

A NEW PAGE



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About the Annual Report :

This annual report was created as an interactive PDF file and website that allow for easy navigating.



A NEW CHAPTER

Discerning market changes and investing in new industries overseas for a better future

Through stable asset management, the Korea Investment Corporation (KIC) has increased national wealth and contributed to the development of Korea's finance industry. Against the backdrop of a globally volatile market, KIC has generated consistent returns by being flexible and innovative in our investment decisions and leveraged its global network to help lead Korea's finance industry. Going forward, we will continue to prepare for a sustainable future through responsible investments.

NEW GROWTH

KIC has experienced consistent growth in management scale and returns
since its first investment – in global fixed income – in 2006.

INVESTMENT HIGHLIGHTS

USD **16.9** billion

Annual investment gains in 2021

9.13%

Return on total assets in 2021

USD **205** billion

Assets under management

9.94%

Annualized return for the past 5 years

USD **87.9** billion

Accumulated gains

(As of the end of December 2021)

INVESTMENT HIGHLIGHTS

USD **205** billion

Reached USD 205 billion

in assets under management 16 years since establishment

Assets Under Management

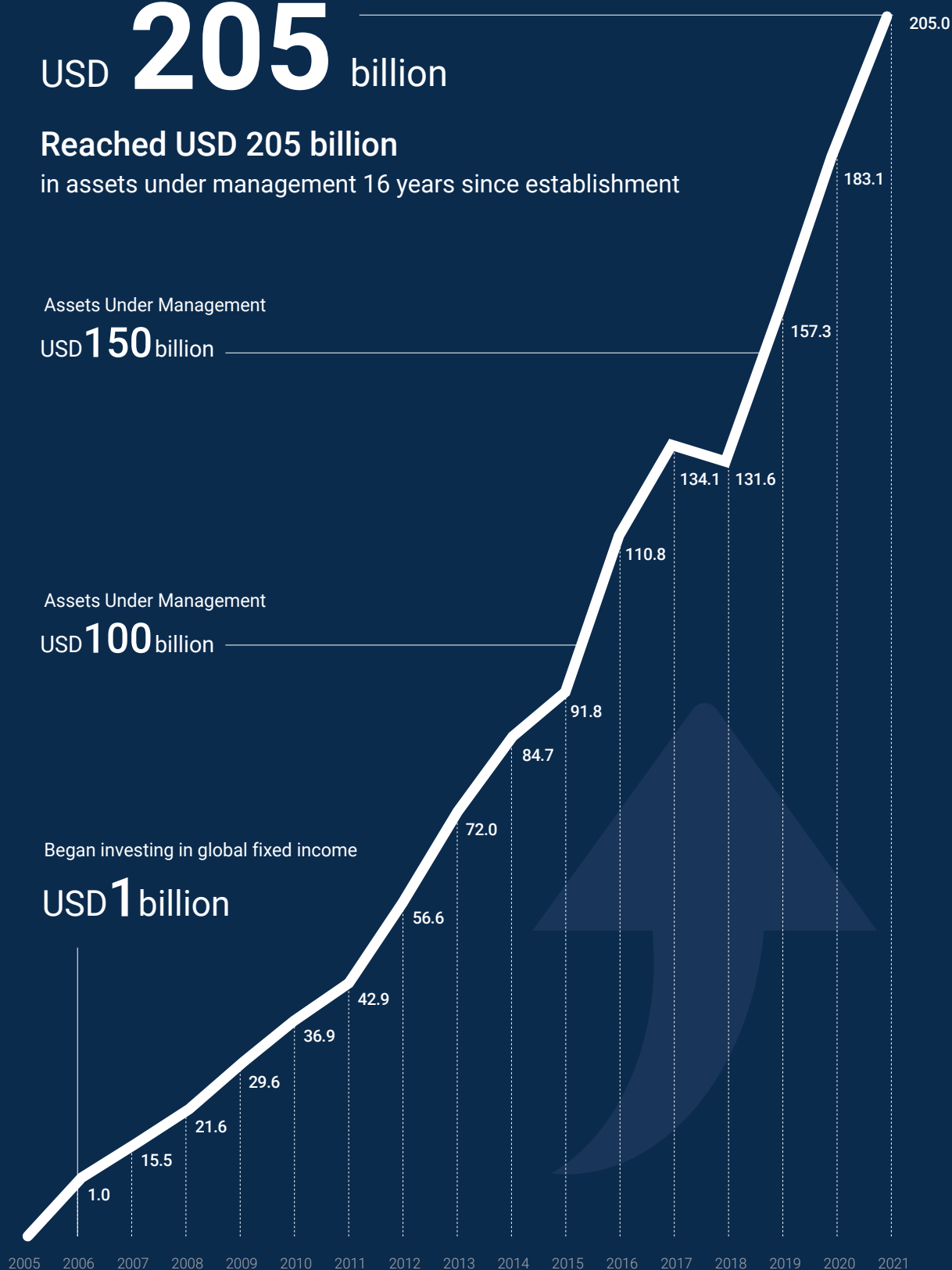
USD **150** billion

Assets Under Management

USD **100** billion

Began investing in global fixed income

USD **1** billion



(As of the end of December 2021, unit: USD billion)



NEW VALUE

KIC strives to deliver value through investing
to create a better future for Korea.

Message from the CEO



KIC responded to market changes with a sophisticated asset allocation strategy, achieving an annual return of 9.13% and earnings of USD 16.9 billion in 2021.

Dear Readers,

Looking back, 2021 brought both much-awaited recovery as well as volatility.

Covid-19 vaccines started to lead us out of the pandemic. National economic initiatives raised both consumer demand and corporate earnings, which led to higher prices for equities and other risky assets. On the flipside, supply chain disruptions and inflation concerns triggered increased market volatility.

KIC's response was to deploy a sophisticated asset allocation strategy. As a result, we achieved an annual return of 9.13% and earnings of USD 16.9 billion in 2021.

We also increased the proportion of our alternative investments from 15.3% of our total portfolio in 2020 to 17.5% in 2021 as part of our strategy to generate stable, long-term returns.

On the back of this growth, KIC's total assets reached USD 205 billion last year – exceeding the USD 200 billion mark for the first time since our inception. For some quick history: We made our first investment in global fixed income with USD 1 billion in 2006, hit USD 50 billion in total assets in 2012 and exceeded USD 100 billion in 2016.

I thank you for your support throughout the years.

Today, Covid-19 continues to affect investor sentiment while concerns around inflation and the tightening of monetary policy point to accelerated interest rate hikes. The war in Ukraine, geopolitical tensions (U.S.-China) and supply chain risks also pose issues. Uncertainty seems to be the only sure thing.

Despite these circumstances, KIC's goal is to achieve more growth and more milestones as a leading sovereign wealth fund.

We strive for outstanding investment performance not only through increasing our assets under management and capturing great investment opportunities, but also through maximizing our investment experience, knowledge and overall capabilities.

Specifically, we will continue to refine our macroeconomic research to make sure we invest with a balanced outlook. Through building an optimal portfolio for target rates of return and discovering new asset classes, we will enhance our asset allocation strategy.

We will also work to seamlessly implement new strategies, such as those involving artificial intelligence, big data and

factor style allocation, into our investment process. The aim is to diversify our portfolio with strategies that respond to social and structural change, such as technological innovation and consumer trends.

Through expanding our direct investments, we will also be more autonomous in our investment decision-making and strengthen our management capabilities. Leveraging our global network, we plan to actively engage in joint investments with leading institutional investors.

As a responsible investment leader, we will increase our ESG investments as well. We are working on building a portfolio model that responds to climate change and better exercising our shareholder rights.

Of course, we will also foster the growth of Korea's finance industry by 1) sharing investment information and opportunities at home and abroad, in response to growing domestic demand for overseas investments, through the KIC-led Public Community for Overseas Investment and International Financial Cooperation Council, 2) working with local asset managers for entrustments, 3) expanding the quota system for domestic securities firms and 4) participating in the syndicated loans of the overseas branches of domestic banks for alternative investments. We will also use our International Finance Academy, which offers asset management training and was started this year, to nurture Korea's future finance leaders.

In keeping with these plans, I would like to close with my aspirations as Korea's Ambassador for Financial Cooperation, which I was appointed earlier this year in addition to my role as the CEO of KIC. Going forward, I will do my utmost to promote the domestic finance market and attract foreign finance firms, the ultimate goal being to develop Korea as a global finance hub.

Thank you.



Seungho Jin

Chairman of the Board & CEO
Korea Investment Corporation

Global Reach

KIC invests in
66 countries, 38 currencies,
3,172 equities,
8,265 fixed-income instruments
and 411 funds.



List of invested countries

Equity & fixed-income investments

Australia, Austria, Belgium, Brazil, Canada, Cayman Islands, Chile, China, Colombia, Czech Republic, Denmark, Egypt, England, Finland, France, Germany, Greece, Hong Kong, Hungary, India, Indonesia, Ireland, Israel, Italy, Japan, Kuwait, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Panama, Peru, Philippines, Poland, Portugal, Qatar, Russia, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, UAE, Uruguay and USA

Equity investments

Argentina

Fixed-income investments

Bermuda, Bulgaria, Croatia, Cyprus, Estonia, Guernsey, Iceland, Kazakhstan, Lithuania, Macau, Romania, Slovakia, Slovenia and Bailiwick of Jersey

*As of the end of December 2021, based on the market value of traditional assets

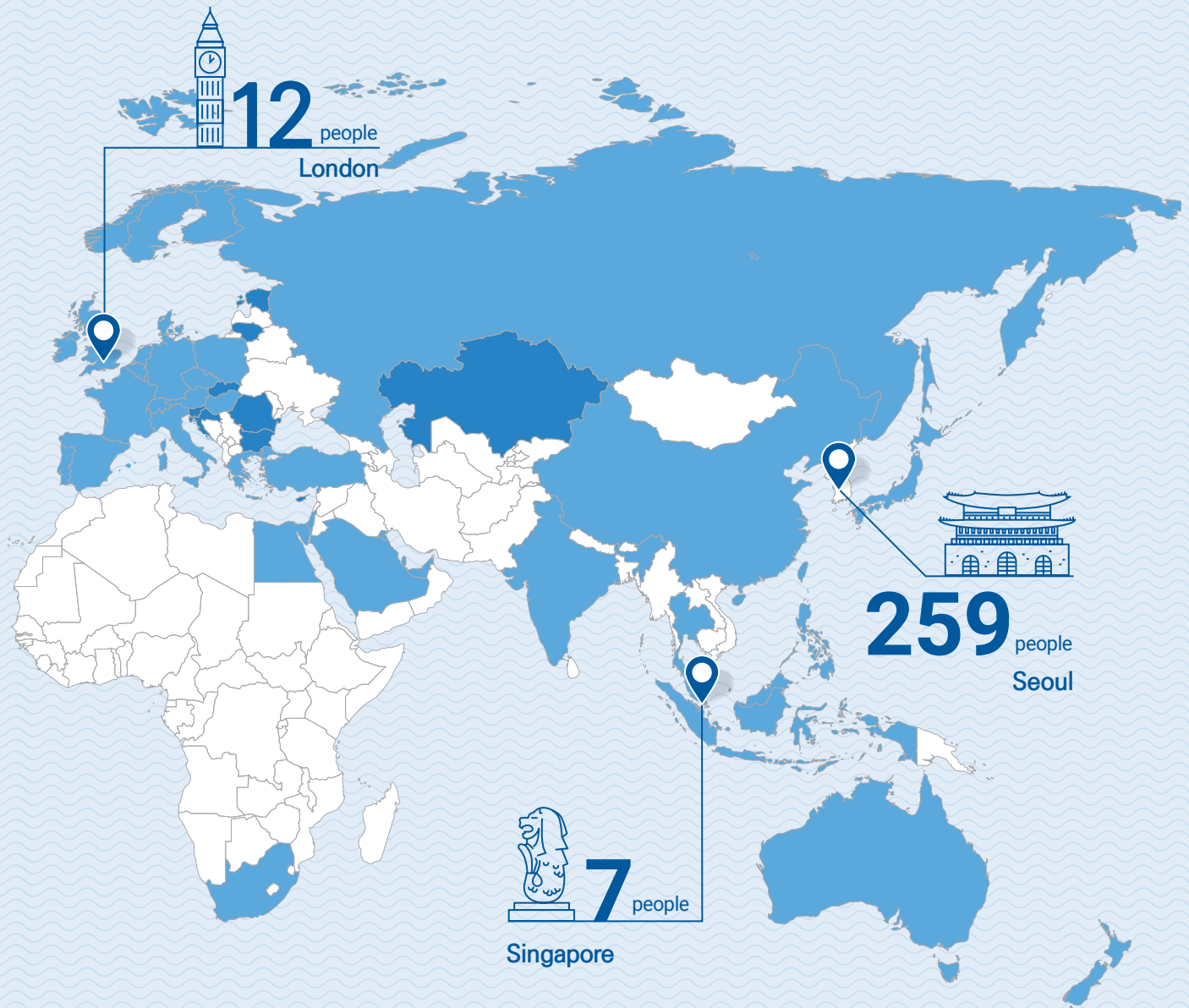


KIC employees

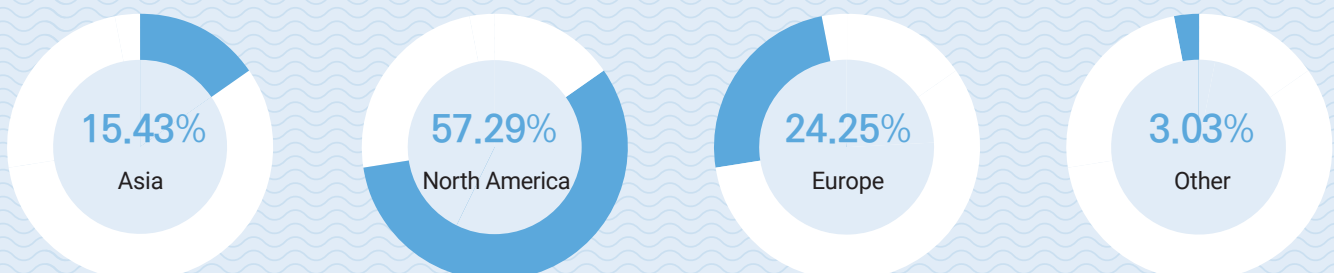
(Unit: people)

