

(2) Significant transactions not involving cash and cash equivalents for the years ended December 31, 2024 and 2023 are as follows (In thousands of won):

		2024	2023
Reclassification from financial assets measured at FVTPL to investments in associates	₩	1,690,860,000	1,490,000,000
Reclassification from Indemnity receivables to financial assets measured at amortized cost		-	18,955,182

(3) Changes in liabilities arising from financing activities for the years ended December 31, 2024 and 2023 are as follow (In thousands of won):

		2024					
				Non-cash flow change			
		Beginning	Cash flow	Increase (decrease)	Interest expense	Change of exchange rate	Ending balance
Borrowings and debentures	₩	3,184,473,704	597,421,917	(3,047,351)	1,936,344	182,380,519	3,963,165,133
Lease liabilities		3,448,245	(912,452)	477,773	127,382	-	3,140,948
Security deposit		6,476,533	(6,542,570)	-	66,037	-	-
	₩	3,194,398,482	589,966,895	(2,569,578)	2,129,763	182,380,519	3,966,306,081

		2023					
				Non-cash flow change			
		Beginning	Cash flow	Increase (decrease)	Interest expense	Change of exchange rate	Ending balance
Borrowings and debentures	₩	2,755,396,981	465,267,643	(1,633,364)	817,973	(35,375,529)	3,184,473,704
Lease liabilities		493,219	(819,821)	3,702,691	72,156	-	3,448,245
Security deposit		6,346,805	-	-	129,728	-	6,476,533
	₩	2,762,237,005	464,447,822	2,069,327	1,019,857	(35,375,529)	3,194,398,482

31. Risk Management

(1) Objectives

Risk management aims to maintain our management stability by effectively managing risks that may arise in management activities. Risk management is regulated by the following principles.

- Risk is managed comprehensively and independently
- Risk is managed to balance benefits
- Risk is accurately recognized, measured, assessed and properly managed
- Risks are appropriately distributed to prevent bias
- Allowance limits are set and managed to prevent excessive risk exposure

(2) Risk management policy and strategy

The types of risks the Group can be exposed to include credit, market, liquidity and operational risks. The Group supports to realize profits reliably through the recognition, measurement, evaluation, control, monitoring and reporting of significant risks. The Group recognizes and measures various risks quickly and accurately and manages them at an appropriate level so that the Group can efficiently respond to internal and external risk factors in a rapidly changing financial environment.

(3) Risk management organization

Risk management organization consists of the board of directors, the risk management committee, risk management council, the risk management officer, the risk management department and the department conducting risk management.

(i) The risk management committee

The risk management committee oversees risk management activities such as effective supervision of risks arising from the management, establishes risk management policies and delegates to the board of directors the authority to make decisions related to risks and business decisions that involve risks. The risk management committee consists of one non-standing director and two standing directors.

(ii) Risk Management Council

Risk Management Council is operated as an affiliated organization that supports decision-making by the Risk Management Committee and plays a major consultation and coordination role between the control organization and the field department on risk management work. The Risk Management Council consists of one chairperson and five members.

(iii) Exchange Risk Management Committee

An organization to deliberate on important matters related to exchange risk management, it is responsible for deliberating on the exchange risk management plan and the legality of foreign exchange transactions involving foreign exchange risks. The Exchange Risk Management Committee consists of no more than seven members including the chairperson.

(iv) The risk management officer

The risk management officer reviews and analyzes the operation of risk limits, operates a risk management system, and timely provides risk management information to the risk management committee and the Groups' management. Currently, the risk management team leader is assigned as the risk management officer.

(v) The risk management general department

The risk management department integrally operates risk management tasks, manages and supports the committee, analyzes the Group's enterprise risk, prepares internal and external reporting, establishes and maintains a risk management system. The department manages capital adequacy, asset soundness, liquidity, and credit limit, and establishes and distributes each type of risk limits. The department monitors the Group's risk management, prepares and reports its risk analysis reports. The department develops and operates key indicators for risk management, implements and reports crisis analysis and stress testing, and disseminates risk management culture.

