



Kookmin Bank Auckland Branch
Disclosure Statement

For the six months ended

30 June 2024

Disclosure Statement
For the six months ended 30 June 2024

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The General Manager, Dohan Kim has been authorised to sign on behalf of each of the Directors, and on his own behalf has pleasure in presenting the Condensed Financial Statements and Disclosure Statement of Kookmin Bank – Auckland Branch For the six months ended 30 June 2024.



Dohan Kim

The Financial Statements and Disclosure Statement has been signed on behalf of each of the Directors of the Overseas Bank by Dohan Kim who also signs in his personal capacity as General Manager of Kookmin Bank – Auckland Branch.
29 August 2024

General Disclosures – Kookmin Bank Auckland Branch

For six months ended 30 June 2024

1. Reporting Directive

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

2. Branch

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

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

3. Registered Bank and Overseas Bank

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

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

4. Ultimate Parent Bank

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

5. Ultimate Holding Company

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

6. Ranking of local creditors in a winding up

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

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

7. Holding excess of assets

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

8. Reserves of deposit liabilities of Korea

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

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

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

General Disclosures – Kookmin Bank Auckland Branch
For six months ended 30 June 2024

9. Guarantee Arrangements

No material obligations of the Registered Bank are guaranteed.

10. Responsible person of the Branch

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

Communication addressed to the Responsible Person may be sent to:

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

11. Directors of the Overseas Bank

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

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

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

Executive Directors

Name	Occupation	Qualification	External Directorship
Jae Keun Lee	CEO	M.B.A.	KB Financial Group Inc.
Yeong Gi Kim	Chief Audit Executive	Ph. D. in Business Administration	-
Seog Ho Son	Executive Director	B.A. in Sociology	-

Chai Hyun Sung resigned on 31st December of 2023

Independent Directors

Name	Occupation	Qualification	External Directorship
Sue Bok Moon	Professor, KAIST University	Ph.D. in Computer Science	-
Yong Keun Yoo	Professor, Korea University	Ph.D. in Accounting	-
Tae-Jong Seo	President, Korea Banking Institute	Master of Public Administration	-
Sung Jin Kim	Advisor, Mirae Asset Securities Co., Ltd.	Master of Law	-
Jungsook Lee	-	Master of Law	-

All Directors reside in the Republic of Korea.

Gang Hyeon An resigned 21st March of 2024.

General Disclosures – Kookmin Bank Auckland Branch
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Audit Committee

Name	Occupation	Qualification	External Directorship
Tae-Jong Seo	President, Korea Banking Institute	Master of Public Administration	-
Yeong Gi Kim	Chief Audit Executive	Ph. D. in Business Administration	-
Jungsook Lee	-	Master of Law	-

Yong Keun Yoo resigned on 21st March of 2024.

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

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

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

12. Auditors of the Disclosure Statement

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

13. Conditions of Registration for Kookmin Bank in New Zealand

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

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

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

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

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

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

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

For the purposes of this condition of registration,

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

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

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

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

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

- (a) must be calculated as a percentage of the registered bank’s risk weighted exposures; and

General Disclosures – Kookmin Bank Auckland Branch
For six months ended 30 June 2024

(b) are otherwise as administered by the Financial Supervisory Service of Korea.

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

In these conditions of registration,

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

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

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

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

In conditions of registration 8 and 9, —

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

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

"loan-to-valuation measurement period" means a rolling period of six calendar months ending on the last day of the sixth

General Disclosures – Kookmin Bank Auckland Branch
For six months ended 30 June 2024

calendar month.

In conditions of registration 10 and 11, —

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

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

“debt-to-income measurement period” means—

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

In conditions of registration 12,—

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

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

14. Changes of condition of registration

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

15. Credit Ratings

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

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

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

16. Other Material Matters

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

17. Interim financial reporting

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

These condensed financial statements should be read in conjunction with the full reporting Disclosure Statement as at 31 December 2023.

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

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

General Disclosures – Kookmin Bank Auckland Branch
For six months ended 30 June 2024

The Directors' and Chief Executive Officer Statement

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

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

Each Director of the Overseas Bank and the General Manager of the Branch believes, after due enquiry by them, that over the six months ended 30 June 2024:

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

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



Dohan Kim

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

29 August 2024



Independent Auditor's Review Report

To the Directors of Kookmin Bank Auckland Branch - (the New Zealand Branch)

Report on the half year disclosure statement

Conclusion

Based on our review of the condensed interim financial statement and supplementary information of Kookmin Bank (the **Branch**) on pages 15 to 41, nothing has come to our attention that causes us to believe that:

- i. the condensed interim financial statements (excluding the supplementary information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the **Order**), have not been prepared, in all material respects, with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (**NZ IAS 34**)
- ii. the supplementary information (excluding supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements) that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order and is included within notes 22, 23, 24, 26, 27, 28, 31, 32 and 33 of the half year disclosure statement:
 - does not present fairly, in all material respects, the matters to which it relates;
 - is not disclosed, in all material respects, in accordance with those schedules; and
 - has not been prepared, in all material respects, in accordance with any condition of registration relating to disclosure requirements, imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

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

- the condensed interim financial statements formed of:
 - the condensed statement of financial position as at 30 June 2024;
 - the condensed statements of comprehensive income, changes in head office account and cash flows for the six-month period then ended; and
 - notes, including material accounting policy information and other explanatory information;
- the supplementary information prescribed in Schedules 5, 7, 12 and 14 of the Order.

Basis for conclusion

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

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

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

Use of this Independent Auditor's Review Report

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

Responsibilities of Directors for the half year disclosure statement

The Directors on behalf of the Branch are responsible for:

- The preparation and fair presentation of the Branch half year disclosure statement in accordance with NZ IAS 34 and Schedules 5, 7, 12 and 14 of the Order; and
- implementing necessary internal control to enable the preparation of half year disclosure statement that is fairly presented and free from material misstatement, whether due to fraud or error.
- assessing the ability to continue as a going concern. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate or to cease operations, or have no realistic alternative but to do so.

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

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

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

- condensed financial statements, taken as a whole, does not present fairly, in all material respects, the Branch's financial position as at 30 June 2024 and its financial performance and cash flows for the six-month period ended on that date;
- condensed financial statements, taken as a whole, does not, in all material respects, comply with NZ IAS 34; and
- the supplementary information does not, fairly state, in all material respects, the matters to which it relates in accordance with Schedules 5, 7, 12 and 14 of the Order.



