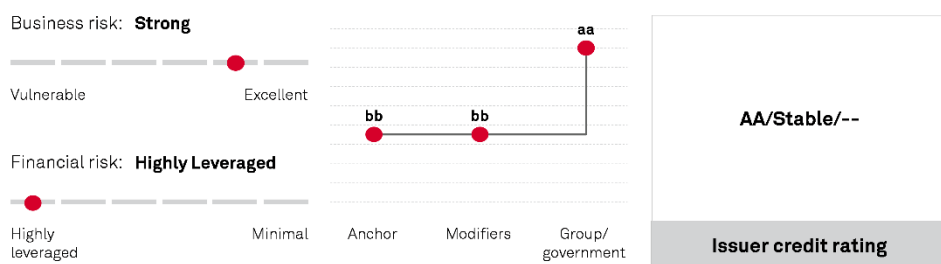


Korea Land and Housing Corp.

October 25, 2022

Ratings Score Snapshot



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Credit Highlights

Overview

Key strengths

Almost certain likelihood of receiving government support in the event of financial distress.

Sole government-owned entity responsible for the supply of land and low-cost public housing in Korea.

Steady operating performance likely over the next two years, supported by good profitability of land and housing sales.

Key risks

High leverage, with growing debt over the next two years.

Increasing capital expenditure (capex) for new policy-driven development projects and public housing supply.

Korea Land and Housing Corp.'s (KLHC) significant property assets should lead to steady operating performance and lower business risks. We expect the company's land and housing sales to be resilient over the next 12-24 months despite a likely downturn in Korea's property industry amid rising interest rates. This is because such sales are mainly from policy-related development projects such as new towns, industrial complexes, and free economic zones. These usually have relatively stable demand and a favorable cost structure. Along with the government's large development plan, KLHC purchases land and makes fundamental

Korea Land and Housing Corp.

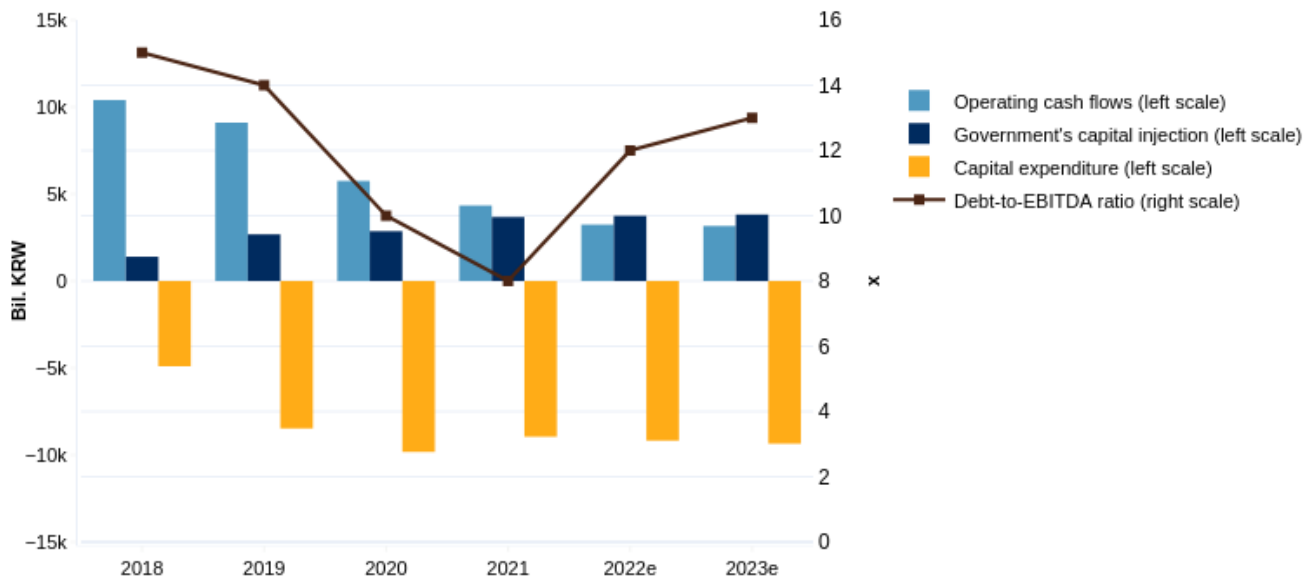
improvements such as changing the land purpose and improving infrastructure (new roads or public transportation). Moreover, a significant increase in property prices in the past few years provides the company more flexibility in its existing projects.