	Seoul	New York	London	Singapore	San Francisco	Total
Employees (Investment managers)	259 (106)	19 (15)	12 (8)	7 (5)	4 (2)	301 (136)

*As of the end of April 2022, excl. executives

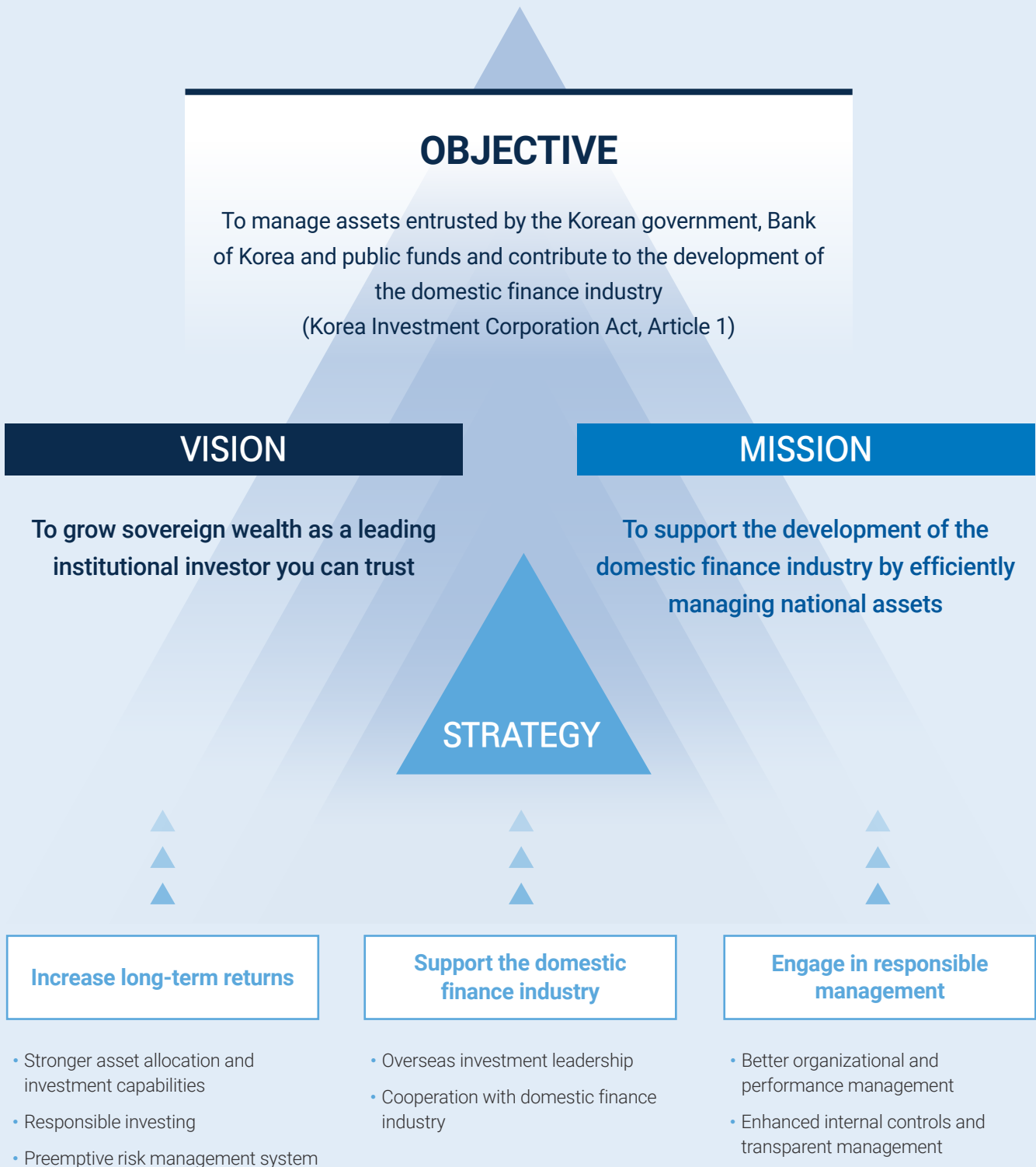


Investments by region



*As of the end of December 2021

Vision & Mission



Our Future



TALENT

Respecting individual talent and expertise

- ▶ We respect the expertise of our employees, who come from diverse backgrounds, through talent-focused management.



RENOVATION

Embracing innovation and change

- ▶ We seek continuous growth through ongoing innovation and change.



UNITY

Unified through a healthy corporate culture

- ▶ We strive for unity through a corporate culture of mutual trust and respect.



STANDARD

Setting global SWF standards

- ▶ We aim to set the standard for investment expertise and returns for sovereign wealth funds globally.



TOMORROW

Preparing for Korea's future

- ▶ We prepare for Korea's economic future through increasing sovereign wealth.

Management Philosophy & Investment Philosophy

▶ Performance Management

- Pursuing efficient management and employee innovation & growth
- Generating the best results with the best talents

Management Philosophy

▶ Ethical Management

- Building a system of integrity and fairness
- Securing the trust of sponsors and the public

▶ Happiness Management

- Creating a workplace of respect, consideration and fun
- Generating positive synergy among employees

Investment Philosophy

▶ Investing for the long term

- Investing with a long-term perspective to achieve high returns amid short-term market volatility

▶ Investing based on intrinsic value

- Identifying undervalued opportunities through systematic valuation

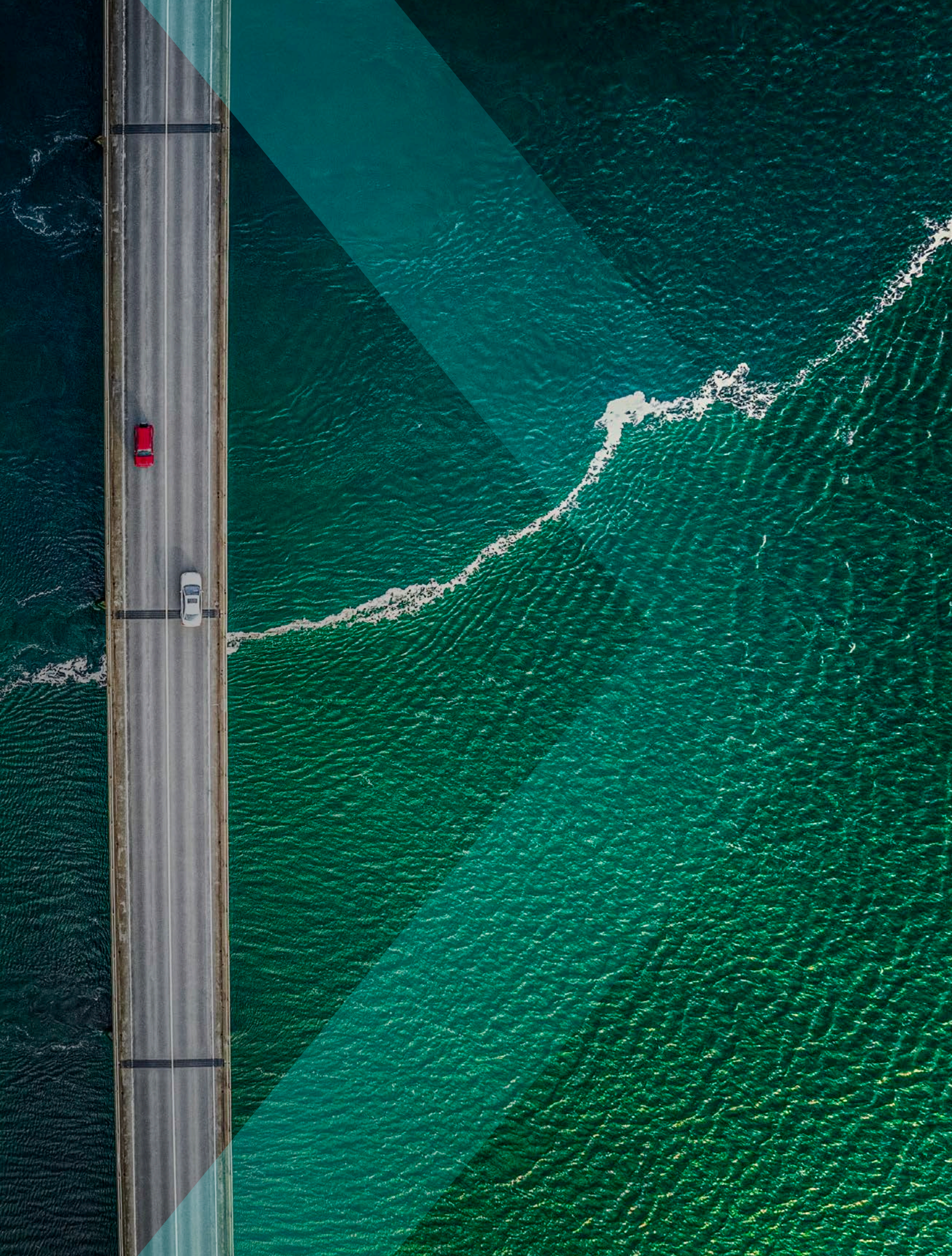
▶ Investing based on thorough risk screening

- Staying a step ahead in risk management for investment targets and investing only after thorough risk screening

INVESTMENT REVIEW

KIC efficiently manages Korea's national wealth for the long term, generates high returns through nimble and innovative investing and is a leading partner in Korea's finance industry.

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Investment Overview

First entrusted with USD 1 billion in 2006, KIC has consistently expanded its operating scale through stable and capable management. Our assets under management (AUM) at the end of 2021 totaled USD 205 billion on the back of excellent investment performance, marking a 12% increase from 2020.

Following a principle of diversification, KIC manages a portfolio that is 82.5% traditional assets and 17.5% alternative

assets, including private equity, real estate, infrastructure and hedge funds.

The AUM of our alternative assets, which have a low correlation with traditional assets and pursues relatively high returns, grew 29% (USD 8 billion) to USD 35.9 billion, corresponding to their growth in portfolio weight from 15.3% in 2020 to 17.5% in 2021.

Asset Allocation (2021)

(USD billion, %)

Alternative Assets

USD 35.9 billion



Traditional Assets

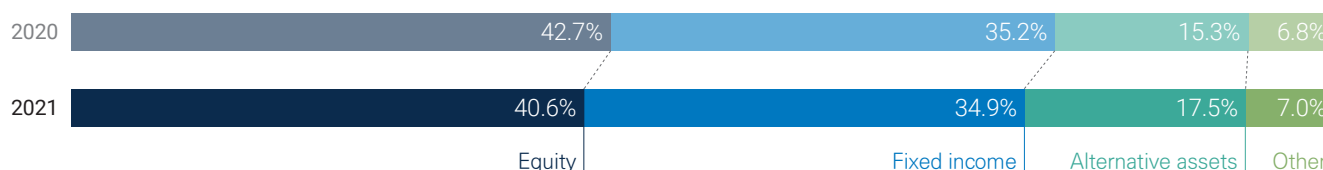
USD 169.1 billion

	NAV	Weight
Traditional assets	Equities	83.2
	Fixed Income	71.6
	Other*	14.3
	Subtotal	169.1
Alternative assets	Private equity	15.7
	Real estate & infrastructure	13.4
	Hedge funds	5.5
	Cash equivalents	1.3
	Subtotal	35.9
Total	205.0	100.0

* "Other" refers to inflation-linked bonds, cash, hybrid securities, etc.