31. Risk Management, continued

(vi) The risk management department

The department conducting risk management performs its risk management tasks such as reviewing and monitoring of various risk limits allocated to business units.

(4) Risk management procedures

The Group's risk management procedures consist of identifying, measuring, analysing, monitoring, controlling and reporting its risks. Details of activities of each procedure are as follows:

(i) Identification

The identification procedures recognize the risks arising from the Group's business activities as type of guarantee, credit, market, interest rate, liquidity and operational risk.

(ii) Measuring

The measuring procedures measure and manage the risk exposures arising from guarantees, credit, market, interest rate and operational risks recognized as the Group's significant risks in accordance with the supplementary 2 in the Group's supervisory regulation.

(iii) Analysis

The analysis procedures collect the information of the Group's enterprise risk management status and analyse the impact on the Group.

(iv) Monitoring and controlling

In order to avoid, accept, transfer, or mitigate risks, the monitoring and controlling procedures set an appropriate level of risk limit, monitoring whether the limit is exceeded, and adjusting the limit if necessary.

(v) Reporting

The reporting procedures periodically report the monitoring results of the risk factors and countermeasures to the risk management committee and management.

(5) Setting and managing of risk limits

(i) Set up of risk capital

Based on the Group's capital, set the total amount of risk capital reflecting risk appetite is set up and approved by the Risk Management Committee.

(ii) Risk capital allocation

The allocated risk capital is managed by business unit and the limit of risk capital allocated to each unit is managed within the limit approved by the Risk Management Committee, which is determined based on integrated risk calculated with risk correlation.

(iii) Risk capital limit management

Each department primarily monitors the use of risk capital and the risk management general department performs the management of limit in terms of company-wide integrated risk and establishes a quarterly reporting system to the risk management committee.

31. Risk Management, continued

(6) Capital management

The Group complies with the capital adequacy standard by maintaining at least 8% of the ratio of risk-weighted assets to equity capital (hereinafter referred to as the "BIS capital ratio") under the supervisory regulations of the Korea Ocean Business Corporation.

The Group calculates risk-weighted assets by integrating credit, market, and operational risks, evaluates the adequacy of its holdings by comparing them with equity capital, and establishes and operates internal management procedures to maintain an appropriate equity capital ratio. The BIS capital ratio and equity capital are calculated based on consolidated financial statements

According to the supervisory regulations of the Korea Ocean Business Corporation, the capital of the Group is classified into common capital, other equity capital, and supplementary capital.

- Basic capital: the sum of common capital and other basic capital stock, common capital includes capital, additional paid in other capital, capital adjustment, retained earnings, accumulated other comprehensive income, and other basic capital includes capital securities and additional paid in other capital.
- Complementary capital: includes not more than 1.25% of credit risk-weighted assets, such as provisions accumulated for assets classified as normal or important.

Risk-weighted assets refer to the size of an asset that reflects the amount of risk that the Group must bear, including the risks inherent in the asset and the risks of loss due to internal processes and external events. Based on the supervisory regulations of the Korea Ocean Business Corporation, risk-weighted assets by risk are calculated and used to calculate BIS capital ratio.

BIS capital ratio as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Equity capital			
Common capital stock	₩	8,053,710,517	7,680,960,896
Other capital stock		-	-
Basic capital		8,053,710,517	7,680,960,896
Complementary capital stock		4,979,157	4,094,921
	₩	8,058,689,674	7,685,055,817
Total risk-weighted asset			
Total credit risk-weighted asset	₩	20,272,196,308	14,248,314,836
Total market risk-weighted asset		1,685,105,537	9,102,314,330
Total operating risk-weighted asset		6,435,798,877	4,322,085,514
	₩	28,393,100,722	27,672,714,681
BIS capital ratio		28.38%	27.77%

31. Risk Management, continued

(7) Matters concerning risk management by type

(i) Credit risk

a) Outline of credit risk
Credit risk is the risk (unexpected loss) that exceeds estimated loss if a counterparty fails to meet its contractual obligations or goes into defaults.

b) Measurement and management of credit risk
The Group's management soundness ratio calculation standard requires the Group to calculate the credit risk by applying risk reflect weights that the type of asset, the credit rating of the counterparty, the effect of credit mitigation through collateral and guarantee and so on. The Group evaluate the domestic counterparty's credit rating through a qualified credit rating institute.