We see less risks in KLHC's public rental business, despite ongoing losses from the segment. This is due to the high value of the company's housing assets. Contracts for KLHC's public rental houses are long-term (10-30 years), with low rents. This causes losses during rental periods. However, when the contracts end, the company can sell the properties in the market or use the land for new development, subject to government approval. The market value of these properties is higher than their book value, given that the properties are mainly in urban areas where prices appreciate significantly.

Leverage could remain high in 2022-2023 to support investments in new town projects. We expect KLHC's investments to rise over the next two to three years. The company is developing projects in the third new towns. This means weaker operating cash flow due to the growing inventory and high capex. Our base case assumes annual capex of Korean won (KRW) 9 trillion-KRW10 trillion in 2022-2023, up from KRW8.9 trillion in 2021.

In our view, KLHC will not be able to fully fund these investments through internal cash and capital support from the government. The company's debt-to-EBITDA ratio could therefore remain high at 11x-14x over the next two years, compared with 8.3x in 2021 and 10.2x in 2020.

KLHC's Leverage To Rise Given Increasing Investments In Public Housing Projects



e--Estimate. KRW--Korean won. Source: S&P Global Ratings.

KLHC is almost certain to receive extraordinary government support in the event of financial distress. The company plays a critical role as the sole government-owned entity responsible for meeting the official goal of ensuring a stable supply of development land and public housing. The government's full ownership of KLHC, strong ongoing financial support, and tight supervision underscore the company's integral link with the government. As a result, we equalize the rating on KLHC with the sovereign credit rating on South Korea.

Outlook

The stable outlook on KLHC reflects our outlook on the sovereign credit rating on Korea. We equalize our rating on KLHC with that on the sovereign. This reflects our expectation of an almost certain likelihood that the government would provide extraordinary support to the company during any financial distress.

Steady earnings and various forms of policy support underpin our 'bb' assessment of KLHC's stand-alone credit profile (SACP).

Downside scenario

We could lower our ratings on KLHC if we downgrade Korea. A weakening of KLHC's role as the policy arm of the government or its link to the government could also put pressure on the ratings.

We could revise downward our assessment of the SACP if KLHC's profitability turns more volatile or becomes weaker than our expectation. This could flow from a significant drop in Korea's property prices with limited signs of recovery or any material adverse issues in new property development projects.

Upside scenario

We could raise the ratings on KLHC if we upgrade Korea.

We could revise upward our assessment of the SACP if KLHC significantly improves its leverage and reduces debt. Strong property asset sales and improving cash flow could support this.

Our Base-Case Scenario

Assumptions

- Korea's real GDP to grow 2.6% in 2022 and 1.8% in 2023, compared with 4.0% in 2021.
- Domestic housing market to cool over the next 12 months, given rising interest rates and weakening macroeconomic conditions.
- KLHC's revenue to drop to KRW24 trillion-KRW26 trillion in 2022-2023, from KRW27.3 trillion in 2021. This is mainly due to an exceptionally high base from the sale of expired public rental houses in 2021. Land sales, housing sales, and public rental housing revenue and margins will be broadly stable.
- EBITDA of KRW4.7 trillion-KRW5.5 trillion in 2022-2023, compared with KRW6.9 trillion in 2021 and KRW5.6 trillion in 2020. Despite some moderation, overall profitability should be steady owing to KLHC's various good quality property assets.
- Annual capex to remain high at KRW9 trillion-KRW10 trillion in 2022-2023, compared with KRW8.9 trillion in 2021. This reflects landbank compensation and the construction of projects in the third new towns.
- Annual dividends will be KRW700 billion-KRW900 billion in 2022 (given strong profitability in 2021) and KRW400 billion-KRW600 billion in 2023. Dividends were KRW667 billion in 2021 and KRW452 billion in 2020.
- Annual government capital injection to be KRW3.5 trillion-KRW4.0 trillion in 2022-2023, compared with KRW3.7 trillion in 2021.