Asset allocation compared to the previous year

KIC has increased investments in alternative assets to achieve stable long-term performance. Alternatives accounted for 17.5% of the total portfolio in 2021, up from 15.3% the previous year.



As new Covid-19 infections began to wane with vaccine rollouts in major developed economies in early 2021, increased consumption following economic reopening and large-scale economic stimulus across countries raised recovery expectations, leading to higher risky asset prices. But supply chain bottlenecks caused by the sudden post-pandemic increase in demand and supply shortages, as well as concerns around inflation due to rising prices for commodities and more, increased global financial market volatility. While stocks remained overvalued, improved corporate performance and earnings drove a rise in stock prices. On the fixed-income front, bond yields rose (and bond prices fell) on upward inflationary pressures and economic recovery trends.

Stock prices on the MSCI World Index rose 16.8% and indices in major regions excluding China also closed higher than they did at the beginning of the year. Bond prices on the Bloomberg Barclays Global Aggregate Bond Index rose 4.7% due to lower base rates and increased asset purchases.

KIC recorded an annual return of 9.13% in 2021 through actively responding to changes in the financial environment and effectively using its global investment and crisis management capabilities. Assets under management increased by USD 22 billion, from USD 183.1 billion at end-2020 to USD 205 billion at end-2021. Our five-year annualized return was 9.94% and our annualized return since inception, 5.47%.

Assets under management by year

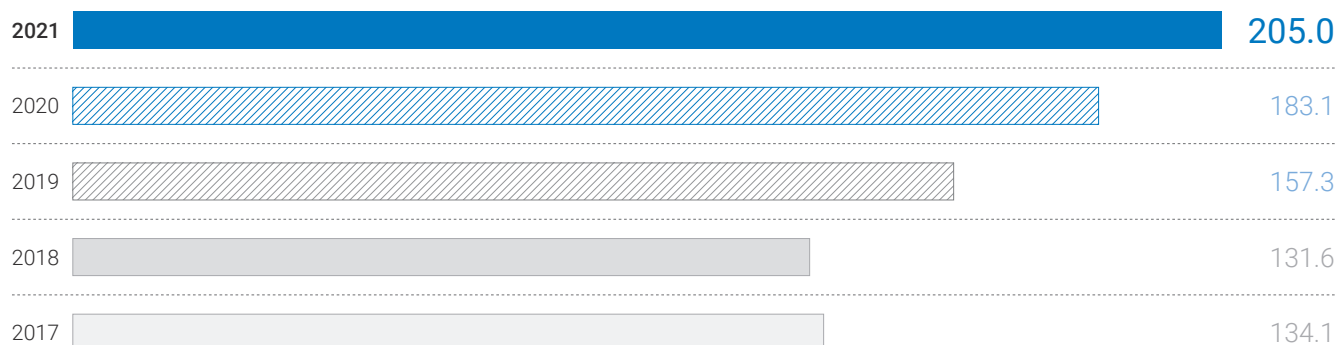
(USD billion)

	2017	2018	2019	2020	2021
Total assets*	115.8	136.7	137.1	161.3	188.1
NAV	134.1	131.6	157.3	183.1	205.0
Cumulative net investment income	34.1	29.0	49.2	71.0	87.9

* Previous year-end NAV + investments in 2021

Net asset value (NAV)

(USD billion)



Return on total assets

KIC's return on total assets in 2021 stood at 9.13%, with a five-year annualized return of 9.94% and an annualized return since inception of 5.47%.

(%)

	2017	2018	2019	2020	2021
Return on total assets (before fees)	16.42	-3.66	15.39	13.71	9.13
Return on total assets (after fees)	16.26	-3.80	15.21	13.52	8.94
Annualized return since inception	4.45	3.76	4.60	5.22	5.47

Return on traditional assets

The return on traditional assets in 2021 was 6.75%, -39 bps compared to the benchmark.

(%)

		2017	2018	2019	2020	2021	Annualized return for the past five years ('17-'21)	Annualized return since inception
Total	Return	16.71	-5.64	16.62	14.62	6.75	9.46	5.67
	Excess return (bp)	129	-81	33	144	-39	32	22
Equities	Return	25.50	-9.55	27.52	19.16	18.61	15.39	6.41
	Excess return (bp)	122	-71	6	261	-92	39	-1
Fixed income	Return	8.00	-1.32	7.53	9.88	-4.62	3.73	3.76
	Excess return (bp)	72	-13	73	78	39	48	33

Return on alternative assets

Annualized return since inception: 8.83%

(%)

	Inception	Annualized return since inception
Private equity	2009. 09. 16	11.33
Real estate & infrastructure	2010. 03. 15	7.76
Hedge funds	2010. 01. 29	5.64
Alternative asset total*		8.83

* Total includes commodities (categorized as traditional assets since April 2011)

Benchmarks for each asset class

Asset class	Type	Benchmark
Traditional assets	Equities	Morgan Stanley Capital International All Country World Index ex Korea (unhedged)
	Fixed income	Bloomberg Barclays Global Aggregate Index ex KRW ex Korea (unhedged)
	Inflation-linked bonds	Bloomberg Barclays Global Inflation-linked Bond Index
	Cash	ICE BofA Merrill Lynch 3-Month US Treasury Bill
Alternative assets	Private equity	Morgan Stanley Capital International All Country World Index ex Korea (unhedged) + 2%, 3 months lagged
	Real estate & infrastructure	G7 inflation rate + 4%, 3 months lagged
	Hedge funds	BofA Merrill Lynch 3-Month US Treasury Bill + 3.5%, 1 month lagged

Investment Policy & Process

KIC's investment policy and process focus on improving long-term returns through stable asset management.

Investment Objective

KIC's investment objective is to generate consistent and stable investment returns within appropriate risk limits to preserve and increase the value of Korea's sovereign wealth.

Investment Principles

Based on principles of prudent and responsible investing, KIC diversifies investments across asset classes and regions, ensuring that overall portfolio risk remains within appropriate levels to increase returns in a sustainable manner.

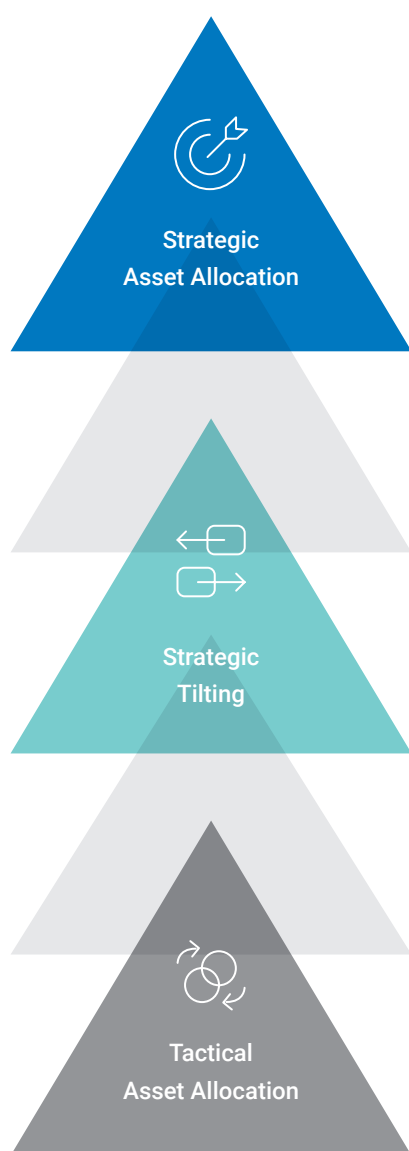
Asset Classes

KIC invests in traditional and alternative assets. Traditional assets include listed or highly liquid financial assets such as equities and fixed-income investments. Alternative assets, which can capture risk premiums associated with illiquid investments, include private equity, real estate, infrastructure and hedge funds.

Investment Guidelines

The investment guidelines provided by our sponsors stipulate the objectives, benchmarks, risk tolerance limits and other key guidelines for mandated investments and serve as the basis for all investments, risk management and performance assessments at KIC. KIC has also established internal investment guidelines for all asset classes, including equity, fixed income and each fund type.

KIC's Asset Allocation System



Asset Allocation

KIC establishes investment targets based on the nature and objective of assets and is strengthening the role and function of asset allocation based on the financial market environment, characteristics of each asset class and investment horizon. We hold an asset allocation forum every quarter to integrate the top-down and bottom-up views from various investment departments and formulate a house view to ensure a reliable asset allocation process.

KIC's asset allocation system consists of strategic asset allocation, strategic tilting and tactical asset allocation, which are implemented according to investment horizon and role.

Strategic asset allocation defines the role and function of each asset class and sets the policy portfolio based on expected returns and risks on a long-term horizon. Strategic tilting aims to increase returns by adjusting asset allocation against the policy portfolio on a mid-term horizon. Tactical asset allocation pursues excess returns through using alpha strategies and managing risks via various hedging strategies in the event of short-term market volatility.

Direct and Indirect Asset Management

KIC manages traditional assets directly by trading in financial markets and indirectly through external managers.

For direct investments, we pursue stable returns with relatively low risk and marginal excess returns compared to the benchmark. For indirect investments, we use a more active investment strategy that pursues high excess returns with relatively greater risk.

Risk Management

KIC minimizes unnecessary risk and controls downside risk through preemptive and systematic risk management.

Risk limits are set in accordance with risk management policies approved by the Steering Committee. Risk limit compliance is monitored on a regular basis.

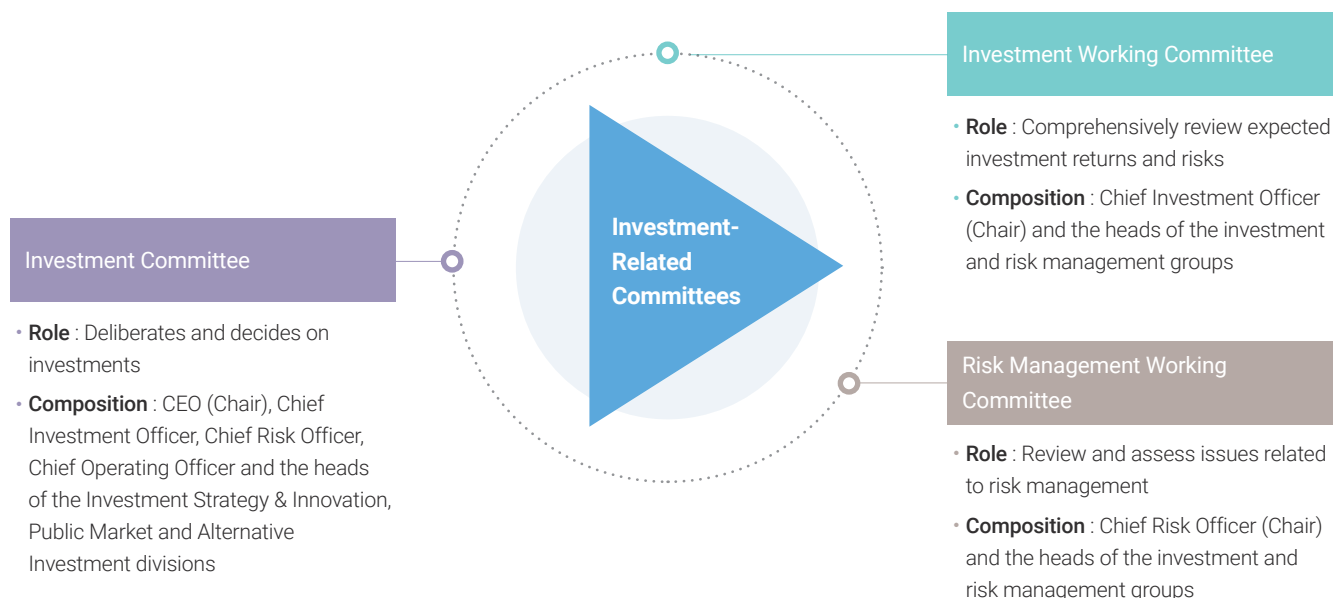
Investment Process

KIC's investment process is focused on improving long-term investment returns based on stable asset management.



Investment-Related Committees

The following investment-related committees at KIC ensure prudent and responsible investment decision-making.



Traditional Investments

Traditional investments, which include equities, fixed income and asset allocation, comprise a major part of KIC's portfolio.

Traditional investments, including equities and fixed income, account for 82.5% of KIC's total portfolio, playing a central role in our pursuit of investment targets.

We started with fixed-income investments in 2006 and expanded our asset classes to include equities, inflation-linked bonds and more. The annualized return for KIC's traditional investments as of 2021 was 5.67%.

As the scope and scale of our investments grew, so did the need to adjust our asset class weights and to pursue companywide risk management. We started an asset allocation forum in 2019 in which KIC's investment managers engage in in-depth discussions, with forum results being reflected in KIC's decision-making process.