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

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and consequently does not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the half year disclosure statement.

For and on behalf of:

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

KPMG

Auckland

29 August 2024



Independent Limited Assurance Report to the directors of Kookmin Bank Auckland Branch - the New Zealand Branch

Conclusion on the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements

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

Based on our limited assurance engagement, which is not a reasonable assurance engagement or audit, nothing has come to our attention that would lead us to believe that the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, disclosed in note 28, 29 and 30 to the disclosure statement, is not, in all material respects disclosed in accordance with Schedule 9 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the **Order**).

Information subject to assurance

We have reviewed the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements, as disclosed in note 28, 29 and 30 of the disclosure statement for the period 1 January 2024 to 30 June 2024.

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

Criteria

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

Standards we followed

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

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

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

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

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

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

Inherent limitations

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

A limited assurance engagement for the period 1 January 2024 to 30 June 2024 does not provide assurance on whether compliance with Schedule 9 of the Order will continue in the future.

Use of this assurance Report

Our report is made solely for Kookmin Bank Auckland Branch. Our assurance work has been undertaken so that we might state to Kookmin Bank Auckland Branch those matters we are required to state to them in the assurance report and for no other purpose. We consent to the Reserve Bank of New Zealand (**RBNZ**) receiving a copy of our report.

Our report is released to Kookmin Bank Auckland Branch and the RBNZ on the basis that it shall not be copied, referred to or disclosed, in whole or in part, without our prior written consent. No other third party is intended to receive our report.

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



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

Our conclusion is not modified in respect of this matter.

Kookmin Bank Auckland Branch's responsibility for the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements

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

Our responsibility

Our responsibility is to express a conclusion to Kookmin Bank Auckland Branch on whether anything has come to our attention that would lead us to believe that, in all material respects the supplementary information relating to Capital Adequacy and Regulatory Liquidity Requirements has not been disclosed in accordance with Schedule 9 of the Order for the period 1 January 2024 to 30 June 2024.

Our independence and quality management

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

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

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

KPMG

Auckland

29 August 2024

Condensed Financial Statements – Kookmin Bank Auckland Branch

Condensed Statement of Comprehensive Income

For the six months ended 30 June 2024

	Note	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Interest revenue	34	26,197,682	25,406,617	57,077,630
Interest expense		(18,477,003)	(18,010,414)	(40,968,646)
Net interest income (expense)		7,720,679	7,396,203	16,108,984
Fee and commission revenue	34	922,203	525,063	1,411,494
Fee and commission expense		(73,085)	(61,407)	(148,127)
Net fee and commission income		849,118	463,656	1,263,367
Realised and unrealised gain on financial assets at fair value through profit or loss	2	2,962,465	473,187	(4,077,051)
Other operating income	3	131,418	135,663	3,711,197
Total Operating income		11,663,680	8,468,709	17,006,497
Impairment recoveries (losses) on loans and advances		463,311	(355,590)	(558,716)
Administrative expenses		(2,407,098)	(2,179,467)	(4,743,913)
Other operating expenses		(2,681,364)	(756,147)	(456,117)
Net profit (loss) before tax		7,038,529	5,177,505	11,247,751
Income tax benefit (expense)	5	(2,022,031)	(1,449,701)	(3,429,887)
Profit (loss) after income tax attributable to Head Office		5,016,498	3,727,804	7,817,864
Other comprehensive income, net of tax		-	-	-
Total Comprehensive income (loss) attributable to Head Office	4	5,016,498	3,727,804	7,817,864

The accompanying notes on page 20 to 41 form part of these condensed financial statements

Condensed Financial Statements – Kookmin Bank Auckland Branch

Condensed Statement of Changes in Head Office Account

For the six months ended 30 June 2024

	Note	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Head Office account at beginning of the period as previously reported		11,726,902	3,616,916	3,616,916
Profit / (loss) for the period		5,016,498	3,727,804	7,817,864
Other comprehensive income for the period, net of tax		-	-	-
Total comprehensive income (loss) for the period		5,016,498	3,727,804	7,817,864
Other movement				
Amount reimbursed from (repatriated to) Head Office	6	(8,853,608)	292,122	292,122
Head Office account at end of the period		7,889,792	7,636,842	11,726,902

The accompanying notes on page 20 to 41 form part of these condensed financial statements

Condensed Financial Statements – Kookmin Bank Auckland Branch

Condensed Statement of Financial Position

As at 30 June 2024

	Note	(Unaudited) 30 June 2024 (\$)	(Unaudited) 30 June 2023 (\$)	(Audited) 31 December 2023 (\$)
ASSETS				
Cash and cash equivalents		83,830,492	202,011,498	86,506,868
Due from other banks		-	-	-
Loans and advances to customers	8	415,883,299	523,895,180	523,464,385
Due from related parties	9	50,171,162	109,738,996	154,988,733
Derivative financial assets	9,14,25	-	469,299	-
Current tax assets	5	-	-	1,913,050
Other assets		15,880	17,719	15,706
Property and equipment		1,178,895	1,342,354	1,257,419
Right-of-use assets	10	1,454,888	1,815,615	1,635,252
Deferred tax assets	11	446,533	3,663,121	588,512
Intangible assets		6,241	8,511	7,376
Total assets		552,987,390	842,962,293	770,377,301
LIABILITIES				
Due to other banks	23	29,644	304,061,990	81,097,230
Deposit from customers	12	201,867,683	206,207,561	228,241,183
Certificate of deposits	13	64,670,624	-	93,852,400
Due to related parties	9	272,198,019	309,905,187	345,320,604
Derivative financial liabilities	9,14,25	741,577	-	5,804,102
Current tax liabilities	5	1,667,838	368,815	-
Provisions	15	162,325	11,191,345	190,315
Other liabilities		2,018,171	1,466,409	2,210,856
Lease liabilities	20	1,741,717	2,124,144	1,933,709
Total liabilities		545,097,598	835,325,451	758,650,399
EQUITY				
Head Office account		7,889,792	7,636,842	11,726,902
Total equity and liabilities		552,987,390	842,962,293	770,377,301
Additional disclosures				
Total interest earning and discount bearing assets	21	536,370,747	830,715,174	756,461,969
Total interest and discount bearing liabilities	21	538,697,864	820,133,879	748,471,675
Total liabilities net of amounts due to related	21	272,158,002	525,420,264	407,525,693