Key metrics

Korea Land and Housing Corp.--Key Metrics*

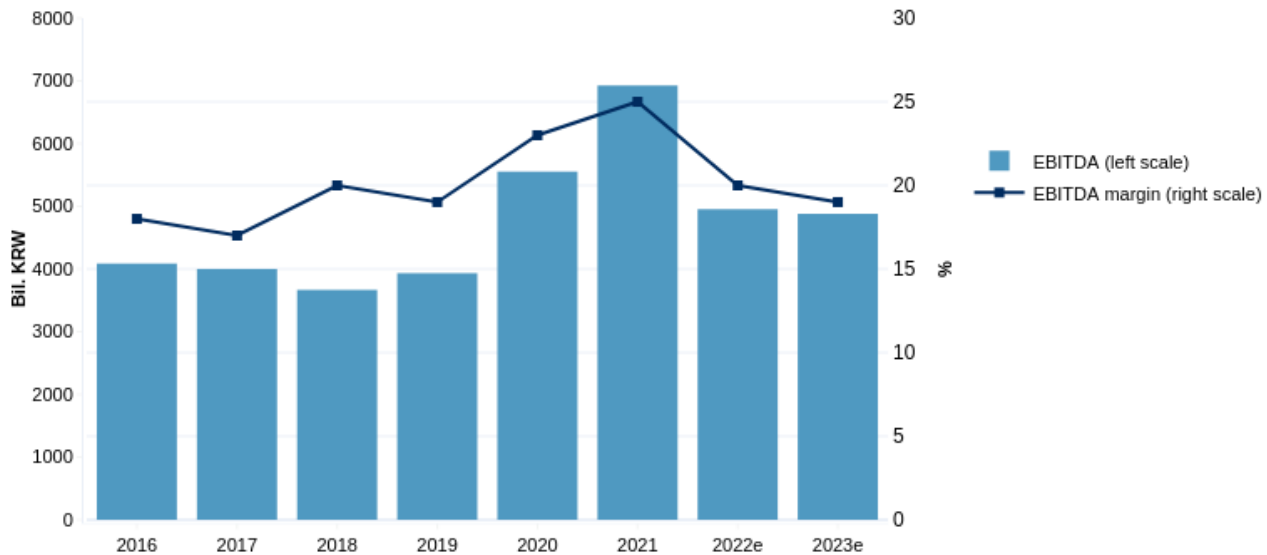
BiL. KRW	2020a	2021a	2022e	2023f
Revenue	24,434	27,346	24,647	25,469
EBITDA	5,556	6,925	4,951	4,877
EBITDA margin (%)	22.7	25.3	20.1	19.1
Capital expenditure	9,827	8,946	9,170	9,353
Dividends	452	667	833	494

*All figures adjusted by S&P Global Ratings. a--Actual. e--Estimate. f--Forecast.

We estimate KLHC's revenue will decline by about 10% in 2022. Revenue will take a major hit this year because expired rental housing sales from the second phase new town project have almost ended, leading to much lower revenue from housing sales. We expect other new town projects to be completed in 2022-2023 and support 5%-7% growth in land sales. Public rental revenue will likely remain flat because the government is pushing projects from the private side as well.

KLHC's EBITDA margins to normalize to 19%-21% over the next two years, from 25.3% in 2021. This is mainly because weakening property prices in Korea and the declining contribution of high-profit housing sales will limit earnings improvement. Sale of expired public housing in the first and second new town areas are almost complete. These sales had abnormally pulled up profit from housing sales in 2020-2021. We expect operating losses in public rental housing to persist due to increased maintenance and repair costs for the aged rental housing units and the government's plans to continue to expand public rental units for low-income households.

KLHC's Earnings To Stabilize Over The Next Two Years



e--Estimate. KRW--Korean won. Source: S&P Global Ratings.