While each investment group aims to generate excess returns through using various strategies, the Asset Allocation Group analyzes capital market expectations for each asset class based on financial market forecasts and sets optimum allocations based on companywide risk levels, contributing to the achievement of KIC's absolute return targets.

Through these functions, KIC maximizes the effectiveness of investment diversification and maintains portfolio-wide risk at appropriate levels, which helps generate returns in a sustainable manner.

Macroeconomic Analysis

KIC conducts multi-faceted global macroeconomic research for effective asset allocation, using the findings to determine short-term market responses and to construct mid- and long-term portfolios. We are laying the groundwork to better respond to changes in the investment environment in consideration of the economic structures and political/social issues of major countries.

We also actively communicate with investment managers worldwide to share and verify investment ideas and global economic and market forecasts, using what we know and learn to best build our investment portfolio and improve returns.

Equities

KIC invests in publicly listed companies globally that are undervalued relative to their long-term intrinsic value. Our goal is to consistently achieve excess returns in accordance with investment guidelines.

More specifically, we pursue stable and sustainable returns through building a balanced portfolio of fundamental and quantitative strategies and of direct and indirect investments.

Our fundamental direct equity investments are managed by the Equity Investment & Strategy Group and the Global Equity Investment Group. Both aim to generate excess returns through analyzing the intrinsic value of companies and industries.

One of our fundamental direct investment strategies, called the Global Core Strategy, was introduced in 2019, expanded in 2020 and recently spun off into its own group – the Global Equity Investment Group. The aim is to strengthen our sector-portfolio structure, which is managed by sector specialists.

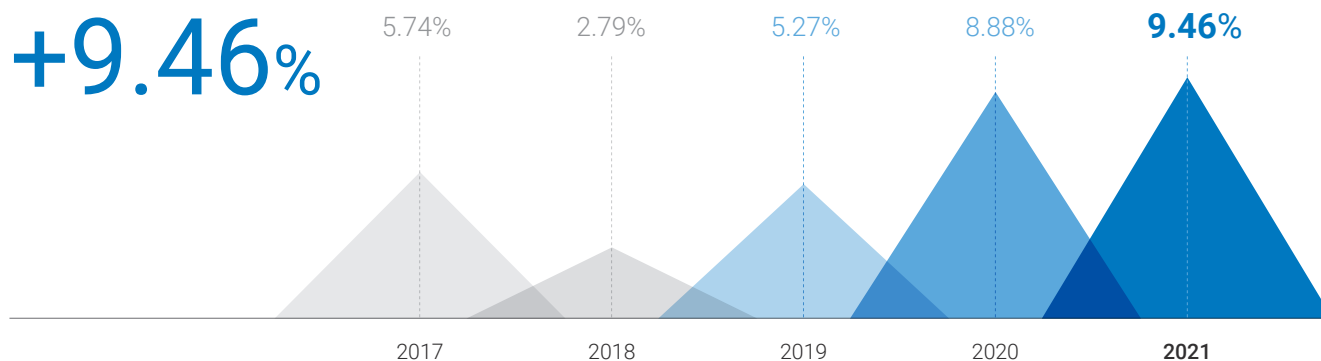
The other fundamental direct investment strategy is specialized by region. KIC's New York and London offices manage our North America and Europe funds, respectively, and managers at KIC's Seoul headquarters manage our emerging market and Asia funds.

Our indirect equity investments are managed by the Equity Investment & Strategy Group. The main aim here is to improve portfolio returns and respond appropriately to market changes. The group does this by diversifying strategies and enhancing KIC's ability to manage the portfolio in a more balanced manner. Managers in charge of indirect investments also work with our New York and London offices to find new strategies, strengthen communications with global managers and enhance KIC's ESG investments as a whole.

For quantitative investments, the Quant Equity Investment Group works to develop KIC's direct investment capabilities long-term. It has built a global portfolio management and trading system through benchmarking advanced systems overseas. After starting with a passive strategy in 2008, the group adopted a quantitative alpha (excess return) model through which investment decisions are made using algorithms based on mathematical and statistical models. It uses an enhanced strategy to improve cost efficiency and returns.

The group also employs an independently developed management platform for quant investments to respond to a global investment environment that is rapidly changing due to technological innovations, including the diversification of sources for big data and alternative data, advancements in artificial intelligence / machine learning algorithms and the evolution of ESG strategies. In these and other ways, the Quant Equity Investment Group is developing and expanding the use of next-generation investment strategies.

Annualized return for the past 5 years



Fixed Income

Since starting global fixed-income investments in 2006, KIC's Fixed Income Group has efficiently managed assets through fulfilling its role of improving portfolio stability, supplying liquidity and capturing risk premiums.

KIC's fixed-income assets include sovereign bonds, corporate bonds and asset-backed securities, as well as the currencies of the Americas, Europe and emerging markets. For optimal portfolio management, the Fixed-Income Group manages risk factors, including market, credit and liquidity risks in the global bond market, within investment guidelines.

For the directly invested fixed-income portfolio, the group focused in 2021 on foreign exchange strategies and asset allocation strategies within sectors, on the back of successful sector-specific management strategies.

It uses regional and sector-specific expertise derived from collaborations with overseas offices to systemically manage a broad global portfolio, diversify risk and pursue stable excess returns.

For the external fixed-income portfolio, the group has expanded its unconstrained strategies to pursue absolute

returns and diversify sources of excess returns. It has strategically allocated risk between the internal and external portfolios using a proprietary risk monitoring system to achieve higher long-term returns.

Tactical Asset Allocation

KIC has established a tactical asset allocation strategy to improve overall returns and implemented related processes. The strategy entails adjusting the weight of asset classes based on allocations for spot markets, hedging strategies and alpha strategies, thereby managing total return volatility for traditional assets and improving returns.

In 2021, KIC developed quantitative indicators based on both scenario analyses following financial market changes and economic and market data. We also strengthened our internal system for portfolio management and risk analysis.



Alternative Investments

Alternative investments allow for an illiquidity premium, which can help KIC achieve outstanding returns as a long-term investor.

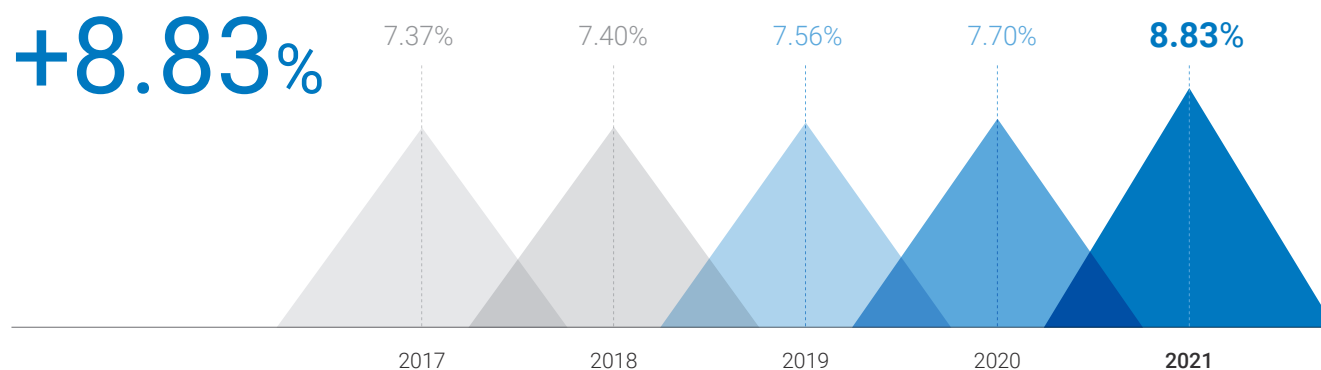
Alternative investments play a critical role in diversifying overall portfolio risk and increasing investment efficiency due to their low correlation with traditional investments. They also allow for an illiquidity premium, helping KIC, as a long-term investor, achieve outstanding returns.

KIC started investing in alternative assets in 2009 with private equity and steadily broadened our investment spectrum to include real estate, infrastructure and hedge funds. The result is a balanced alternative portfolio that can support efficient

overall portfolio management through investments diversified by vintage, region and strategy.

To achieve higher returns, we continue to expand our global network of sovereign wealth funds, pension funds and GPs and explore promising investment opportunities, including co-investments. As of the end of December 2021, KIC's annualized investment return since inception for alternative investments was 8.83%.

Annualized return since inception



Private Equity

Private equity investments, which are illiquid, growth-oriented long-term investments within the alternative asset portfolio, is a strategy that provides a higher return than do other asset groups. KIC established its alternative investment division in 2009 and started investing in private equity funds immediately following the global financial crisis. We began making direct private equity investments in 2010 and co-investments with GPs in 2011, diversifying our portfolio by region and strategy.

In 2021, the global private equity market showed significant traction in both new investments and exits, driven by increased liquidity in a growing alternative investment market, a drop in buyout financing costs due to low interest rates and an increase in valuations due to a boom in public listings.

KIC manages the KIC Venture Growth (KVG) fund to discover promising technology assets amid rapidly changing technological paradigms.

We also seize great opportunities through direct and co-investments and work to enhance our investment analysis capabilities while strengthening partnerships with leading managers.

Going forward, KIC strives to ensure long-term stable returns by building a diversified portfolio around excellent assets for each region and strategy.

We will also expand investments in private debt, which can generate stable cash flows through loans to blue-chip companies.

Real Estate

Real estate is one of the main alternative asset classes that can help diversify a portfolio. KIC has been making a diverse range of direct, indirect and co-investments in real estate in North America, Europe and Asia since 2010.

In 2021, global real estate transaction volume grew significantly on investor optimism for pandemic recovery following a contraction in 2020 due to Covid-related market uncertainty. With the pandemic accelerating social and economic structural change, sectors including logistics, where structural demand is expected to rise, and life sciences

and data centers saw a significant pickup in activity.

Discerning market changes early on, KIC expanded its investments in logistics facilities and data centers. To build a stable portfolio, we are actively seeking investment opportunities in sectors including offices and residential real estate and also considering investing in real estate debt, which is expected to generate stable cash flows amid interest rate hikes.

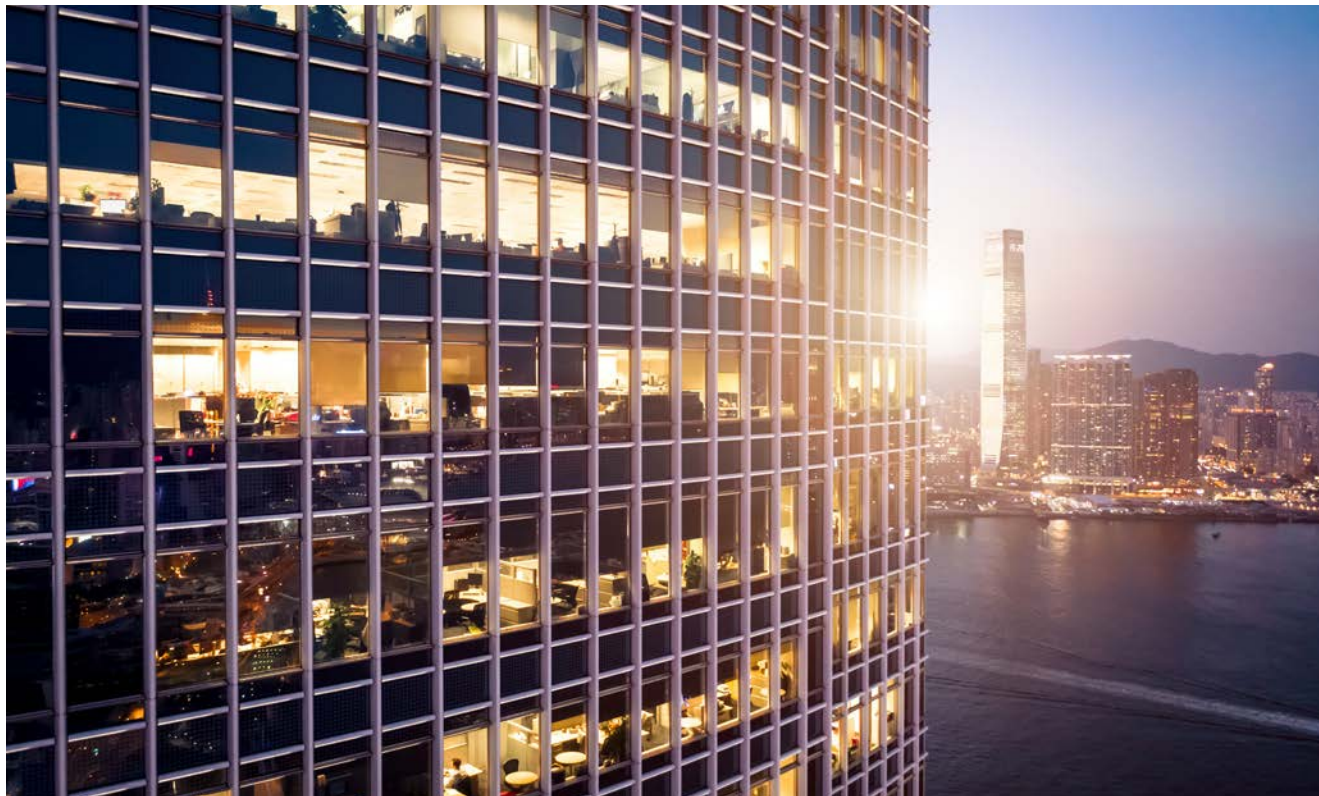
Infrastructure

Infrastructure assets generate long-term, predictable cash flows by providing facilities and services essential to society. Since KIC's first infrastructure investment in 2010, we have built a diversified portfolio across geographies, including North America, Europe and Asia, and sectors, including renewables, communication and transport.