Assets exposed to credit risk include deposits, securities, and others whose value or profit or loss is fluctuated due to bankruptcy or default of counterparty.

To manage credit risk, the Group set limits such as loss limits, operational limits, the Risk management department regularly monitors and reports to the committee whether each department abide by these limits.

c) Maximum exposure to credit risk

1) Maximum exposure to credit risk as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Due from banks	₩	1,146,950,574	1,033,699,697
Financial assets measured at FVTPL		1,996,556,066	3,821,550,502
Financial assets measured at FVOCI		278,863	48,904,900
Financial assets at amortized costs		2,167,160,706	1,089,631,443
Derivative assets		6,247,571	12,935,737
Financial lease receivables		223,454,826	335,960,150
Other receivables		22,770,119	24,246,793
	₩	5,563,418,725	6,366,929,222

2) Maximum exposure to credit risk related to off–balance accounts as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024	December 31, 2023
Financial guarantees	₩	1,546,855,926	1,819,639,653
Unused credit lines		-	559,759,527

31. Risk Management, continued

d) Credit risk mitigation by collateral and other credit enhancements

The quantification of the extent to which collateral and other credit enhancements mitigate credit risk as of December 31, 2024 and 2023, are as follows (In thousands of won):

	December 31, 2024		
	Exposures	Credit risk mitigation	Exposures after credit risk mitigation
Due from banks	₩ 1,146,950,574	-	1,146,950,574
Financial assets measured at FVTPL	1,996,556,066	488,765,732	1,507,790,334
Financial assets measured at FVOCI	278,863	-	278,863
Financial assets measured at amortized cost	2,167,160,707	1,688,012,148	479,148,559
Derivative assets	6,247,571	-	6,247,571
Financial lease receivables	223,454,826	185,502,345	37,952,481
Other receivables	22,770,119	-	22,770,119
	₩ 5,563,418,726	2,362,280,225	3,201,138,501

	December 31, 2023		
	Exposures	Credit risk mitigation	Exposures after credit risk mitigation
Due from banks	₩ 1,033,699,697	-	1,033,699,697
Financial assets measured at FVTPL	3,821,550,502	225,725,931	3,595,824,571
Financial assets measured at FVOCI	48,904,900	-	48,904,900
Financial assets measured at amortized cost	1,089,631,443	750,795,391	338,836,052
Derivative assets	12,935,737	-	12,935,737
Financial lease receivables	335,960,150	134,127,887	201,832,263
Other receivables	24,246,793	-	24,246,793
	₩ 6,366,929,222	1,110,649,209	5,256,280,013

e) Credit quality of loans and others

1) Credit quality is classified based on external credit grades as follows:

	External credit rate
Grade 1	Risk free
Grade 2	AAA
Grade 3	AA+ ~ BBB-
Grade 4	Below BB+ or unrated

31. Risk Management, continued

2) The gross carrying amount of financial assets and other assets by credit risk grade as of December 31, 2024 and 2023 are as follows (In thousands of won):

<Loans measured at FVTPL>

		December 31, 2024	December 31, 2023
Grade 1	₩	-	-
Grade 2		-	-
Grade 3		246,900,102	30,579,238
Grade 4		393,317,839	459,948,659
	₩	640,217,941	490,527,897

<Loans measured at amortized cost>

		December 31, 2024			
			Lifetime expected credit loss		
		12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩	-	-	-	-
Grade 2		-	-	-	-
Grade 3		753,888,624	-	-	753,888,624
Grade 4		1,149,918,123	-	-	1,149,918,123
	₩	1,903,806,747	-	-	1,903,806,747