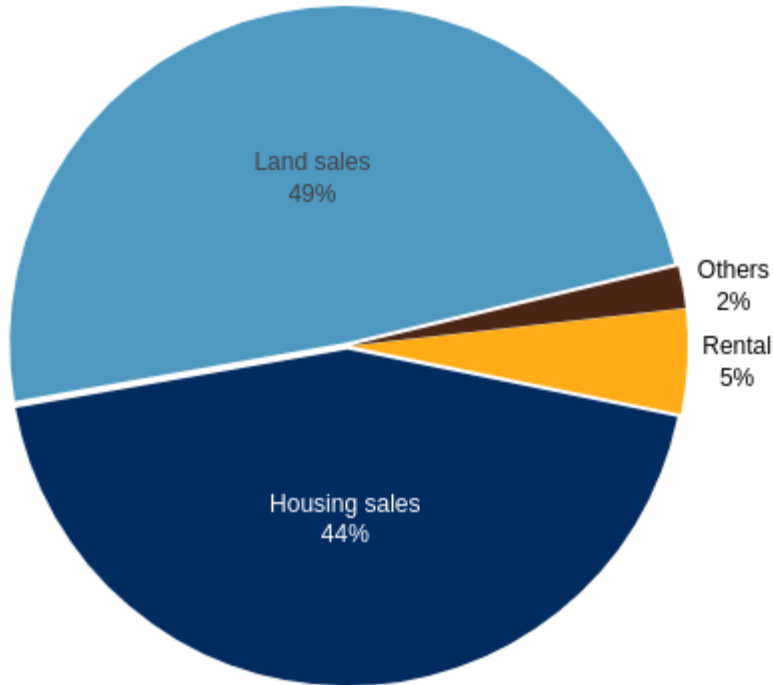
Company Description

KLHC was established in 2009 through the consolidation of two government entities: Korea National Housing Corp. and Korea Land Corp. The company plays the policy role of providing development land and affordable public housing. It is the largest property developer in Korea.

KLHC operates in three main business segments: land, public housing, and public rental housing. The land segment mainly covers the sale of land for industrial and residential complexes. It accounted for about 49% of revenue in 2021. The public housing segment (44% of revenue) develops, constructs, and sells housing units, including the sale of expired public rental houses. Public rental housing (5% of revenue) is the segment that constructs, purchases, rents, sells, and operates rental housing units for low-income households and individuals.

KLHC is fully owned by the Korean government (88%) and government-related entities (Korea Development Bank, 10% and The Export-Import Bank of Korea, 2%). The company abides by the Korea Land and Housing Corporation Act.

KLHC Derives Almost Half Of Its Revenue From Land Sales
Revenue breakdown in 2021



Source: Company data

Peer Comparison

We view rated regional property developers Urban Renewal Authority (URA), China Overseas Land & Investment Ltd. (COLI), and China Resources Land Ltd. (CRL) as KLHC's peers.

KLHC is the sole development arm of the Korean government and its steady operations compare well with its regional peers'. KLHC's profitability is more stable than peers'. Its EBITDA margin was 20%-25% in the past few years, while the profitability of regional peer's fluctuated. For example, URA's EBITDA margin turned negative in 2021 from 35%-40% in 2020. COLI and CRL's EBITDA margin also slid to about 25% in 2021.

KLHC's profitability was in the past weaker than its peers' due to its loss-making public rental business, which is not for profit and is driven by the government's policy. However, the company has started to offset the pressure a few years ago by selling expired public housing to the market. KLHC's profitability is now broadly in line with the peers'.

KLHC's financial metrics are weaker than peers'. The company has high debt accumulated from large property development projects, including the public housing business.