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

The accompanying notes on page 20 to 41 form part of these condensed financial statements

Condensed Financial Statements – Kookmin Bank Auckland Branch

Condensed Statement of Cash Flows

For the six months ended 30 June 2024

		(Unaudited) 6 months ended 30 June 2024 Note (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Cash flows from operating activities				
Interest received		27,699,777	25,695,675	55,849,982
CCCFA Interest and other income remediation paid		-	-	(11,005,267)
Other income received		5,646,804	1,066,303	4,576,270
Interest paid		(20,602,286)	(14,733,021)	(41,304,675)
Interest portion of lease liability		(13,165)	(15,867)	(30,588)
Other operating expenses		(4,235,622)	(2,064,317)	(4,788,876)
Lease liabilities – Short term and low value		-	-	-
Taxation paid		1,700,858	(2,096,297)	(3,283,739)
Cash flows from operating activities before changes in operating assets and liabilities		10,196,366	7,852,476	13,107
Net increase in loans advanced to customers		109,944,651	60,156,297	59,982,305
Net increase/(decrease) in due to other banks		(112,459,790)	52,090,275	(79,965,670)
Net increase/(decrease) in deposits from customers		(27,772,017)	(4,050,948)	18,153,135
Cash flows from operating assets and liabilities		(30,287,156)	108,195,624	(1,830,230)
Net cash flows from/(used in) operating activities	4	(20,090,790)	116,048,100	(1,817,123)
Cash flows from investing activities				
Purchase of property and equipment		-	(31,180)	(58,046)
Intangibles		-	(9,078)	(9,078)
Deposit paid for right-of-use asset		-	-	-
Net cash flows from investing activities		-	(40,258)	(67,124)
Cash flows from financing activities				
Bankers' acceptance advances received from Head Office		113,444,420	70,577,856	21,566,635
Funding received from Head Office		(85,913,033)	(40,736,140)	4,285,533
Lease liability principal		(191,992)	(189,289)	(379,724)
Repatriation (to)/from Head Office	6	(8,853,608)	292,122	292,122
Net cash flows from financing activities		18,485,787	29,944,549	25,764,566
Net (decrease)/increase in cash and cash equivalents		(1,605,003)	145,952,391	23,880,319
Cash and cash equivalents at the beginning of the year		86,506,868	56,520,848	56,520,848
Effect of exchange rate changes on cash and cash equivalents		(1,071,373)	(461,741)	6,105,701
Cash and cash equivalents at the end of the year		83,830,492	202,011,498	86,506,868

The accompanying notes on page 20 to 41 form part of these condensed financial statements

Condensed Statement of Cash Flows (continued)

For the six months ended 30 June 2024

	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2023 (\$)	<i>(Audited)</i> 12 months ended 31 December 2023 (\$)
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Analysis of cash and cash equivalents

Cash and demand balances with other banks	83,830,492	202,011,498	86,506,868
Due from other banks	-	-	-
	83,830,492	202,011,498	86,506,868

Notes to the condensed financial statements

For the six months ended 30 June 2024

1. Statement of Accounting Policies

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

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

These condensed financial statements were authorised for issue by the General Manager on behalf of all the Directors on 29 August 2024.

Changes in accounting policy and disclosure

Basis of preparation

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

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

Following on RBNZ’s consultation paper dated 7 November 2023, restricting overseas Branch to wholesale business (that is, transacting with corporates, institutions, and other wholesale investors), the Branch is investigating a range of options in conjunction with head Office. Whilst a range of options have been considered no definitive plan has been approved by the head office or local regulators. The completion of any of the options will take time and the branch will remain a going concern whilst these reconsidered and at least for the 12 month from the date of signing of this disclosure statement.

There were no changes in accounting policies and methods in the period to 30 June 2024.

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

	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Realised and unrealised gain on financial instruments			
Realised gain on financial assets at fair value through profit or loss	2,371,477	-	1,727,051
Unrealised gain on financial assets at fair value through profit or loss	590,988	473,187	(5,804,102)
	2,962,465	473,187	(4,077,051)

3. Other operating income

	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Gain on Foreign Exchange rate change	74,903	120,913	3,665,012
Movement in provision for unused commitment	13,667		
Movement in provision for guarantee	503		
Other Revenues and Gains	42,345	14,750	46,185
	131,418	135,663	3,711,197

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

	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Profit for the year	5,016,498	3,727,804	7,817,864
Add: Non-cash items			
Unrealised foreign exchange gain	2,489,503	461,741	(3,622,690)
Fair value valuation gain / (loss)	-	-	-
Loss on sale of property and equipment	-	-	-
Leased assets	180,364	-	-
Depreciation	79,659	270,863	564,162
Change in loan impairment provision	(463,311)	350,907	558,716
Change in provision for unused commitment	(13,667)	4,801	9,900
Change in provision for guarantee	(503)	(118)	(146)
	2,272,045	1,088,194	(2,490,058)
Add: Movements in statement of financial position items			
Movement in interest accruals	(785,537)	3,603,885	(211,199)
Movement in operating expense accruals	(1,540)	79,189	5,741,627
Movement in other accruals	(27,967)	-	(10,991,276)
Movement in remediation provision	-	-	-
Movement in income tax payable	3,580,888	(539,873)	(2,821,738)
Movement in deferred tax	141,979	(106,723)	2,967,886
Movement in loans and advances to customers	109,944,651	60,156,297	59,982,305
Movement in amounts due from other banks	-	-	-
Movement in amounts due to other banks	(112,459,790)	52,090,275	(79,965,669)
Movement in deposits from customers	(27,772,017)	(4,050,948)	18,153,135
	(27,379,333)	111,232,102	(7,144,929)
Net cash flows from operating activities	(20,090,790)	116,048,100	(1,817,123)

5. Income tax expense

	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Recognised in the Statement of Comprehensive Income			
Current taxation	1,880,052	1,556,424	462,001
Deferred taxation			
Origination and reversal of temporary differences	141,979	(106,723)	2,967,886
Total income tax expense (benefit) in Statement of Comprehensive Income	2,022,031	1,449,701	3,429,887

*As at 30 June 2024, current tax liabilities amounted to \$1,667,838 (30 June 2023: current tax liabilities of \$368,815, 31 December 2023: current tax assets of \$1,913,050).