Countries and companies have committed to net-zero emissions backed by action plans to counter climate change. In line with this, opportunities to invest in the energy transition – in such themes as clean energy and energy efficiency – are growing. We are also seeing strong demand for the high-speed communication networks required for online activities. Also, with the post-pandemic pick-up in business and personal travel, investments in such transportation infrastructure as airports and roads are becoming more attractive.

In 2021, in line with market trends, KIC committed to a dedicated global energy transition fund. We also invested in a North American district energy company, a U.S. waste-to-energy company and a European fiber network company.

With such diversified investments, KIC plans to maintain an infrastructure investment portfolio that can generate stable returns in the mid- to long-term.



Hedge Funds

As an asset class that pursues absolute returns, hedge funds offer a wide range of investment strategies and techniques. From a risk-return perspective, they have a relatively low correlation with economic cycles, traditional assets and other alternative assets, including private equity and real estate. KIC started investing in hedge funds in 2010. We have gradually developed our portfolio by diversifying investments across multiple hedge fund strategies to achieve stable and long-term returns in a manner complementary to other asset classes.

In 2021, economic recovery expectations combined with concerns around a resurgence of Covid-19 led to increased volatility for traditional assets, with equity markets subjected to factor and sector rotations and fixed-income markets showing heightened yield curve volatility. Still, with a hedge fund portfolio that has a low correlation to traditional assets, KIC secured opportunities to generate stable absolute returns in a rapidly changing market environment.

We also established a hedge fund joint venture in 2021 with Korea's National Agricultural Cooperative Federation and National Federation of Fisheries Cooperatives to support the overseas hedge fund investments of domestic finance companies. KIC strives to help develop the domestic finance industry through sharing its hedge-fund investment knowhow.

Going forward, we plan to build a portfolio centered on absolute return strategies that take advantage of arbitrage opportunities in the market, such as equity L/S, event-driven and fixed-income arbitrage strategies, in consideration of rising interest rates, increased market volatility and other changes in the financial environment.

Risk Management

KIC controls investment losses and minimizes unnecessary risk through preemptive and systematic risk management.

KIC aims to control investment risk within certain limits and appropriately manage potential losses.

We have in place a risk management system that provides comprehensive control solutions for managing risk at every step, for not only the front, middle and back offices, but also corporate management.

The Steering Committee reviews and deliberates on risk management policy while the Board of Directors (BOD) allocates risk limits and establishes risk management guidelines. The Risk Management Subcommittee (under the Steering Committee) and the Risk Management Working Committee (under the BOD) arrange detailed risk management guidelines via in-depth discussions.

The Risk Management is strictly separated from the Investment Management to ensure the independence and autonomy of the risk assessment and investment monitoring processes.

KIC manages market risk, credit risk, derivatives risk, operational risk and legal risk. We adopt quantitative indicators and limits to measure each type of risk and assess and monitor each risk indicator during the investment process. When key risks exceed limits, the Risk Management Working Committee examines the issue and discusses possible solutions. To supplement quantitative analyses, we also perform various types of qualitative analyses.

Market Risk

Manage the risk levels of excess returns on traditional assets, including equity and fixed-income investments, based on benchmarks designated by sponsors

Alternative Investment Risk

- Designate allocation limits for external managers relative to the total net value of alternative assets and for each asset class
- Monitor the degree of investment concentration by region, strategy, sector and vintage

Credit Risk

Include securities-related credit risks and counterparty credit risks



Derivatives Risk

Invest in derivatives on a limited basis to enhance returns and make portfolio adjustments

Operational Risk

Prevent financial losses arising from risks associated with inappropriate internal processes, employees, systems and external factors

Legal Risk

Review legal risks associated with the management of entrusted assets prior to all investments; use a post-management system to ensure protection of investor rights and mitigate legal risks

Market Risk

For traditional assets including equities and fixed income, KIC manages the risk levels of excess returns based on benchmarks designated by our sponsors. Public market risk is defined as the volatility of excess returns against the benchmark, and we measure, monitor and set limits using ex-ante tracking error (T/E). In 2021, the ex-ante T/E (minimum - maximum) for KIC's total portfolio was 48~73 bps and managed within limits. The tracking error for equity was within 71~110 bps and for fixed income, 38~63 bps. A key source of alpha generation, these tracking errors are effectively allocated and managed across investment strategies.

KIC also measures and monitors indicators including Value at Risk (VaR) and Conditional VaR, which estimate portfolio volatility for the management of absolute returns from an asset allocation perspective. We conduct stress tests in preparation for various extreme situations, using not only historical scenarios, but also hypothetical scenarios involving, for example, a sudden rise in inflation or interest rates. We estimate potential losses from various angles and consider the results when making investment decisions.

To account for the limitations of econometric models, we check for risk model validity (model backtesting) and

have introduced such techniques as conditional loss level prediction (CoVaR). Furthermore, we designate investment-eligible asset classes, set risk limits regarding the weights of asset classes, countries, currencies and industries as well as establish the ratios of each outsourced manager and bond duration. We also work to continuously improve our risk management system by identifying current related issues through online meetings with global institutions and more.

Lastly, we closely monitor financial market trends by reviewing key market risk factors and analyzing their implications from a risk management vantage point.

We also constantly monitor individual fund returns. If a fund underperforms the benchmark by a certain degree, we review the underlying reasons and prepare solutions. When implementing these solutions, we look at how certain factors impact not just the fund in question, but our portfolio as a whole to conduct comprehensive inspections and continuously improve our risk management process. For traditional investments, we restrict investments in countries and products with significant liquidity constraints and regularly monitor portfolio transaction liquidity.



Alternative Investment Risk

The Risk Management Group designates allocation limits for external managers relative to the total commitments of our alternative assets and for each asset class. For diversification purposes, the group also monitors the degree of concentration by region, strategy, sector and vintage. Recently, in order to achieve a stable alternative investment portfolio, we have managed concentration risk by reducing the maximum amount of alternative investments entrusted to each GP. Of course, we review risk factors for each investment plan prior to making any investment-related decisions. For direct investments or projects with significant risk, the Risk Management Group participates in on-site due diligence with the front office and conducts a prior and independent assessment of risk factors.

Post-investment, the Risk Management Group monitors investments based on the profit and loss level of each project. Our group has also adopted and integrated a Public Market Equivalent analysis, analyses of alternative investment market indices, relative performance comparisons by vintage year and quantitative model analyses for the alternative investment portfolio using private market risk factors.

Credit Risk

KIC classifies credit risks into securities-related credit risks and counterparty credit risks. To manage credit risks from securities, we designate the lowest grade eligible for investments based on credit ratings by Moody's, S&P and Fitch Ratings, and set investment ceilings by issuers of corporate credit.

We manage counterparty risks by setting a minimum credit rating, selecting and managing appropriate counterparties and designating exposure limits based on credit ratings. We have also established an internal counterparty assessment system that uses such factors as counterparty credit ratings and various types of credit risk information to regularly monitor counterparty risks. In 2021, we strengthened our management process for counterparties by analyzing their transaction data and excluding those that did not meet our internal evaluation standards.

Derivatives Risk

Derivatives are invested on a limited basis to enhance returns and make portfolio adjustments. To prevent excessive leverage transactions, we manage risks by designating investment-eligible derivative products and assigning position limits. For derivative financial products used in various investment strategies, we work to effectively integrate and monitor investment data by checking each counterparty's transaction and exposure management status.

Operational Risk

Operational risk management aims to prevent KIC from incurring financial losses arising from risks associated with inappropriate internal processes, employees, systems and external factors. KIC has developed and conducts employee self-check surveys to better control operational risk.

In terms of organizational structure, we have separated the front, middle and back offices to maintain an effective system of checks and balances. Operational processes for the settlement of accounts and accounting related to the management of entrusted assets, as well as our IT systems, are designed to ensure effective operational risk control.

Legal Risk

To prevent and manage legal risks, KIC reviews investment agreements, investment structures and potential issues prior to all investments. We also use a post-management system to ensure our investor interests and rights.

As KIC works to diversify its alternative investment portfolio and increase the proportion of direct and co-investments, we conduct detailed and systematic legal reviews in accordance with the characteristics of each asset class and investment type.

We also analyze domestic and foreign laws and amendments for pending issues to mitigate legal risks from various angles. Recognizing the growing importance of preventing and responding to legal risks, we have expanded our pool of legal experts, provided staff with additional training and seminars and expanded information exchanges with related agencies. We are also working more with domestic law firms to contribute to the development of Korea's finance industry.



Support for the Domestic Finance Industry

KIC boosts the competitiveness of Korea's finance industry by sharing our global investment knowhow with the domestic financial market.

PCOI

KIC started the Public Community for Overseas Investment (PCOI) in April of 2014 to bolster the overseas investment capability of the Korean public sector. Through this platform, we share information and best practices with domestic public institutions, including pension funds, mutual aid associations and other national institutions.

The PCOI convened four times in 2021. Three of the sessions were held virtually and covered key economic prospects and investment strategies, including global economic and financial

market forecasts, Fed policies, interest rate outlooks and real estate investment strategies in the Asia-Pacific region. The fourth session, a hybrid online-offline ESG conference organized with the International Finance Corporation (IFC), drew more than 200 organizations, including PCOI members, other institutions and media outlets.

As of 2021, the PCOI has 26 member institutions, including KIC. Through this body, we will continue to offer partnerships and support to member institutions.

Highlights of the Public Community for Overseas Investment in 2021



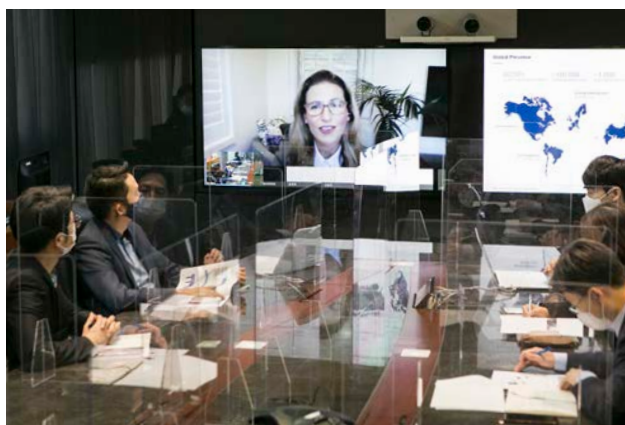
IFCC

KIC's overseas offices hold meetings of the International Financial Cooperation Council (IFCC), which is made up of public and private Korean investment institutions, in New York, London and Singapore. The goal is to share investment information, build networks with leading global investment firms, gain a balanced perspective on financial issues and pursue mutual development.

IFCC New York was started in November 2017, IFCC London in February 2018 and IFCC Singapore in August 2019. IFCC New York meets monthly while the councils in London and Singapore meet quarterly.

For each meeting, KIC's overseas offices invite local experts from asset management firms and investment banks to present and share views on the global economy and local finance industry.

Through the IFCC, KIC aims to promote information sharing, seek co-investment opportunities and make inroads into local markets with leading investors.