Korea Land and Housing Corp.--Peer Comparisons

	Korea Land and Housing Corp.	Urban Renewal Authority	China Overseas Land & Investment Ltd.	China Resources Land Ltd.
Foreign currency issuer credit rating	AA/Stable/--	AA+/Stable/--	BBB+/Stable/--	BBB+/Stable/--
Local currency issuer credit rating	AA/Stable/--	AA+/Stable/--	BBB+/Stable/--	BBB+/Stable/--
Period	Annual	Annual	Annual	Annual
Period ending	2021-12-31	2021-03-31	2021-12-31	2021-12-31
Bil.	KRW	KRW	KRW	KRW
Revenue	27,346	499	45,422	39,772
EBITDA	6,925	(11)	11,469	10,175
Funds from operations (FFO)	4,238	(18)	5,918	4,957
Interest	1,255	7	1,533	1,564
Cash interest paid	1,260	7	1,518	1,390
Operating cash flow (OCF)	4,339	(93)	2,961	477
Capital expenditure	8,946	9	1,860	5,556
Free operating cash flow (FOCF)	(4,607)	(102)	1,101	(5,079)
Discretionary cash flow (DCF)	(5,273)	(102)	(1,360)	(7,155)
Cash and short-term investments	9,258	1,384	24,350	20,253
Gross available cash	9,258	1,384	24,350	20,253
Debt	57,399	0	36,351	38,122
Equity	62,762	6,852	66,960	53,382
EBITDA margin (%)	25.3	(2.2)	25.3	25.6
Return on capital (%)	5.0	0.1	12.3	12.9
EBITDA interest coverage (x)	5.5	(1.7)	7.5	6.5
FFO cash interest coverage (x)	4.4	(1.6)	4.9	4.6
Debt/EBITDA (x)	8.3	0.0	3.2	3.7
FFO/debt (%)	7.4	NM	16.3	13.0
OCF/debt (%)	7.6	NM	8.1	1.3
FOCF/debt (%)	(8.0)	NM	3.0	(13.3)
DCF/debt (%)	(9.2)	NM	(3.7)	(18.8)

Business Risk

KLHC will likely maintain its strong position in the Korean property market, with good profitability in land and housing development projects. The company is the largest property developer in Korea with a dominant national market share in land development and rental housing construction. It has also undertaken many government-mandated development projects, such as the Administrative city and Innovative city. These projects are taken by the Korean government to relocate administrative bodies and public entities outside the Seoul metropolitan area.

KLHC will likely continue to play a critical role in providing affordable public housing. We believe Korea's new administration will continue to focus on increasing housing supply and stabilizing the property market. Although the private sector may play a bigger role

Korea Land and Housing Corp.

than under the previous administration, KLHC will likely continue to be the sole entity to execute the government's large-scale development mandates and supply various types of public housing for sale and rental.

We believe KLHC's land sales will remain good. The company is developing projects in the third new town, which the government announced in 2018-2019. Since these are government-driven projects with structural benefits (such as land usage change, new roads, improvements in public transportation), land and housing sales in these areas usually have low operational and profitability risks. For example, despite a property market slowdown in Korea since late 2021, KLHC's land and housing sales were steady in the first half of 2022. We expect the company will have EBITDA of KRW4.7 trillion-KRW5.5 trillion in 2022-2023, down from a high base in 2021 (KRW6.9 trillion) and 2020 (KRW5.6 trillion), but higher than the KRW3.5 trillion-KRW4.0 trillion in 2016-2019.

We anticipate LH will lead the government's housing supply mandates and develop the third phase of the new town development projects in the Seoul metropolitan area (such as Namyangju and Wangsook in the Gyeonggi province). This includes a plan to supply 300,000 housing units.

KLHC is working on several restructuring initiatives to enhance internal control. This follows incidents in early 2021, when a few employees used confidential insider information to make land purchases. The company was investigated this, and has submitted restructuring plans to the government to prevent such cases. KLHC's restructuring, though, is not likely to materially change its organizational structure and role, in our view.

KLHC remains exposed to the cyclicity of Korea's real estate market. However, we believe the company's businesses entail less market risk than that of private property developers, considering the public nature of LH's businesses and stability of its operations, which are mandated by the government.

Financial Risk

KLHC's heavy debt and increasing capex from large property development projects, including public housing, will continue to constrain its financial position. We forecast the company will find it difficult to fund its investments internally. This is because its operating cash flow will likely decrease to KRW3.0 trillion-KRW3.5 trillion in 2022-2023, from KRW4.3 trillion in 2021, owing to the rising working capital burden.