	(Unaudited) 6 months ended 30 June 2024 (\$)	(Unaudited) 6 months ended 30 June 2023 (\$)	(Audited) 12 months ended 31 December 2023 (\$)
Reconciliation of effective tax rate			
Profit / (loss) before tax	7,038,529	5,177,505	11,247,751
Income tax using the domestic corporation rate	1,970,788	1,449,701	3,149,370
Tax effect of non-deductible expenses	51,243	-	280,517
Total income tax expense (benefit) in Statement of Comprehensive Income	2,022,031	1,449,701	3,429,887
Effective tax rate	28.7%	28.0%	30.5%

The relevant domestic corporate rate is 28%.

6. Repatriation of funds to Head Office

During the interim period, the Branch has repatriated \$8,853,608 to the Head Office (6 months ended 30 June 2023: \$ 292,122 reimbursed from the Head Office, 12 months ended 31 December 2023: \$ 292,122 reimbursed from the Head Office).

7. Segment information

The Branch operates predominantly in the Financial Services industry within New Zealand.

8. Loans and advances to customers

Loans and advances to customers at amortised cost

	(Unaudited) 30 June 2024			(Unaudited) 30 June 2023			(Audited) 31 December 2023		
	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)	Gross Amount (\$)	Impairment Allowance (\$)	Carrying Value (\$)
Current assets									
Residential Mortgage	89,166,803	(10,210)	89,156,593	145,902,369	(19,771)	145,882,598	116,550,261	(17,718)	116,532,543
Corporate	301,276,022	(631,583)	300,644,439	365,175,182	(874,972)	364,300,210	378,262,755	(1,073,016)	377,189,739
Other retail	15	-	15	9	-	9	6	-	6
	390,442,840	(641,793)	389,801,047	511,077,560	(894,743)	510,182,817	494,813,022	(1,090,734)	493,722,288
Non-current assets									
Residential Mortgage	1,393,972	(347)	1,393,625	1,393,021	(300)	1,392,721	1,393,262	(280)	1,392,982
Corporate	24,703,024	(14,397)	24,688,627	12,336,639	(16,997)	12,319,642	28,377,949	(28,834)	28,349,115
Other retail	-	-	-	-	-	-	-	-	-
	26,096,996	(14,744)	26,082,252	13,729,660	(17,297)	13,712,363	29,771,211	(29,114)	29,742,097
	416,539,836	(656,537)	415,883,299	524,807,220	(912,040)	523,895,180	524,584,233	(1,119,848)	523,464,385

9. Related party transactions**Identity of related parties**

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

During the period ended 30 June 2024, the Branch has entered into, or had in place, various financial transactions with the Overseas Banking Group. The Overseas Banking Group provides administrative functions to the Branch for which no payments have been made (30 June 2023: \$ nil, 31 December 2023: \$ nil). In all other cases, arrangements with the Overseas Banking Group were conducted on normal commercial terms. All loans and borrowings from related parties are not secured and rates of interest paid to the Overseas Bank is set by the Overseas Bank.

Derivative instruments with related parties are used to manage currency exposures and include foreign exchange forwards.

Transactions with related entities

The Branch received interest revenue of \$3,971,140 from the Overseas Bank for related party receivables (30 June 2023: \$5,695,990, 31 December 2023: \$11,976,813).

The Branch paid interest expense of \$11,822,745 to the Overseas Bank for related party receivables (30 June 2023: \$9,023,786, 31 December 2023: \$18,689,736).

The Branch received commissions on bankers' acceptance transactions from the Overseas Bank of \$211,033 from the Overseas Bank for related party receivables (30 June 2023: \$166,170, 31 December 2023: \$464,170).

The Branch paid \$179,952 to the Overseas Bank for insurance on Deposit (30 June 2023: \$173,493, 31 December 2023: \$404,041).

The Branch's gain on derivative financial assets and liabilities with the Overseas Bank for foreign exchange forward is \$4,784,527 (30 June 2023: \$473,187, 31 December 2023: \$1,727,051).

The Branch's losses on derivative financial assets and liabilities with the Overseas Bank for foreign exchange forward is \$1,822,062 (30 June 2023: \$ nil, 31 December 2023: \$5,804,102).

The Branch repatriated profits \$8,853,608 to the Overseas Bank (31 December 2023: \$292,122 reimbursed to the Branch).

No amounts owed by related parties have been written off or forgiven during the period.

Balances with related entities

At 30 June 2024, the Branch has \$50,171,162 due from the Overseas Bank for short term advances (30 June 2023: \$109,738,996, 31 December 2023: \$154,988,733).

At 30 June 2024, the Branch has \$272,198,019 due to the Overseas Bank for funding purposes (30 June 2023: \$309,905,187, 31 December 2023: \$345,320,604).

At 30 June 2024, the Branch has no fair value on derivative financial assets of foreign exchange forward with Overseas Bank for trading (30 June 2023: \$469,299, 31 December 2023: \$ nil).

At 30 June 2024, the Branch has \$741,577 of the fair value on derivative financial liabilities of foreign exchange forward with Overseas Bank for trading (30 June 2023: \$ nil, 31 December 2023: \$5,804,102).

Off Balances with related entities

At 30 June 2024, the Branch has derivatives instruments with the Overseas Bank for foreign exchange forwards. The forwards will be paid or received on a notional principal amount at a future date. The received notional amount is USD \$10,000,000 (30 June 2023: \$20,000,000, 31 December 2023: \$55,000,000). The paid notional amount is NZD \$17,131,501 (30 June 2023: \$32,411,913, 31 December 2023: \$92,390,117).

Key management personnel compensation

Key management personnel are those persons (including directors) having authority and responsibility for planning, directing and controlling the activities of the Branch. All key management personnel are employed by the Overseas Bank. The Branch provided \$223,625 (30 June 2023: \$163,745, 31 December 2023: \$287,657) of short-term employment benefits to key management personnel. No other benefits were paid to key management personnel.