IFCC Members

Overseas offices	Participating members
New York 39 members	Korea Investment Corporation, Consulate General of the Republic of Korea in New York, National Pension Service, Korea Center for International Finance, Financial Supervisory Service, The Export-Import Bank of Korea, Bank of Korea, Korea Development Bank, Korea Post, Korea Electric Power Corporation, Korea Trade-Investment Promotion Agency, Korea Trade Insurance Corporation, KB Kookmin Bank, Industrial Bank of Korea, Nonghyup Bank, Shinhan Bank, Shinhan Bank America, Woori Bank, Woori America Bank, KEB Hana Bank, Hanmi Bank, Mirae Asset Daewoo Securities, Samsung Securities, KB Securities, Korea Investment & Securities, NH Investment & Securities, Shinhan Investment Corp., Samsung Asset Management, Mirae Asset Global Investments, Hanwha Asset Management, Samsung Life Insurance, Kyobo Life Insurance, Korean Reinsurance Company, Hyundai Marine & Fire Insurance, DB Insurance, Seoul Guarantee Insurance Company, Hanwha International LLC (U.S.), Korea International Trade Association and Mastern America
London 23 members	Korea Investment Corporation, Embassy of the Republic of Korea in the United Kingdom of Great Britain and Northern Ireland, National Pension Service, Financial Supervisory Service, The Export-Import Bank of Korea, Bank of Korea, Korea Development Bank, KB Kookmin Bank, Industrial Bank of Korea, Shinhan Bank, Woori Bank, KEB Hana Bank, Mirae Asset Daewoo Securities, Samsung Securities, Korea Investment & Securities, NH Investment & Securities, Kyobo Life Insurance, Samsung Fire & Marine Insurance, Shinhan Life Insurance, Korean Reinsurance Company, Hyundai Marine & Fire Insurance, DB Insurance and Samsung Asset Management
Singapore 22 members	Korea Investment Corporation, Embassy of the Republic of Korea to the Republic of Singapore, National Pension Service, Korea Exchange, Korea Development Bank, Shinhan Bank, Woori Bank, KEB Hana Bank, Mirae Asset Securities, Korea Investment & Securities, Pinetree Securities, Korean Reinsurance Company, Samsung Fire & Marine Insurance (Reinsurance), Midas Asset Management, Hanwha Asset Management, Timefolio Asset Management, KB Asset Management, KIARA Advisors, NH Absolute Return Partners, Korea Investment Partners, IGIS REIT Management and Korea Trade Insurance Corporation

Members of the Public Community for Overseas Investment



(as of the end of December 2021)

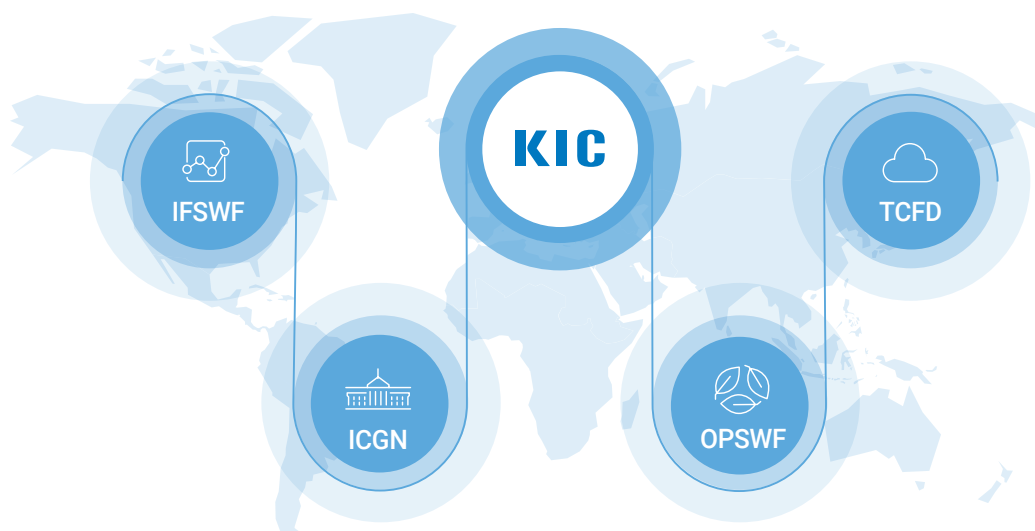
Global Network

KIC builds strong partnerships with major sovereign wealth funds, pension funds and other global financial institutions.

KIC continues to build a broad and tight-knit network with sovereign wealth funds, pension funds and other financial institutions around the world. This network is at the heart of our ability to garner valuable investment information, access promising investment opportunities and secure an advantage in investment negotiations.

Global Network with Sovereign Wealth Funds, Public Funds and Other Investors

KIC is expanding its international network to strengthen collaborations with global sovereign wealth funds. It has signed MOUs for cooperation with multiple funds since 2009 to share investment information and engage in other types of exchange.



IFSWF

The International Forum of Sovereign Wealth Funds (IFSWF) is an organization of sovereign wealth funds that helps its more than 30 members implement the Santiago Principles, which are 24 Generally Accepted Principles and Practices for sovereign wealth funds. The organization also conducts research, represents its members' views to the broader community and brings members together to share insights and information. KIC has been an active member of the IFSWF since the group's inception in 2009. We are committed to adhering to the Santiago Principles.

ICGN

Established in 1995 as an investor-led organization, the International Corporate Governance Network's mission is to promote effective standards of corporate governance and investor stewardship to advance efficient markets and sustainable economies worldwide. The policy positions of ICGN, guided by the ICGN Global Governance Principles and Global Stewardship Principles, are the standard for global companies' and investors' corporate governance and stewardship codes.

KIC became the first Korean investor to join ICGN in 2017 and endorse its global stewardship principles. As a global investor, KIC exercises active ownership and strives to expand responsible investments in adherence to our Stewardship Principles. Through ICGN, we also collaborate with more than 320 institutional investors from 45 countries.

OPSWF

In 2020, KIC joined the One Planet Sovereign Wealth Funds (OPSWF), a global initiative of sovereign wealth funds launched in 2017 that aims to accelerate efforts to integrate climate change-related financial risks and opportunities in long-term asset management.

As an OPSWF member, KIC aims to participate more actively in climate change discussions and better manage investment returns through exchanging best practices.

TCFD

In 2020, KIC also became Korea's first public institutional investor to support the Task Force on Climate-related Financial Disclosures (TCFD). The TCFD is a set of global guidelines recommending the disclosure of climate-related financial information.

During the 2020 OPSWF Summit, KIC joined other One Planet members in making statements of support for driving TCFD recommendations as a global reporting standard.



Securities Lending

KIC started its securities lending operations in May of 2007.

KIC started its securities lending operations in May of 2007.

We lend securities to high-credit institutions through our custody lending agents. And we run our securities lending program flexibly, according to portfolio asset volume, management schedule, market conditions, etc., through consultations with these agents.

To manage risk, we oversee compliance on a daily basis, block trades with countries of high settlement risk and monitor the status of borrowers.

To prevent losses from the lending of securities, our lending agents hold collateral from borrowers in securities and cash on KIC's behalf. They also independently manage the cash collateral funds within KIC's guidelines for liquidity and risk, contributing to additional returns.

ESG INSIGHTS

As a leader in responsible investing, KIC considers environmental, social and governance-related (ESG) factors in managing entrusted assets, generating stable returns and pursuing sustainable growth.



Investment Stewardship and Responsible Investment

As a responsible investor, KIC considers environmental, social and governance (ESG) factors in our investment process to generate steady, long-term returns.

Stewardship and Responsible Investing

KIC established the Stewardship Principles in 2018 to set clear goals for our stewardship activities. The Principles also mark our commitment to elevating our role as Korea's sovereign wealth fund through responsible investment practices that integrate non-financial metrics, including ESG factors. In a global context, the Principles symbolize KIC's alignment with the focus on sustainable development throughout global capital markets.

In 2019, KIC added a responsible investing article to its Investment Policy, which guides our investment activities, and drafted the KIC Responsible Investment Guidelines. At the legal level, Korea's National Assembly revised the Korea Investment Corporation Act in March 2021 to provide a basis for our commitment to responsible investing. Adhering to laws and regulations in our pursuit of stable, long-term returns, KIC integrates ESG factors throughout the investment process.

ESG Integration

We have achieved ESG integration across our asset classes and portfolio, creating a responsible investment system that meets global standards. We have integrated ESG factors across our traditional and alternative asset portfolios, in both direct and indirect investments. Through checking ESG factors that can impact the value of investment targets and taking necessary measures during the investment process, we aim to enhance long-term asset value and returns.

First, for traditional investments, we maintain a watchlist of companies that have scored low on ESG evaluations, for better performance and risk management. We also use a system of assigning bonus points for responsible investment when selecting external fund managers.

Second, we conduct ESG reviews on each of our alternative investments. For direct and co-investments, we examine each project in terms of potential opportunities and risks from an ESG perspective. For indirect investments, we conduct detailed assessments of our

fund managers through ESG questionnaires that cover the manager's ESG policies, resource availability and ESG integration.

Third, we actively consider ESG factors in managing our general equity and fixed-income portfolios. We invest in green, social and sustainable bonds and adopt ESG data in quant strategies for excess returns. Specifically, we have devised exclusion criteria by investment theme and sector and apply them across the KIC portfolio.

Fourth, we have been proactive in responding to global climate change initiatives. KIC actively monitors carbon emissions at the portfolio level for all our equity and fixed-income holdings, and we plan to extend this analysis to cover climate scenarios.

In April 2019, KIC launched a dedicated global ESG fund, the first of its kind in Korea. It follows an ESG index that is linked to equity benchmarks and readjusted according to ESG factors. KIC has used this fund to expand its exposure to companies with a proven ability to manage ESG risk and successfully generated alpha exceeding equity benchmarks, as of May 2021. Following initial

successes, we extended this strategy to cover ESG Core and ESG Global strategies. We plan to follow up with time-series monitoring of performance and ramp up existing strategies to drive our ESG investments forward.

KIC has also been entrusted with the proceeds of the Korean government's green and sustainable bonds to invest in green & social projects. We have published updates on environmental impact indices, including carbon dioxide and greenhouse gas emission reductions and renewable energy generation, in addition to social impact indices including medical and educational outreach. Through this work, KIC aims to boost trust in investors of Korean green and sustainable bonds, drive global ESG investment growth and, over the long-term, contribute to attaining the UN Sustainable Development Goals.

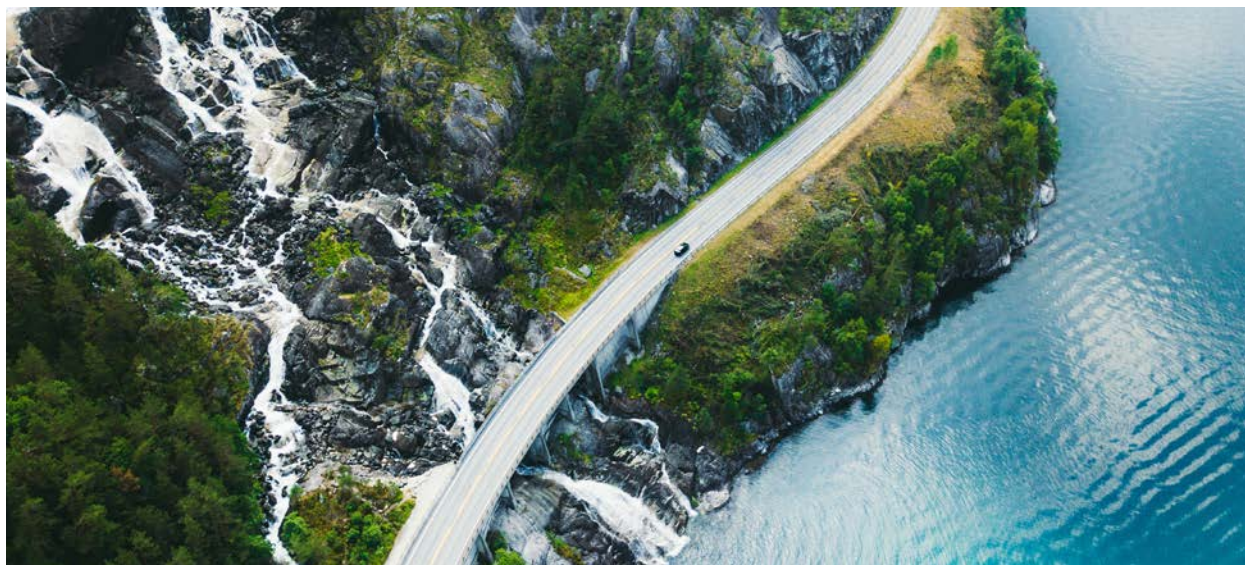
Going forward, we will continue to strengthen our ESG analysis and responsible investing capabilities and apply them to our entire investment process and portfolio as we strive to increase returns, have a positive impact on the environment and promote sustainability.

ESG Overview

(As of the end of 2021)

	ESG-dedicated Investing		ESG Integration – Portfolio level		ESG Review	ESG Program	
Strategy	ESG Strategy Fund	Green & Social Project	Quant ESG Sub-Strategy	GSS Bonds	ESG Review for Traditional and Alternative Investments	ESG Special Companies Program	KIC Exclusion Strategy
Content	ESG Core and ESG Global Strategy Funds	Investing proceeds of government Green & Sustainability Bond	Over (under) weighting high (low)-ESG score names	Investing in green, social & sustainability bonds	Reviewing external managers and alternative investments	Limiting exposures to low-ESG score names (under BM weights)	Excluding particular industries and themes
Application (inception)	EQ external management (April 2019)	Direct/indirect AI (June 2019)	Direct quant (EQ) investments (June 2020)	Direct/indirect FI investments (April 2012*)	KIC's entire portfolio (Jan. 2020)	Direct EQ/FI investments (Nov. 2019)	KIC's entire portfolio (March 2021)

* Date of first direct purchase of GSS bonds



Stewardship Activity

Shareholder voting is an integral component of stewardship and a way to monitor business activity and corporate governance to ensure long-term shareholder value. KIC exercises its shareholder rights in line with the KIC Stewardship Principles.