Large capex plans related to projects in the third new town will result in a negative discretionary cash flow. This is despite sizable capital injections from the government. KLHC will likely rely on external debt to cover the shortfall, which will put pressure on leverage. As a result, we estimate the company's adjusted debt will increase modestly to KRW60 trillion-KRW65 trillion by 2023 from KRW57.3 trillion in 2021. Under our base case, we estimate the company's debt-to-EBITDA ratio will be 11x-14x over the next two years, compared with 8.3x in 2021 and 10.2x in 2020.

That said, we believe KLHC will continue to benefit from its status as a not-for-profit arm of the government. This enables the company to receive ongoing government subsidies and financial assistance, including low-cost subordinated loans from the National Housing and Urban Fund. We expect the government's capital injection to increase along with capex investments for projects in the third new town. The low-cost loans are offered at favorable conditions, with a long maturity period and lump-sum principal repayment at redemption.

Debt maturities

Korea Land and Housing Corp. --Debt Maturities*

Due in	Amount (Tril. KRW)
2022	4.2
2023	3.5
2024	2.8
2025	2.8
2026	2.8

2027 and beyond

59.2

KRW-- Korean won.

Korea Land and Housing Corp.--Financial Summary

Period ending	Dec-31-2016	Dec-31-2017	Dec-31-2018	Dec-31-2019	Dec-31-2020	Dec-31-2021
Reporting period	2016a	2017a	2018a	2019a	2020a	2021a
Display currency (bil.)	KRW	KRW	KRW	KRW	KRW	KRW
Revenues	22,968	23,559	18,034	20,530	24,434	27,346
EBITDA	4,084	4,000	3,666	3,933	5,556	6,925
Funds from operations (FFO)	2,024	1,855	2,520	2,157	2,657	4,238
Interest expense	2,692	2,215	2,019	1,689	1,385	1,255
Cash interest paid	3,183	2,867	2,048	1,536	1,831	1,260
Operating cash flow (OCF)	9,959	11,554	10,411	9,111	5,758	4,339
Capital expenditure	4,076	4,625	4,898	8,479	9,827	8,946
Free operating cash flow (FOCF)	5,883	6,929	5,513	632	(4,070)	(4,607)
Discretionary cash flow (DCF)	5,732	6,481	4,960	243	(4,522)	(5,273)
Cash and short-term investments	4,397	7,475	5,139	2,673	3,692	9,258
Gross available cash	4,397	7,475	5,139	2,673	3,692	9,258
Debt	69,861	60,245	55,536	55,059	56,918	57,399
Common equity	38,975	42,751	45,264	49,835	55,541	62,762
Adjusted ratios						
EBITDA margin (%)	17.8	17.0	20.3	19.2	22.7	25.3
Return on capital (%)	3.1	3.1	2.9	2.9	4.1	5.0
EBITDA interest coverage (x)	1.5	1.8	1.8	2.3	4.0	5.5
FFO cash interest coverage (x)	1.6	1.6	2.2	2.4	2.5	4.4
Debt/EBITDA (x)	17.1	15.1	15.1	14.0	10.2	8.3
FFO/debt (%)	2.9	3.1	4.5	3.9	4.7	7.4
OCF/debt (%)	14.3	19.2	18.7	16.5	10.1	7.6
FOCF/debt (%)	8.4	11.5	9.9	1.1	(7.2)	(8.0)
DCF/debt (%)	8.2	10.8	8.9	0.4	(7.9)	(9.2)

Reconciliation Of Korea Land and Housing Corp. Reported Amounts With S&P Global Adjusted Amounts (Bil. KRW)

Financial year	Shareholder		Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
	Debt	Equity								
Dec-31-2021										
Company reported amounts	66,260	62,755	27,346	6,913	5,649	190	6,925	4,340	667	8,946

Reconciliation Of Korea Land and Housing Corp. Reported Amounts With S&P Global Adjusted Amounts (Bil. KRW)