10. Right-of-use Asset

<i>(Unaudited)</i> As at 31 June 2024	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,497,924)	(56,800)	(1,554,724)
Opening net book value	1,610,427	24,825	1,635,252
Additions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Disposals: Accumulated depreciation	-	-	-
Depreciation	(172,557)	(7,807)	(180,364)
Impairment losses	-	-	-
Closing net book value	1,437,870	17,018	1,454,888
Closing cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,670,481)	(64,607)	(1,735,088)
Closing net book value	1,437,870	17,018	1,454,888

Expense relating to lease of low-value assets & short-term leases that are not shown above (included in \$4,987 administrative expenses) (30 June 2023: \$3,418 ,31 December 2023: \$6,836).

During the year ended 30 June 2024, the total cash outflow for leases was \$205,157 (30 June 2023: \$205,156 ,31 December 2023: \$410,312).

<i>(Unaudited)</i> As at 30 June 2023	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,152,810)	(41,187)	(1,193,997)
Opening net book value	1,955,541	40,438	1,995,979
Additions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Disposals: Accumulated depreciation	-	-	-
Depreciation	(172,557)	(7,807)	(180,364)
Impairment losses	-	-	-
Closing net book value	1,782,984	32,631	1,815,615
Closing cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,325,367)	(48,994)	(1,374,361)
Closing net book value	1,782,984	32,631	1,815,615

<i>(Audited)</i> As at 31 December 2023	Building (\$)	Vehicle (\$)	Total (\$)
Opening cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,152,810)	(41,187)	(1,193,997)
Opening net book value	1,955,541	40,438	1,995,979
Additions	-	-	-
Revaluation	-	-	-
Disposals	-	-	-
Disposals: Accumulated depreciation	-	-	-
Depreciation	(345,114)	(15,613)	(360,727)
Impairment losses	-	-	-
Closing net book value	1,610,427	24,825	1,635,252
Closing cost	3,108,351	81,625	3,189,976
Accumulated depreciation and impairment losses	(1,497,924)	(56,800)	(1,554,724)
Closing net book value	1,610,427	24,825	1,635,252

11. Deferred tax asset

	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Unaudited)</i> As at 30 June 2023 (\$)	<i>(Audited)</i> As at 31 December 2023 (\$)
The balance comprises temporary differences attributable to:			
Property and equipment	16,803	56,343	18,614
Loan loss provision	184,669	258,758	318,364
CCCFA provision	-	3,088,125	7,837
Sundry accruals	47,624	97,364	43,004
Make good provision	45,451	45,451	45,451
Leases	151,986	117,080	155,242
Deferred tax asset	446,533	3,663,121	588,512

12. Deposits from customers

	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Unaudited)</i> As at 30 June 2023 (\$)	<i>(Audited)</i> As at 31 December 2023 (\$)
Current liabilities			
Retail customers			
- Term deposits	121,807,229	122,629,969	116,256,050
- Current deposits	15,230,513	21,433,344	22,257,262
- Installment deposits	429,096	414,152	443,897
Commercial customers			
- Term deposits	34,732,141	22,467,916	38,117,086
- Current deposits	24,624,870	25,835,678	36,051,480
- Installment deposits	18,843	27,594	18,639
	196,842,692	192,808,653	213,144,414
Non-current liabilities			
Retail customers			
- Term deposits	4,921,410	13,297,010	14,995,185
- Installment deposits	103,581	101,898	101,584
Commercial customers			
- Term deposits	-	-	-
- Installments deposits	-	-	-
	5,024,991	13,398,908	15,096,769
Total Deposits	201,867,683	206,207,561	228,241,183

13. Certificate of deposits

	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Unaudited)</i> As at 30 June 2023 (\$)	<i>(Audited)</i> As at 31 December 2023 (\$)
Certificates of deposit issued	64,670,624	-	93,852,400
Total Certificate of deposits	64,670,624	-	93,852,400
Current	64,670,624	-	93,852,400
Non-Current	-	-	-
Certificates of deposit issued	64,670,624	-	93,852,400

14. Derivative financial instruments

The Branch uses derivatives to manage its financial position with the Overseas bank. The derivative financial instruments are forwards based on exchange currency. The following table summarises the notional amounts and fair value by maturity date of the Branch's derivatives at 30 June 2024.

	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Unaudited)</i> As at 30 June 2023 (\$)	<i>(Audited)</i> As at 31 December 2023 (\$)
Spot and forward contracts:			
Notional principal Amount < 1 year	17,131,501	32,411,913	92,390,117
Notional principal Amount 1 to 2 years	-	-	-
Total notional principal amount of derivatives	17,131,501	32,411,913	92,390,117
Fair value < 1 year	(741,577)	469,299	(5,804,102)
Fair value 1 to 2 years	-	-	-
Total fair value of derivatives	(741,577)	469,299	(5,804,102)

15. Provisions

	<i>(Unaudited)</i> As at 30 June 2024 (\$)	<i>(Unaudited)</i> As at 30 June 2023 (\$)	<i>(Audited)</i> As at 31 December 2023 (\$)
Balance at beginning of the period	190,315	11,191,345	11,191,345
Provisions made during the period	-	-	4,237
Provisions used during the period	(27,990)	-	(11,005,267)
Provisions reversed during the period	-	-	-
Balance at end of the period	162,325	11,191,345	190,315

The provision for \$162,325 represents the Branch's obligation to refit the New Zealand office at the expiration of the lease term. This provision is based on management's best estimate to comply with the lease make good obligation.

During the half year 30 June 2024, The amount of \$27,990 has been credited to special deposit accounts in the name of each customers who could not be contacted. Therefor the Branch do not have any remaining provision regarding CCCFA.

16. Unusual transactions

There have been no unusual transactions materially affecting the financial statements of the Branch for the periods ended 30 June 2024(30 June 2023: nil,31 December 2023: nil).

17. Contingencies

As at 30 June 2024, the Branch no longer has contingent liabilities in the form of guarantees. (30 June 2023: \$363,000, 31 December 2023: \$363,000). These guarantee the performance of customers by issuing standard guarantees to third parties. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers.

The Branch also carries off-balance sheet credit exposures pertaining to lending commitments approved but not yet advanced of \$11,620,864 (refer to Note 22).

18. Events after the end of the reporting period

There have been no subsequent events materially affecting the financial statements of the Registered Bank for the 6 months ended 30 June 2024.

19. Additional Information on the Condensed Statement of Comprehensive Income

There have been no net trading gains or losses, no credit risk adjustments on financial assets at fair value through profit or loss. There was a gain on fair value adjustments during the period on foreign exchange forward of \$590,988 (30 June 2023: \$473,187, 31 December 2023: loss of \$5,804,102).