		December 31, 2023			
			Lifetime expected credit loss		
		12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩	-	-	-	-
Grade 2		-	-	-	-
Grade 3		193,293,569	-	-	193,293,569
Grade 4		790,848,599	-	-	790,848,599
	₩	984,142,168	-	-	984,142,168

31. Risk Management, continued

<Other receivables>

	December 31, 2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ 29,727	-	-	29,727
Grade 2	5,356,324	-	-	5,356,324
Grade 3	11,387,335	-	-	11,387,335
Grade 4	6,012,679	-	-	6,012,679
	₩ 22,786,065	-	-	22,786,065

	December 31, 2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ 66,576	-	-	66,576
Grade 2	10,950,013	-	-	10,950,013
Grade 3	3,939,141	-	-	3,939,141
Grade 4	9,333,647	-	-	9,333,647
	₩ 24,289,377	-	-	24,289,377

31. Risk Management, continued

<Debt instruments at FVOCI>

	December 31, 2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	278,863	-	-	278,863
	₩ 278,863	-	-	278,863

	December 31, 2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	-	-	-	-
Grade 3	-	-	-	-
Grade 4	48,904,901	-	-	48,904,901
	₩ 48,904,901	-	-	48,904,901

<Debt instruments at amortized cost>

	December 31, 2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	10,005,000	-	-	10,005,000
Grade 3	223,933,825	-	-	223,933,825
Grade 4	32,924,800	-	-	32,924,800
	₩ 266,863,625	-	-	266,863,625

	December 31, 2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	20,000,000	-	-	20,000,000
Grade 3	3,000,000	-	-	3,000,000
Grade 4	85,653,500	-	-	85,653,500
	₩ 108,653,500	-	-	108,653,500

31. Risk Management, continued

< Financial lease receivables >

	December 31, 2024			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	-	-	-	-
Grade 3	11,206,266	-	-	11,206,266
Grade 4	212,357,654	-	-	212,357,654
	₩ 223,563,920	-	-	223,563,920

	December 31, 2023			
		Lifetime expected credit loss		
	12-month expected credit loss	Non-credit impaired	Credit impaired	Total
Grade 1	₩ -	-	-	-
Grade 2	-	-	-	-
Grade 3	182,761,430	-	-	182,761,430
Grade 4	154,076,670	-	-	154,076,670
	₩ 336,838,100	-	-	336,838,100

3) Exposure to credit risk for payment guarantee contracts by credit risk grade as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024		
		Lifetime expected credit loss	
	12-month expected credit loss	Non-credit-impaired	Credit-impaired
Grade 1	₩ -	-	-
Grade 2	-	-	-
Grade 3	1,097,865,692	-	-
Grade 4	413,091,319	-	51,215,288
	₩ 1,510,957,011	-	51,215,288

	December 31, 2023		
		Lifetime expected credit loss	
	12-month expected credit loss	Non-credit-impaired	Credit-impaired
Grade 1	₩ -	-	-
Grade 2	-	-	-
Grade 3	1,022,547,009	-	-
Grade 4	797,092,644	-	-
	₩ 1,819,639,653	-	-

31. Risk Management, continued

4) As of December 31, 2024, there is no credit risk exposure related to unused commitments. As of December 31, 2023, the credit risk exposure related to unused commitments by credit risk rating is as follows (In thousands of won):

	December 31, 2023		
		Lifetime expected credit loss	
	12-month expected credit loss	Non-credit-impaired	Credit-impaired
Grade 1	₩ -	-	-
Grade 2	-	-	-
Grade 3	452,702,024	-	-
Grade 4	107,057,503	-	-
	₩ 559,759,527	-	-

f) Credit risk concentration by industry

Credit risk concentration by industry of debt instruments and others as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024				
	Government and public administration	Financial services	Manufacturing	Service business	Total
Due from banks	₩ -	1,146,950,574	-	-	1,146,950,574
Financial assets measured at FVTPL	-	-	-	1,996,556,066	1,996,556,066
Financial assets measured at FVOCI	-	-	-	278,863	278,863
Financial assets at amortized cost	10,002,749	-	-	2,157,157,957	2,167,160,706
Derivative assets	-	6,247,571	-	-	6,247,571
Finance lease receivables	-	-	-	223,454,826	223,454,826
Other receivables	29,727	6,534,850	-	16,205,542	22,770,119
	10,032,476	1,159,732,995	-	4,393,653,254	5,563,418,725
Financial guarantees	-	-	-	1,546,855,926	1,546,855,926
	₩ 10,032,476	1,159,732,995	-	5,940,509,180	7,110,274,651