	Shareholder Debt	Shareholder Equity	Revenue	EBITDA	Operating income	Interest expense	S&PGR adjusted EBITDA	Operating cash flow	Dividends	Capital expenditure
Cash taxes paid	-	-	-	-	-	-	(1,428)	-	-	-
Cash interest paid	-	-	-	-	-	-	(1,260)	-	-	-
Lease liabilities	30	-	-	-	-	-	-	-	-	-
Postretirement benefit obligations/deferred compensation	367	-	-	12	12	12	-	-	-	-
Accessible cash and liquid investments	(9,258)	-	-	-	-	-	-	-	-	-
Capitalized interest	-	-	-	-	-	1,053	-	-	-	-
Capitalized development costs	-	-	-	(1)	7	-	-	(1)	-	(1)
Dividends from equity investments	-	-	-	1	-	-	-	-	-	-
Nonoperating income (expense)	-	-	-	-	154	-	-	-	-	-
Noncontrolling/minority interest	-	7	-	-	-	-	-	-	-	-
Total adjustments	(8,862)	7	-	12	173	1,065	(2,688)	(1)	-	(1)
S&P Global Ratings adjusted	Debt	Equity	Revenue	EBITDA	EBIT	Interest expense	Funds from Operations	Operating cash flow	Dividends	Capital expenditure
	57,399	62,762	27,346	6,925	5,822	1,255	4,238	4,339	667	8,946

Liquidity

We assess KLHC's liquidity as adequate. This view incorporates our expectation of strong ongoing support from the government to enable the company to fund its large short-term debt maturities and capital investment requirements. This factor should keep KLHC's ratio of liquidity sources to uses at 1.6x-1.8x over the 12 months ending Dec. 31, 2022.

KLHC is an important government-related entity in Korea. We therefore believe the company will continue to benefit from preferential access to debt markets and supportive financial markets in Korea. It should be able to raise debt in a timely manner, as it has done in recent years.

Principal liquidity sources

- Cash and cash equivalents of about KRW9.3 trillion as of Dec. 31, 2021;
- Cash flow from operations of about KRW3.2 trillion for 2022;
- Capital injections of about KRW3.7 trillion from the government in 2022; and
- Planned debt issuance of about KRW9.2 trillion in 2022 as part of ongoing support from the government.

Principal liquidity uses

- Debt maturities of about KRW4.2 trillion in 2022;
- Capex of about KRW9.2 trillion in 2022; and
- Dividend payments of about KRW830 billion in 2022.

Covenant Analysis

Compliance expectations

LH does not have any material financial covenants on its borrowings.

Environmental, Social, And Governance

KLHC is exposed to social risks. This is given the company's role in land development, urban regeneration, as well as housing market stabilization as a government-owned entity. The company has managed the risks with no material instances of social discontent in recent history.

KLHC is responsible for and promotes social cohesion due to its role as a provider of affordable housing for low and medium-income families, the young generation, and other disadvantaged communities. For example, the company provides rental apartments to these communities at 30%-90% of market rent, depending on the needs and income bracket of the target communities.

KLHC's few land speculation cases caused by a few employees were due to the company's weak internal controls, in our view. Following the incidents, the government has tightened internal governance of the company. KLHC has hired a compliance officer and now requires all employees to register their assets. The company has also banned employees from buying land except for living.

Government Influence

In our opinion, the likelihood that the Korean government would provide timely and sufficient extraordinary support to KLHC in the event of financial distress is almost certain. We base our view on the company's following characteristics:

- Critical role as the sole government-owned entity responsible for meeting the government's objectives of ensuring a stable supply of development land and public housing, as well as development of administrative and innovative cities.
- Integral link with the government, reflecting the government's full ownership and strong ongoing financial support. Through the Ministry of Land, Infrastructure, and Transport, the government sets KLHC's budget and maintains tight control over the company to ensure implementation of its policy role.

Issue Ratings--Subordination Risk Analysis

Capital structure

As of Dec. 31, 2021, KLHC's capital structure consisted of KRW66 trillion of unsecured debt at the parent level, and none at the subsidiary level.