For direct investments, we exercise our shareholder rights through a global stewardship manager we selected in December 2019 for its expertise and independence. For indirect investments, we vote through our external managers. We keep a comprehensive record of all our voting activity and results, striving to drive long-term value in our investments.

Shareholder engagement is a process that encompasses management discussions, written communications, investor reports and any other activity that takes place between a business and its investor. Engagement activities tend to lead to an improvement in business results, enhancing corporate value over the long term.

KIC engages actively as a shareholder, monitoring the scope and key themes of our activities to drive long-term investment value.

And as Korea's sovereign wealth fund as well as a globally leading institutional investor, we continue to consider the UN Sustainable Development Goals (SDGs) as we engage.

Stewardship Principles

- Principle 1** Establish and publicly disclose our principles on investment stewardship and how we will fulfill our stewardship responsibilities
- Principle 2** Have a robust internal approach for managing conflicts of interest that may arise in our stewardship activities
- Principle 3** Regularly monitor portfolio companies to preserve and enhance value over the medium to long-term
- Principle 4** Develop a process for engaging with investee companies, where necessary, on key matters relevant to the delivery of medium- to long-term value creation and preservation
- Principle 5** Establish a voting policy and procedures for exercising shareholder rights in a manner aligned with the creation and preservation of investor value
- Principle 6** Report periodically on stewardship activities
- Principle 7** Commit to appropriate training, development, resourcing and collaboration for good investment stewardship



Partnerships

KIC has actively established responsible investing partnerships with institutional investors in Korea and abroad. In 2019, KIC became the first Korean institutional investor to join the International Corporate Governance Network (ICGN). In 2020, we joined the One Planet Sovereign Wealth Funds (OPSWF), an initiative to respond to climate change. We were also the first Korean public institutional investor to pledge support for the Task Force on Climate-related Financial Disclosures (TCFD) and continue to develop responsible investment partnerships with the world's leading investors.

Following the 26th UN Climate Change Conference (COP26) in 2021, KIC signed a Memorandum of Understanding (MOU) with the UK Department for International Trade to seek green and ESG investment

opportunities in response to climate change. KIC is also the first Korean public institutional investor to publish a Sustainable Investment Report.

On the public relations front, KIC hosted its third ESG conference this year to facilitate the exchange of ESG investment expertise among Korean institutional investors and share our responsible investing knowhow. Of particular note, we hosted an international conference titled "ESG and Beyond" with the International Finance Corporation, reaching a wide audience of domestic and global institutional investors. Our work has sparked interest in ESG and stepped up responsible investment expertise across the industry, inspiring lively discussion around the ESG developments of not just KIC, but also partner institutions.

GOVERNANCE & ORGANIZATION

KIC drives the sustainable development of Korea through managing assets with transparency and integrity and fulfilling our social responsibility as a public institution.

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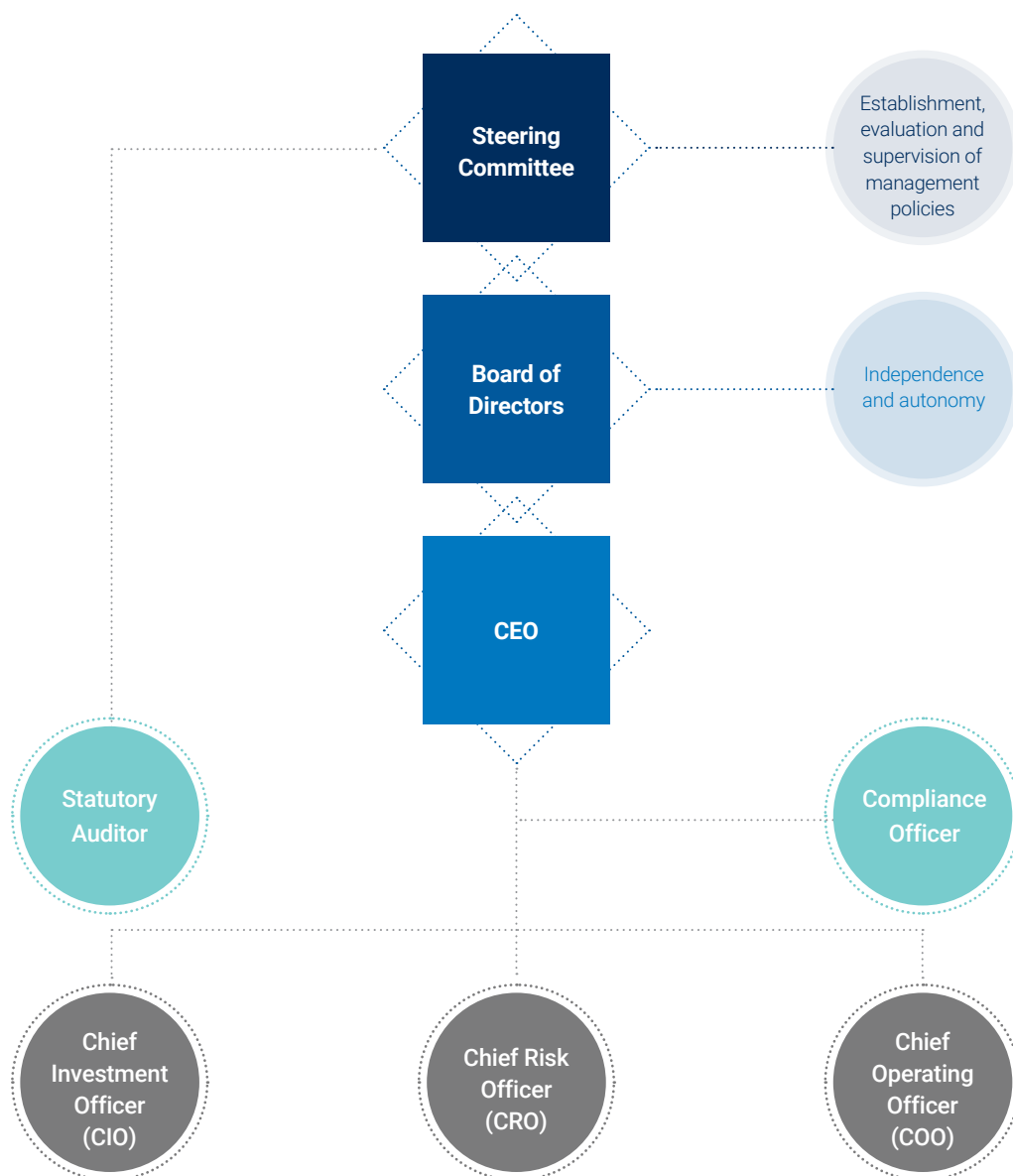


Governance

Governance Assuring Autonomy & Investment Independence

The Korea Investment Corporation Act stipulates that KIC shall have a corporate governance structure that ensures investment independence and operational autonomy from the government and its sponsors (Articles 24, 35, Korea Investment Corporation Act).

KIC's Governance Structure





Steering Committee

The Steering Committee deliberates on and resolves the following matters: revision of regulations, mid- and long-term investment policies, management and operational policies, changes to financial status, entrustment of assets to KIC, appointment and dismissal of executives, approval of budgets and financial results, evaluation of management performance and inspections and audits of KIC's business (Article 9, Korea Investment Corporation Act).

Under the Steering Committee are various subcommittees and ad-hoc subcommittees. The standing subcommittees consist of the Investment Subcommittee, which reviews issues related to investment policies, and the Risk Management and Audit Subcommittee, which reviews risk management policies and the adequacy of risk management, and periodically manages and monitors KIC's operations.

The ad-hoc subcommittees deliberate on matters delegated to them by the Steering Committee and conduct investigations and produce reports to assist the decision-making activities of the Steering Committee. They include the Evaluation Remuneration Subcommittee, which reviews KIC's management performance evaluation, and the Budget Subcommittee, which reviews budgets and the settlement of accounts.

Board of Directors

The Board of Directors is composed of the CEO and directors. The Board resolves matters related to the following, in compliance with KIC's internal regulations: management of the company, management of entrusted assets, risk management, legal affairs and compliance, human resources and accounting.

Chief Executive Officer

Under Article 18 of the Korea Investment Corporation Act, the CEO of KIC is appointed by the President of the Republic of Korea, upon recommendation by the Minister of Economy and Finance, through the President (CEO) Recommendation Committee and deliberation by the Steering Committee. The CEO represents KIC, presides over its business, convenes meetings of the Board of Directors and serves as Chairman of the Board.

Steering Committee

Steering Committee

The Steering Committee comprises six professionals from the private sector and three ex-officio members. The ex-officio members are the Minister of Economy and Finance and the Governor of the Bank of Korea as representatives of institutions that have entrusted KIC with assets exceeding a set amount, and the CEO of KIC. Private sector members are nominated by the Civil Member Candidate Nomination Committee, appointed by the President of the Republic of Korea and serve a two-year term. The chairman of the Steering Committee is elected from among the private sector members.



Members			Steering Committee	Investment Subcommittee	Risk Management and Audit Subcommittee	Budget Subcommittee	Evaluation Remuneration Subcommittee
Private sector members	① Seokchin Kim	Honorary Professor, Kyungpook National University	Chairman				
	② Dong-Hwan Kim	Senior Research Fellow, Korea Institute of Finance	Member		Chairman	Member	
	③ Seok Joong Kim	Advisor, By Billions Private Equity	Member	Chairman			Member
	④ Youngjae Ryu	CEO, Sustinvest	Member	Member		Chairman	
	⑤ Eunsook Seo	Professor, School of Economics and Finance, Sangmyung University	Member		Member		Chairwoman
	⑥ Moon-Hee Choi	Professor, School of Law, Kangwon National University	Member	Member	Member		
Ministry of Economy and Finance (Minister)			Member			Member	Member
Bank of Korea (Governor)			Member			Member	Member
KIC (CEO)			Member	Member	Member		

*As of April 2022

Private Sector Members



Seokchin Kim / Chairman

Honorary Professor,
Kyungpook National University



Dong-Hwan Kim / Member

Senior Research Fellow,
Korea Institute of Finance



Seok Joong Kim / Member

Advisor, By Billions Private Equity



Youngjae Ryu / Member

CEO, Sustinvest



Eunsook Seo / Member

Professor, School of Economics and
Finance, Sangmyung University



Moon-Hee Choi / Member

Professor, School of Law,
Kangwon National University

Executive Management



① Seoungho Jin Chairman & CEO	<ul style="list-style-type: none"> • B.A., Economics, Seoul National University • M.A., Economics, University of Manchester • Ph.D., Economics, University of Manchester 	<ul style="list-style-type: none"> • Head of Planning, Presidential Committee for Balanced National Development • Executive Consultant, Policy Committee, Democratic Party of Korea • Director General, International Economic Affairs, Ministry of Economy and Finance • Director General, International Financial Cooperation, Ministry of Economy and Finance • Director General, International Economic Cooperation Bureau, Ministry of Economy and Finance 	<ul style="list-style-type: none"> • Senior Administrative Officer, Education, Science & Culture, Office of the Chief of Staff to the President • Director, Education and Science Budget, Ministry of Economy and Finance • Director, Value-Added Tax, Ministry of Economy and Finance • Director, International Tax, Ministry of Economy and Finance
② Kwangsik Cho Statutory Auditor	<ul style="list-style-type: none"> • B.A., Business, Pusan National University • MBA, International Finance, Hankuk University of Foreign Studies 	<ul style="list-style-type: none"> • CEO, BNK Securities • CEO, KS Investment • Head of Investment Banking, Hi Investment & Securities • Head of Investment Banking, E-Trade Securities • Head of Institutional Sales, E-Trade Securities 	<ul style="list-style-type: none"> • LG Investment and Securities • Bank of America
③ Daeyang Park (David Park) Chief Investment Officer	<ul style="list-style-type: none"> • B.A., Finance, Korea University • M.A., Finance, Iowa State University 	<ul style="list-style-type: none"> • Chief Investment Officer, Teachers' Pension • Chief Investment Officer, Allianz Life Insurance • Head of Investment Strategy, MG Korean Federation of Community Credit Cooperatives • Head of Asset Strategy and Planning, Samsung Asset Management 	<ul style="list-style-type: none"> • Samsung Life Insurance - Deputy General Manager, Fixed-Income Management - Fund Manager, London Office
④ Changho Yoo Chief Risk Officer	<ul style="list-style-type: none"> • B.A., Economics, Yonsei University • M.A., Economics, University of Washington 	<ul style="list-style-type: none"> • Bank of Korea - Head, Jeonbuk Branch Office - General Manager of Foreign Currency Asset Planning, Reserve Management Group - Manager, World Bank (seconded) 	
⑤ Jihwan Chung Chief Operating Officer	<ul style="list-style-type: none"> • B.S., Information Engineering, Sungkyunkwan University 	<ul style="list-style-type: none"> • Korea Investment Corporation - Chief Compliance Officer - Head of Ethics & Compliance - Head of Strategy Management - Head of Information Technology 	<ul style="list-style-type: none"> • Korea Development Bank - KIC Establishment Task Force (dispatched from MOEF) - LG Card Management Task Force - Audit Group - Information Technology Group

*As of April 2022



Seoungho Jin

Chairman & CEO



Kwangsik Cho

Statutory Auditor



Daeyang Park (David Park)

Chief Investment Officer



Changho Yoo

Chief Risk Officer



Jihwan Chung

Chief Operating Officer

Ethical Management

A Transparent & Fair System Based on Ethical Awareness & National Pride

KIC was established to efficiently manage assets entrusted by the government, Bank of Korea and other sponsors and contribute to the development of Korea's finance industry. With ethical and transparent management as our basic management principle, we promote ethical awareness and transparent management company-wide.