31. Risk Management, continued

	December 31, 2023				
	Government and public administration	Financial services	Manufacturing	Service business	Total
Due from banks ₩	-	1,033,699,697	-	-	1,033,699,697
Financial assets measured at FVTPL	-	-	-	3,821,550,502	3,821,550,502
Financial assets measured at FVOCI	-	-	-	48,904,900	48,904,900
Financial assets at amortized cost	-	19,995,500	-	1,069,635,943	1,089,631,443
Derivative assets	-	12,935,737	-	-	12,935,737
Finance lease receivables	-	-	-	335,960,150	335,960,150
Other receivables	66,576	10,646,659	-	13,533,558	24,246,793
	66,576	1,077,277,593	-	5,289,585,053	6,366,929,222
Financial guarantees	-	-	-	1,819,639,653	1,819,639,653
Unused credit lines	-	-	-	559,759,527	559,759,527
	-	-		2,379,399,180	2,379,399,180
₩	66,576	1,077,277,593	-	7,668,984,233	8,746,328,402

31. Risk Management, continued

g) Credit risk concentration by country

Credit risk concentration by country of financial instruments and payment guarantee contracts as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024		
	Korea	Others	Total
Due from banks ₩	1,146,950,574	-	1,146,950,574
Financial assets measured at FVTPL	1,954,196,362	42,359,704	1,996,556,066
Financial assets measured at FVOCI	-	278,863	278,863
Financial assets at amortized cost	2,167,160,706	-	2,167,160,706
Derivative assets	6,247,571	-	6,247,571
Finance lease receivables	223,454,826	-	223,454,826
Other receivables	22,770,119	-	22,770,119
	5,520,780,158	42,638,567	5,563,418,725
Financial guarantees	1,546,855,926	-	1,546,855,926
₩	7,067,636,084	42,638,567	7,110,274,651

	December 31, 2023		
	Korea	Others	Total
Due from banks ₩	1,033,699,697	-	1,033,699,697
Financial assets measured at FVTPL	3,805,594,439	15,956,063	3,821,550,502
Financial assets measured at FVOCI	48,626,037	278,863	48,904,900
Financial assets at amortized cost	1,089,631,443	-	1,089,631,443
Derivative assets	12,935,737	-	12,935,737
Finance lease receivables	335,960,150	-	335,960,150
Other receivables	24,246,793	-	24,246,793
	6,350,694,296	16,234,926	6,366,929,222
Financial guarantees	1,819,639,653	-	1,819,639,653
Unused credit lines	559,759,527	-	559,759,527
	2,379,399,180	-	2,379,399,180
₩	8,730,093,476	16,234,926	8,746,328,402

(ii) Operational risk

Operational risk refers to incur losses due to improper or inadequate internal procedures, personnel and systems, or external events. The Group measures the operating risk based on supervisory regulations of the Korea Ocean Business Corporation. As of December 31, 2024 and 2023, the amount of operation risk is ₩6,435,798,877 thousands and ₩ 4,322,085,514 thousands, respectively.