20. Lease liabilities

	(Unaudited) As at 30 June 2024 (\$)	(Unaudited) As at 30 June 2023 (\$)	(Audited) As at 31 December 2023 (\$)
Current lease liabilities	388,155	382,427	385,265
Non-current lease liabilities	1,353,562	1,741,717	1,548,444
	1,741,717	2,124,144	1,933,709

21. Additional Information on the Condensed Statement of Financial Position

	(Unaudited) As at 30 June 2024 (\$)	(Unaudited) As at 30 June 2023 (\$)	(Audited) As at 31 December 2023 (\$)
Total Interest earning and discount bearing assets	536,370,747	830,715,174	756,461,969
Total Interest and discount bearing liabilities	538,697,864	820,133,879	748,471,675
Financial assets pledged as collateral for liabilities or contingent liabilities	-	363,000	363,000
Total Amount due from Related entities (excluding key management personnel)	50,171,162	109,738,996	154,988,733
Total Amount due to Related entities (excluding key management personnel)	272,198,019	309,905,187	345,320,604
Liabilities of the Overseas Bank in New Zealand – net of amounts due to related parties	272,158,002	525,420,264	413,329,795
Total Retail deposits with the Overseas Bank in New Zealand	142,491,829	157,876,373	159,548,265

22. Concentration of Credit Risk

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

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

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

	(Unaudited) As at 30 June 2024 (\$)	(Unaudited) As at 30 June 2023 (\$)	(Audited) As at 31 December 2023 (\$)
On-Balance Sheet credit exposures			
Cash and cash equivalents	83,830,492	202,011,498	86,506,868
Due from other banks	-	-	-
Loans and advances to customers	415,883,299	523,895,180	523,464,385
Due from related parties	50,171,162	109,738,996	154,988,733
Derivative financial instruments	-	469,299	-
Other assets	15,880	17,719	15,706
Total	549,900,833	836,132,692	764,975,692
Off- Balance Sheet credit exposures			
Lending commitments approved but not yet advanced	11,620,864	11,458,832	16,224,008
Contingent related financial guarantees	-	363,000	363,000
Total	11,620,864	11,821,832	781,562,700
Customer's industry sectors			
Banks and financial institutions	134,017,535	312,237,512	241,511,307
Accommodation, cafes, restaurants	422,242	521,832	422,237
Wholesale and retail	9,887,830	24,693,716	24,377,718
Manufacturing	28,001,886	10,928,013	27,609,973
Property	274,472,421	331,194,180	329,272,577
Services	-	15,231,812	15,228,344
Transport and storage	-	-	-
Other corporate	23,880,940	5,552,096	24,886,768
Retail lending	90,838,843	147,595,363	118,253,776
Total	561,521,697	847,954,524	781,562,700
Geographical areas			
New Zealand	413,073,235	515,403,703	503,817,589
Republic of Korea	90,099,832	232,603,270	245,369,532
Australia	160,290	131,662	69,086
United States of America	414,309	785,605	315,739
Europe	121,317	136,383	121,539
Malaysia	-	49,454,688	31,869,215
Hong Kong	-	49,439,213	-
Singapore	57,652,714	-	-
Total	561,521,697	847,954,524	781,562,700

23. Concentration of Funding

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

	(Unaudited) As at 30 June 2024 (\$)	(Unaudited) As at 30 June 2023 (\$)	(Audited) As at 31 December 2023 (\$)
a) Category of products			
Due to other banks	29,644	304,061,990	81,097,230
Customer current deposits	39,855,383	47,269,022	228,241,183
Customer savings and term deposits	162,012,300	158,938,539	93,852,400
Certificate of deposits	64,670,624	-	-
Due to related parties	272,198,019	309,905,187	345,320,604
Derivatives financial liabilities	741,577	-	5,804,102
Other liabilities	759,737	1,155,287	738,208
Total	540,267,284	821,330,025	755,053,727
b) Customer's industry sectors			
Banks and financial institutions	353,037,724	622,318,105	541,856,327
Individuals	142,491,830	157,876,372	154,040,661
Property and retail trade	14,382,670	7,690,882	18,259,184
Accommodation and restaurants	187,137	120,047	157,565
Other	30,167,923	33,324,619	40,739,990
Total	540,267,284	821,330,025	755,053,727
c) Geographical areas			
New Zealand	202,657,064	207,393,235	229,008,662
Republic of Korea	272,939,596	376,654,651	432,192,665
United Kingdom	64,670,624	-	93,852,400
Taiwan	-	237,282,139	-
Total	540,267,284	821,330,025	755,053,727

24. Interest Rate Risk

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

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

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

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

(Unaudited) As at 30 June 2024	0 – 3 months	3 – 6 months	6 – 12 months	1 – 2 years	over 2 years	Non-Interest Bearing	Total
Cash and cash equivalents	69,659,749	-	-	-	-	-	-
Due from other banks	-	-	-	-	-	-	-
Loans and advances to customers	145,467,845	159,084,041	111,987,950	-	-	(656,537)	415,883,299
Due from Related Parties	41,266,616	6,929,048	1,975,498	-	-	-	50,171,162
Derivative financial assets	-	-	-	-	-	-	-
Other Financial Assets	-	-	-	-	-	15,880	15,880
Total Financial Assets	256,394,210	166,013,089	113,963,448	-	-	13,530,086	549,900,833
Due to Other Banks	-	-	-	-	-	29,644	29,644
Deposits from Customers	104,562,391	34,222,767	58,019,072	873,988	4,151,003	38,462	201,867,683
Certificate of deposits	32,773,328	-	31,897,296	-	-	-	64,670,624
Due to Related Parties	120,464,725	35,485,532	99,153,465	-	17,094,297	-	272,198,019
Derivative financial liabilities	-	-	-	-	-	741,577	741,577
Lease Liabilities	-	-	-	-	-	1,741,717	1,741,717
CCCFA Provision	-	-	-	-	-	-	-
Other Financial Liabilities	-	-	-	-	-	759,737	759,737
Total Financial Liabilities	257,800,444	69,708,299	189,069,833	873,988	21,245,300	3,311,137	542,009,001
Off Balance sheet (Notional Amount)*							
Derivative financial – receive	-	-	-	-	-	16,439,257	16,439,257
Derivative financial - pay	-	-	-	-	-	(17,131,501)	(17,131,501)
Total	-	-	-	-	-	(692,244)	(692,244)