Analytical conclusions

We rate KLHC's debt 'AA,' the same as the long-term issuer credit rating. This is because no significant elements of subordination risk are present in the company's capital structure, given a priority debt ratio of 0%.

Rating Component Scores

Foreign currency issuer credit rating	AA/Stable/--
Local currency issuer credit rating	AA/Stable/--
Business risk	Strong
Country risk	Low
Industry risk	Moderately High
Competitive position	Excellent
Financial risk	Highly Leveraged
Cash flow/leverage	Highly Leveraged
Anchor	bb
Diversification/portfolio effect	Neutral (no impact)
Capital structure	Neutral (no impact)
Financial policy	Neutral (no impact)
Liquidity	Adequate (no impact)
Management and governance	Fair (no impact)
Comparable rating analysis	Neutral (no impact)
Stand-alone credit profile	bb
Related government rating	AA
Likelihood of government support	Almost certain (+9 notches from SACP)

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Corporates | General: Corporate Methodology: Ratios And Adjustments, April 1, 2019
- Criteria | Corporates | General: Reflecting Subordination Risk In Corporate Issue Ratings, March 28, 2018
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- Criteria | Corporates | General: Methodology And Assumptions: Liquidity Descriptors For Global Corporate Issuers, Dec. 16, 2014
- Criteria | Corporates | Industrials: Key Credit Factors For The Homebuilder And Real Estate Developer Industry, Feb. 3, 2014
- Criteria | Corporates | General: Corporate Methodology, Nov. 19, 2013
- General Criteria: Methodology: Industry Risk, Nov. 19, 2013

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- General Criteria: Country Risk Assessment Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Methodology: Management And Governance Credit Factors For Corporate Entities, Nov. 13, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- General Criteria: Stand-Alone Credit Profiles: One Component Of A Rating, Oct. 1, 2010

Related Research

- Research update: Korea Land & Housing Corp. 'AA' Ratings Affirmed; SACP Revised Up On Lower Public Housing Rental Risks; Outlook Stable, Aug. 25, 2022

Ratings Detail (as of October 24, 2022)*

Korea Land and Housing Corp.

Issuer Credit Rating AA/Stable/--

Issuer Credit Ratings History

08-Aug-2016	<i>Foreign Currency</i>	AA/Stable/--
16-Sep-2015		AA-/Stable/--
21-Sep-2014		A+/Positive/--
08-Aug-2016	<i>Local Currency</i>	AA/Stable/--
17-Sep-2012		AA-/Stable/--
01-Oct-2009		A+/Stable/--

Related Entities

Export-Import Bank of Korea

Issuer Credit Rating		
<i>Foreign Currency</i>		AA/Stable/A-1+
<i>Local Currency</i>		--/--/A-1+
Commercial Paper		
<i>Foreign Currency</i>		A-1+
Short-Term Debt		A-1+

Korea Development Bank

Issuer Credit Rating		
<i>Foreign Currency</i>		AA/Stable/A-1+
<i>Local Currency</i>		--/--/A-1+
Certificate Of Deposit		
<i>Foreign Currency</i>		A-1+
Commercial Paper		
<i>Foreign Currency</i>		A-1+
Senior Secured		AA

Korea Housing Finance Corp.

Issuer Credit Rating		AA/Stable/A-1+
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Korea Land and Housing Corp.

Ratings Detail (as of October 24, 2022)*

Korea Mine Rehabilitation and Mineral Resources Corp.

Issuer Credit Rating	A/Stable/--
Senior Unsecured	A

Korea National Oil Corp.

Issuer Credit Rating	AA/Stable/--
Senior Unsecured	AA

Korea (the Republic of)

Issuer Credit Rating	AA/Stable/A-1+
Transfer & Convertibility Assessment	AAA
Senior Unsecured	AA

NH Investment & Securities Co. Ltd.

Issuer Credit Rating	A-/Stable/A-2
Senior Unsecured	A-

NongHyup Bank

Issuer Credit Rating	A+/Stable/A-1
Commercial Paper	
<i>Foreign Currency</i>	A-1

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