31. Risk Management, continued

(iii) Market risk

a) Outline of market risk
Market risk means the possibility of a loss due to a decline in the value of an asset caused by fluctuations in market prices such as stock prices, interest rates, and exchange rates.

b) Measurement and management of market risk
Market risk is measured according to the Group's management soundness ratio standard. The market risk is calculated by dividing financial assets held-for-trading, exchange-traded derivatives, assets and liabilities denominated in foreign currency into risk items by risk factors. The total market risk as of December 31, 2024 and 2023 amounts to ₩1,685,105,537 thousand and ₩9,102,314,330 thousand, respectively.

c) Sensitivity analysis about risk factors such as interest rate and others

Sensitivity analysis analyse the changes in the market price of the underlying assets due to changes of risk factors. The Group's change of solvency amount is affected by interest rate, stock price and exchange rate. (In thousands of won):

	December 31, 2024	
	100bp increase	100bp decrease
Increase (decrease) of income	₩ (54,037,070)	54,037,070

	December 31, 2023	
	100bp increase	100bp decrease
Increase (decrease) of income	₩ (85,230,136)	85,230,136
Increase (decrease) of equity	(3,551,832)	3,551,832

(iv) Interest rate risk

a) Outline of interest rate risk
Interest rate risk refers to the risk that the net asset value decreases due to the economic loss caused by the future market interest rate fluctuation and the maturity structure of assets and liabilities.

b) Measurement and management of interest rate risk
The Group calculates interest rate VaR, interest rate gap, duration gap, etc. to measure the sensitivity of our economic value due to interest rate fluctuations.
In addition, interest rate risk is managed stably by estimating interest rate sensitivity reflecting the capital raising plan.

31. Risk Management, continued

(v) Liquidity risk

a) Outline of interest liquidity risk
Liquidity risk refers to confront of insolvency due to shortage of funds such as unexpected outflow, or danger to get loss due to the procurement of high interest funds, adverse sale of securities for solving the shortage of funds.

b) Measurement and management of liquidity risk
Liquidity risk is managed through the won liquidity ratio and the foreign currency liquidity ratio. The Group measures the liquidity ratio of won and foreign currency every month and estimate the liquidity ratio reflecting the financing plan to manage liquidity risk stably.

c) The remaining maturity structure of financial liabilities as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024					
	Less than 3 months	Less than 6 months	Less than 1 year	Less than 5 years	More than 5 years	Total
Borrowings	₩ -	149,998,596	109,995,460	2,664,007,525	1,039,163,552	3,963,165,133
Lease liabilities	3,140,948	-	-	-	-	3,140,948
Derivative instruments	-	-	-	14,183,823	-	14,183,823
Off–balance accounts:						
Financial guarantees	-	-	227,677,717	1,194,994,960	124,183,249	1,546,855,926
	₩ 3,140,948	149,998,596	337,673,177	3,873,186,308	1,163,346,801	5,527,345,830

	December 31, 2023					
	Less than 3 months	Less than 6 months	Less than 1 year	Less than 5 years	More than 5 years	Total
Borrowings	₩ 199,985,701	-	809,805,513	1,135,545,743	1,039,136,747	3,184,473,704
Lease liabilities	-	-	23,342	3,424,903	-	3,448,245
Derivative instruments	-	-	2,424,282	11,843,080	-	14,267,362
Off–balance accounts:						
Financial guarantees	1,152,233	11,386,870	47,795,316	1,650,299,146	109,006,088	1,819,639,653
Unused credit lines	-	-	-	-	559,759,527	559,759,527
	₩ 201,137,934	11,386,870	860,048,453	2,801,112,872	1,707,902,362	5,581,588,491

32. Unconsolidated Structured Entities

The nature and risks of the Group's interests in unconsolidated structured entities that does not have control in accordance with K-IFRS 1110 are as follows.

The Group's interests in unconsolidated structured entities are classified into asset securitization, structured finance and investment funds according to the nature and purpose of the structured company.