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

25. Fair Value

Fair Value hierarchy

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

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

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

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

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

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

Branch	As at 30 June 2024		As at 30 June 2023	
	Level 1	Level 2	Level 1	Level 2
Derivative financial instruments held for trading	(\$)	(\$)	(\$)	(\$)
Derivative financial assets				
Foreign exchange forward	-	-	-	469,299
Total derivative financial assets	-	-	-	469,299
Derivative financial liabilities	-	-	-	-
Foreign exchange forward	-	741,577	-	-
Total derivative financial liabilities	-	741,577	-	-

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

Derivatives

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

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

Derivative financial instruments held for trading

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

26. Additional Information on Liquidity Risk

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

(Unaudited) As at 30 June 2024	On Demand (\$)	1 month or less (\$)	1 to 3 months (\$)	3 months to 1 year (\$)	Between 1 – 5 years (\$)	More than 5 years (\$)	Total (\$)
Contractual maturities of financial liabilities							
Due to other banks	29,644	-	-	-	-	-	29,644
Deposit from customers	39,855,383	30,782,597	37,890,450	92,404,000	5,349,503	-	206,281,933
Certificate of deposits	-	32,878,514	-	32,878,514	-	-	65,757,028
Due to related parties	78,355,192	5,810,713	41,615,985	136,234,067	17,704,436	-	279,720,393
Lease liabilities	-	34,193	68,386	307,735	1,388,665	-	1,798,979
CCCFA Provision	-	-	-	-	-	-	-
Other financial liabilities	759,737	-	-	-	-	-	759,737
Total non-derivative financial liabilities	118,999,956	69,506,017	79,574,821	261,824,316	24,442,604	-	554,347,714
Total Contingent Liabilities and Commitments							
Lending commitments approved but not yet advanced	11,620,864	-	-	-	-	-	11,620,864
Other commitments to provide financial guarantees to external parties	-	-	-	-	-	-	-
Total undiscounted contingent liabilities and commitments	11,620,864	-	-	-	-	-	11,620,864

Management of liquidity risk

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

Liquid Assets

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

The below table represents the Branch's liquid assets as at 30 June 2024.

	(Unaudited) 6 months ended 30 June 2024 (\$)
Cash and cash equivalents	83,830,492
Due from other banks	-
Due from related parties	-
	83,830,492

27. Overseas Banking Group Profitability and Size

The most recent period for which information is publicly available is the 12 months ended 31 December 2023.

Profitability	(Audited) Year ended 31 December 2023 (Korea Won Billions)	(Audited) Year ended 31 December 2022 (Korea Won Billions)
Net profit after tax	3,150	2,728
Net profit after tax as a percentage of average of total assets over the 12 months ended on 31 December	0.60%	0.54%

Size	(Audited) 31 December 2023 (Korea Won Billions)	(Audited) 31 December 2022 (Korea Won Billions)
Total assets	530,013	517,770
Percentage change in total assets over the 12 months ended on that date	2.36%	7.07%

28. Loan to valuation ratio

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

Residential mortgages by loan-to-valuation ratio at 30 June 2024(Unaudited)

LVR range	0% - 80%	80% -90%	Over 90%
Value of exposure	90,833,828	-	-

Reconciliation of residential mortgage-related amounts

	(Unaudited) 30 June 2024 (\$)
Gross residential mortgage (as disclosed in note 8)	90,560,775
Impairment allowance	(10,557)
Residential lending commitments approved but not yet advanced	283,610
Residential Mortgages by loan-to-valuation ratio	90,833,828

29. Exposures to Market Risk

Market risk notional capital charges

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

End-of-period	(Unaudited) 30 June 2024	
	Implied risk weighted exposure NZD(\$000)	Notional Capital Charge NZD(\$000)
Interest Rate Risk	18,649	1,492
Foreign Currency Risk	10,675	854
Equity Risk	-	-

Market risk peak end of day notional capital charges

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

Peak end-of-day	(Unaudited) 30 June 2024	
	Implied risk weighted exposure NZD(\$000)	Notional Capital Charge NZD(\$000)
Interest Rate Risk	28,547	2,284
Foreign Currency Risk	10,675	854
Equity Risk	-	-

30. Capital Adequacy of the Overseas Banking Group

Overseas Banking Group (Unaudited)	Minimum Percentage required by FSS		Minimum Percentage required by FSS	
	31 Dec. 2023		31 Dec. 2022	
Common Equity Tier One Capital as a percentage of risk weighted exposures	14.91%	4.50%	14.50%	4.50%
Tier One Capital as a percentage of risk weighted exposures	15.50%	6.00%	14.92%	6.00%
Total Capital as a percentage of risk weighted exposures	18.08%	8.00%	17.46%	8.00%

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

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

31. Asset Quality

Credit quality of loans that are neither past due nor impaired are as follows

Corporate	(Unaudited) 30 June 2024		Total (\$)
	Gross carrying amount (\$)	Allowances (\$)	
Grade 1	-	-	-
Grade 2	86,105,388	(49,441)	86,055,947
Grade 3	231,875,928	(564,583)	231,311,345
Grade 4	7,997,730	(31,956)	7,965,774
Grade 5	-	-	-
	325,979,046	(645,980)	325,333,066

The total amount of residential mortgages is \$90,550,218 and for other retail loans of \$15 are ungraded.

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

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

Asset quality information for loans and advances to customers

Branch Past due but not impaired As at 30 June 2024	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Past due up to 30 days	-	-	-	-
Past due 30 – 60 days	-	-	-	-
Past due 60 – 90 days	-	-	-	-
Past due 90+ days	-	-	-	-
Total	-	-	-	-

Loan Reconciliation

	(Unaudited) 30 June 2024 (\$)	(Unaudited) 30 June 2023 (\$)	(Audited) 31 December 2023 (\$)
Total loans and advances to customers	416,539,836	524,807,220	524,584,233
Less Allowance for Loan losses	(656,537)	(912,040)	(1,119,848)
Loans and advances to customers	415,883,299	523,895,180	523,464,385

31. Asset Quality (continued)

Branch Individually impaired assets For the 6 months ended 30 June 2024	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Balance at beginning of period	-	-	-	-
Additions	-	-	-	-
Deletions	-	-	-	-
Amount written off	-	-	-	-
Balance at end of period	-	-	-	-
Aggregate amount of individual credit impairment allowance	-	-	-	-

Branch Individual credit impairment allowances For the 6 months ended 30 June 2024	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Opening Balance	-	-	-	-
Charge/(credit) to statement of financial performance	-	-	-	-
Amounts written off	-	-	-	-
Recoveries of previous write offs	-	-	-	-
Reversals of previously recognised impairment losses	-	-	-	-
Other Movements	-	-	-	-
Closing Balance	-	-	-	-

(Unaudited) Branch Collective credit impairment allowances For the 6 months ended 30 June 2024	Residential mortgages (\$)	Corporate (\$)	Other Retail (\$)	Total (\$)
Opening Balance	17,998	1,101,850	-	1,119,848
Charge/(Credit) to statement of comprehensive income	(7,441)	(455,870)	-	(463,311)
Other movements	-	-	-	-
Closing Balance	10,557	645,980	-	656,537

31. Asset Quality (continued)

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

(Unaudited) Residential Mortgages Collective credit impairment allowances For the 6 months ended 30 June 2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	17,998	-	-	-	17,998
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Charge to statement of comprehensive income	(7,441)	-	-	-	(7,441)
Write-offs	-	-	-	-	-
Closing Balance	10,557	-	-	-	10,557

(Unaudited) Corporate Collective credit impairment allowances For the 6 months ended 30 June 2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	1,101,716	134	-	-	1,101,850
Transfers :					
Transfer from Stage 1 to Stage 2	(11,579)	11,579	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Charge to statement of comprehensive income	(467,037)	11,167	-	-	(455,870)
Write-offs	-	-	-	-	-
Closing Balance	623,100	22,880	-	-	645,980

(Unaudited) Other Retail Collective credit impairment allowances For the 6 months ended 30 June 2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	-	-	-	-	-
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
(Credit) /charge to statement of comprehensive income	-	-	-	-	-
Write-offs	-	-	-	-	-
Closing Balance	-	-	-	-	-

31. Asset Quality (continued)

Total	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total (\$)
Collective credit impairment allowances	12 month	Lifetime	Lifetime		
For the 6 months ended 30 June 2024	ECL	ECL	ECL		
Opening Balance	1,119,714	134	-	-	1,119,848
Transfers :					
Transfer from Stage 1 to Stage 2	(11,579)	11,579	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Charge to statement of comprehensive income	(474,478)	11,167	-	-	(463,311)
Write-offs	-	-	-	-	-
Closing Balance	633,657	22,880	-	-	656,537

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

(Unaudited)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total (\$)
Residential Mortgages	12 month	Lifetime	Lifetime		
Gross carrying amount	ECL	ECL	ECL		
For the 6 months ended 30 June 2024					
Opening Balance	117,943,523	-	-	-	117,943,523
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Additions	84,433	-	-	-	84,433
Repayments	(27,467,181)	-	-	-	(27,467,181)
Write-offs	-	-	-	-	-
Closing Balance	90,560,775	-	-	-	90,560,775

(Unaudited)	Stage 1	Stage 2	Stage 3	Purchased credit-impaired	Total (\$)
Corporate	12 month	Lifetime	Lifetime		
Gross carrying amount	ECL	ECL	ECL		
For the 6 months ended 30 June 2024					
Opening Balance	405,815,121	825,583	-	-	406,640,704
Transfers :					
Transfer from Stage 1 to Stage 2	(6,338,037)	6,338,037	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Additions	43,292,817	7,275	-	-	43,300,092
Repayments	(122,565,684)	(1,396,066)	-	-	(123,961,750)
Write-offs	-	-	-	-	-
Closing Balance	320,204,217	5,774,829	-	-	325,979,046

31. Asset Quality (continued)

(Unaudited) Other Retail Gross carrying amount For the 6 months ended 30 June 2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	6	-	-	-	6
Transfers :					
Transfer from Stage 1 to Stage 2	-	-	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Additions	9	-	-	-	9
Repayments	-	-	-	-	-
Write-offs	-	-	-	-	-
Closing Balance	15	-	-	-	15

Total Gross carrying amount For the 6 months ended 30 June 2024	Stage 1 12 month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Purchased credit- impaired	Total (\$)
Opening Balance	523,758,650	825,583	-	-	524,584,233
Transfers :					
Transfer from Stage 1 to Stage 2	(6,338,037)	6,338,037	-	-	-
Transfer from Stage 2 to Stage 1	-	-	-	-	-
Additions	43,377,259	7,275	-	-	43,384,534
Repayments	(150,032,865)	(1,396,066)	-	-	(151,428,931)
Write-offs	-	-	-	-	-
Closing Balance	410,765,007	5,774,829	-	-	416,539,836

Overseas Banking Group Asset Quality	(Audited) 31 December 2023 (Korea Won in Billions)
Total assets	530,013
Total impaired assets	3,392
As a % of total assets	0.64%
Total Stage 3 credit impairment allowance*	1,452
As a % of total impaired assets	42.81%
Total Stage 1 credit impairment allowance*	1,193
Total Stage 2 credit impairment allowance*	965

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

32. Risk management policies of the Branch

There has been no material change in the six months prior to 30 June 2024 in the Branch's risk management policies.

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

33. Insurance business and non-financial activities

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

34. Interest revenue and Fee and commission revenue

	<i>(Unaudited)</i> 6 months ended 30 June 2024 (\$)	<i>(Unaudited)</i> 6 months ended 30 June 2023 (\$)	<i>(Audited)</i> 12 months ended 31 December 2023 (\$)
Interest revenue during the period	26,197,682	25,406,617	57,081,867
Interest remediation Provision	-	-	(4,237)
Interest revenue	26,197,682	25,406,617	57,077,630
Fee and commission revenue during the period	922,203	525,063	1,411,494
Fee and commission remediation Provision	-	-	-
Fee and commission revenue	922,203	525,063	1,411,494

During the prior year 31 December 2023, interest remediation provision of \$4,237 pertain to the refund of interests to the Branch's borrowers, which were recognised following the completion of the Commerce Commission's investigation of the Branch's compliance with the CCCFA. Refer to Note 15 for additional disclosure on this matter.