Classification	Main characteristics
Asset securitization	An asset securitization company is a party that purchases assets from asset holders and issues asset-backed securities based on these assets. These companies are established to improve the soundness of financial structure by facilitating corporate financing. The Group has purchased securitized stock issued by an unconsolidated structured entities using corporate bonds as underlying assets. In the following cases, the Group does not consolidate the securitization company. (i) If the Group is unable to modify the terms of contract for securities issued by the specific securitization company or to determine or approve the disposal of the assets of the specific securitization company. (ii) (Although (i) is possible) if the Group does not have the exclusive or major power to do so (iii) If the Group is not exposed to the significant variable profit or does not have the right as a result of purchase (or purchase agreement) of asset securitization stock or subordinated bonds issued by asset securitization company, or provide other forms of credit enhancement.
Structured finance	Structured entities for structured finance include ship finance or special purpose companies for port terminal business. Each entity is established as a separate company with a limited purpose, in order to efficiently promote the business, and finances are raised through equity investment or loans from financial institutions and participating institutions. "Structured finance" is primarily used as a funding method for large-scale, high-risk projects, where investments in these entities are made based on the economic feasibility of the specific business or project itself, rather than relying on the creditworthiness or tangible collateral of the project initiator. Investors receive returns from the revenues generated by the project's operations. The Group provides funding to structured entities for structured finance in the form of loans, equity investments, or various types of credit facilities as needed. The Group recognizes interest income, gains or losses on equity investments, and dividend income in connection with these activities. While there are entities that provide financial support, such as capital replenishment, joint guarantees, or senior credit facilities, before the Group, uncertainties in structured finance remain. In cases of failed scheduled fund recovery or project discontinuation, the Group may be exposed to principal losses due to a decline in investment value or losses arising from the inability to recover loaned amounts.
Investment fund	Investment funds are investment trusts, private equity firms and associations that raise funds by issuing beneficiary certificates to investors, invest in stocks or bonds, and distribute the profits to investors. The Group invests in shares of investment funds or acts as a collective investment manager, general partner (GP), or other fiduciary entity responsible for managing and operating assets on behalf of other investors. An investment trust operates under a trust agreement, where the trustee manages investments based on instructions and distributes returns to investors. A private equity fund raises capital through private placements for equity investments aimed at management participation and corporate governance improvement, with returns distributed among the investors. As an investor in investment funds, the Group recognizes gains or losses on equity investments and dividend income in proportion to its ownership interest. Additionally, the Group may be exposed to principal losses if the value of the investment fund declines.

32. Unconsolidated Structured Entities, continued

1) The asset size of the unconsolidated structured entities as of December 31, 2024 and 2023 are as follows (In thousands of won):

	December 31, 2024			
	Asset securitization	Structured finance	Investment fund	Total
Assets of unconsolidated structured entities ₩	2,445,042,389	4,220,531,029	1,123,434,137	7,789,007,555

	December 31, 2023			
	Asset securitization	Structured finance	Investment fund	Total
Assets of unconsolidated structured entities ₩	5,142,246,683	3,975,753,284	946,794,107	10,064,794,074

2) Maximum exposure to loss from its interests in unconsolidated structured entities as of December 31, 2024 and 2023 are as follows (In thousands of won):

		December 31, 2024		
		Asset securitization	Structured finance	Investment fund
Maximum exposure to loss (*):				
Assets	₩	2,978,372	-	598,861,128
Commitment on capital call		-	-	79,586,353
Guarantees and unused credit offering		-	1,353,540,786	-
	₩	2,978,372	1,353,540,786	678,447,481
Items considered to determine maximum exposure		Book value	Payment amount of guarantee	Book value and Amount of investment agreement

(*) Maximum exposure includes the amount of assets recorded by the Group, and the amount of assets is the balance after adjusting the amount of losses recognized by the Group (provision for credit losses and impairment losses, etc.)

		December 31, 2023		
		Asset securitization	Structured finance	Investment fund
Maximum exposure to loss (*):				
Assets	₩	6,593,063	-	490,774,800
Commitment on capital call		-	-	126,169,887
Guarantees and unused credit offering		-	1,507,973,224	-
	₩	6,593,063	1,507,973,224	616,944,687
Items considered to determine maximum exposure		Book value	Payment amount of guarantee	Book value and Amount of investment agreement

(*) Maximum exposure includes the amount of assets recorded by the Group, and the amount of assets is the balance after adjusting the amount of losses recognized by the Group (provision for credit losses and impairment losses, etc.)

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