Internal Control

KIC's internal control standards require all employees to abide by the KIC Act, manage entrusted assets with integrity and comply with procedures and standards to protect sponsor interests. KIC's Compliance Officer, who oversees the internal control system, establishes internal control policies and monitors compliance with laws and internal controls.

All KIC employees take a self-diagnosis test every quarter to make sure they meet internal control standards and submit monthly reports when seeking to trade financial investment products. KIC's Ethics & Compliance Group also conducts independent monitoring activities, including reviews of emails and trading transactions.

The Compliance Officer checks for compliance with investment guidelines in managing entrusted assets and monitors trading records based on counterparty evaluations to verify the legal compliance of KIC's investment activities.

The officer also runs an internal whistleblowing and reporting system accessible through various channels for seamless internal control and carries out training programs to promote ethical awareness and legal compliance.

Ethical Management



Transparent Governance



Public Disclosure

In accordance with the Korea Investment Corporation Act, KIC discloses corporate information, including the details and reports below, to ensure transparency and accountability:

- Total assets under management
- Return on total assets
- Asset allocation and investment returns by asset class
- Mid- to long-term investment policy
- Financial statements and accounting standards
- Audit reports
- Changes in portfolio managers



Disclosure of Management Information

In accordance with the Act on the Management of Public Institutions, KIC discloses management information on ALIO, the website for disclosures of the operation of public institutions, including the following details:

- New hires
- Executive compensation / average employee wages
- National Assembly audit results
- Board of Audit and Inspection remarks
- Board of Directors meeting minutes
- Internal audit results
- Employee benefits
- Tax payments



National Assembly Audit

Under the National Assembly Act and the Act on the Inspection and Investigation of State Administration, KIC submits reports on major activities to the National Assembly and is subject to the National Assembly's annual audit.



External Audits

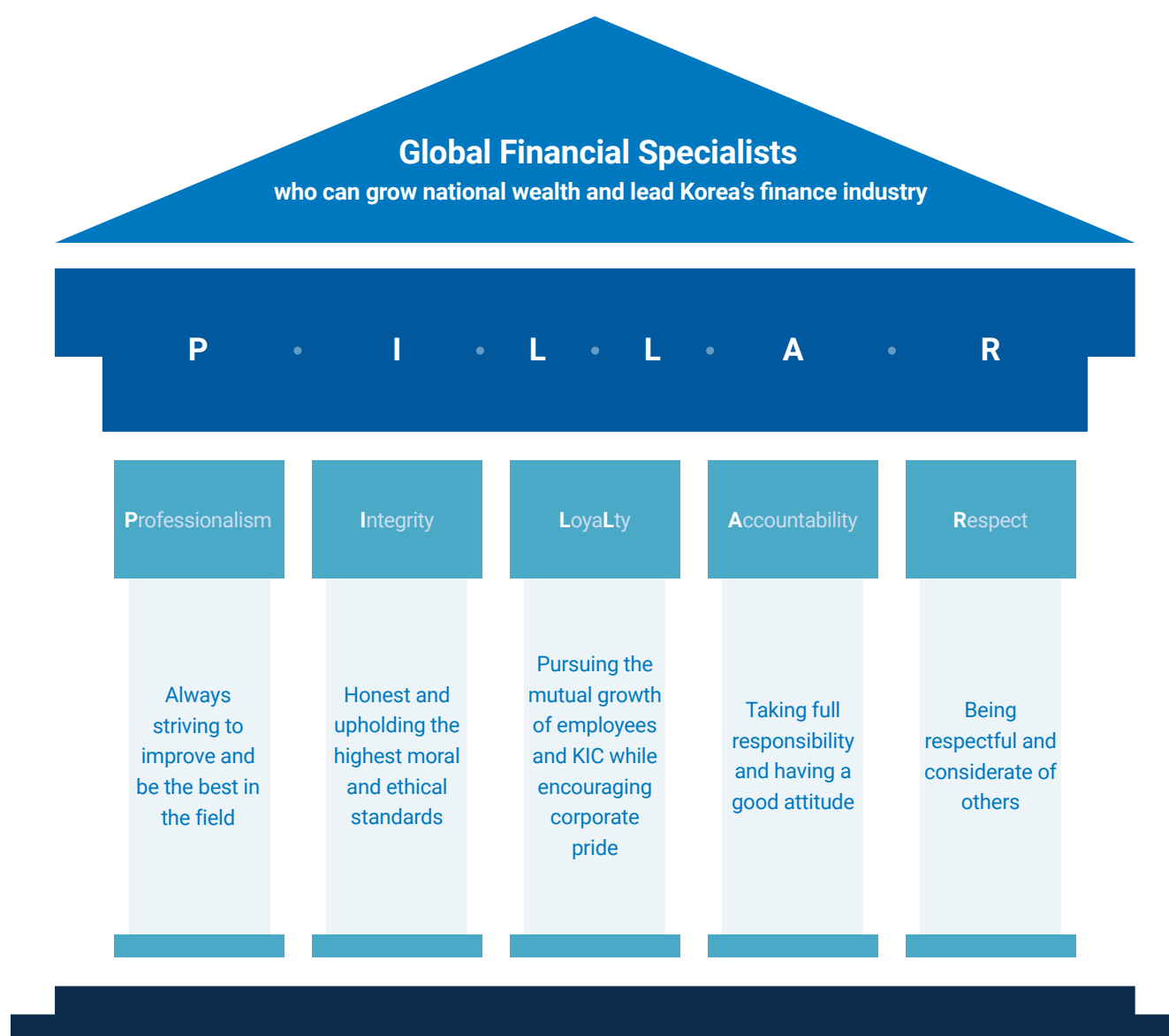
KIC's annual financial statements are audited by an external auditor and compliant with international audit standards. The external auditor is selected by KIC's Statutory Auditor.



Talent Development

Key Attributes of KIC Employees

KIC seeks to nurture global finance experts who can contribute to growing Korea's sovereign wealth and finance industry. Our goal is for all KIC employees to embody KIC's five main attributes of professionalism, integrity, loyalty, accountability and respect (PILLAR).

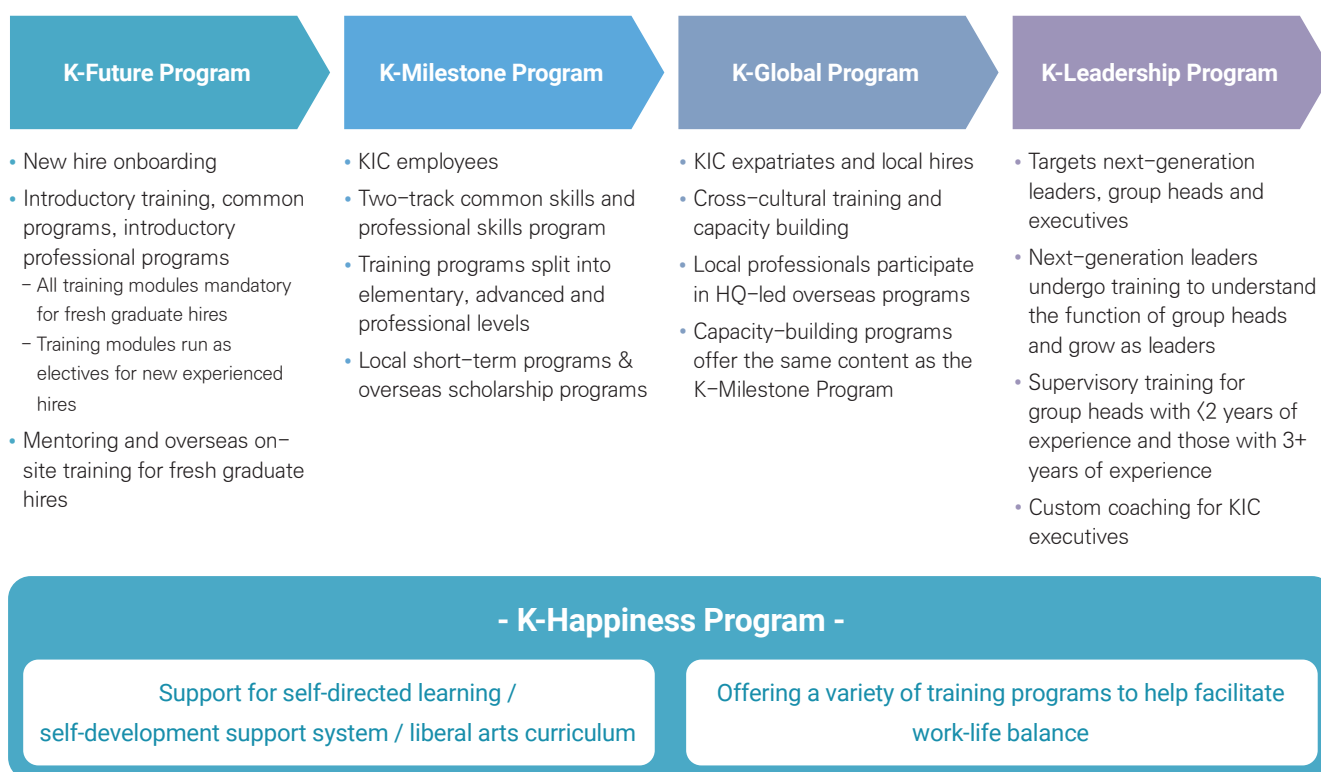


Education

KIC offers various training programs to equip employees with the skills they need to manage Korea's sovereign wealth and support the nation's finance industry. We encourage not just a work-life balance, but harmony, and help employees develop their competencies and career according to their work and life cycles.



KIC Training Roadmap



Recruitment

We recruit people who can embrace a challenge, who can be innovative in shaping KIC's future and who are responsible and have integrity. We use an equal opportunity "blind recruitment" process that evaluates a candidate's job competency in areas including equities, fixed income, alternative investment and risk management while eliminating criteria that may create prejudice, such as birthplace, family status, academic background, gender, etc. Through strengthening local investment management at our overseas offices, we also continue to bolster local investment expertise.

Social Contributions

As a socially responsible investor, KIC helps enhance Korea's economy and improve lives through community service.

We carry out a range of activities to give back to the community, fulfill our civic responsibility and help build a better future.

Since 2018, we have done volunteer work in four categories: emergency relief support, human resource development, future building and talent sharing. In 2021, we focused on helping underprivileged children be more self-sufficient and on caring for them and other individuals in Seoul's Jung-gu district. KIC's Social Contribution Committee met quarterly to plan activities that align with KIC's mission and allow us to wholeheartedly serve.



Emergency Relief Support

In 2021, we worked to secure the economic independence of underprivileged children by funding an initiative called Didim Seed Account, helped youth planning to leave shelters acquire necessary certifications and expanded our financial assistance for single-parent households.

In our immediate community, we partnered with the Jung-gu district to deliver food to three welfare centers and supported community-driven campaigns. We also helped local welfare groups by supporting virtual education programs for those with disabilities, providing equipment including IT devices for those with visual impairments, carrying out facility repairs and giving winter provisions to the homeless.

We extended medical support for communities hit by Covid-19 as well. We partnered with the Korean Open Doctors Society to support soup kitchens for the homeless; provided food and medicine for low-income neighborhoods in Gyeonggi Province and facilities for single mothers; and visited the elderly during Chuseok with gifts of food and medicine. KIC also provided special holiday meals for low-income seniors at the Seoul Senior Welfare Center during Lunar New Year and Chuseok as well as seasonal meals, groceries and quarantine items to families with disabilities through quarterly sponsorships of the Seongbuk Welfare Center. In May and November, KIC staff took part in clothing drives for homeless individuals near Seoul Station.

Children and their holistic care are priorities at KIC. We offered medical expense support for children in child-protective services, pediatric cancer patients and children with rare diseases. We also covered psychological treatments for children aged out of the foster system and the family members of North Korean defectors.

Our staff has also joined international disaster relief missions every year. Employees across our offices have partnered with the Hope Bridge Korea Disaster Relief Association to deliver t-shirts of hope to climate-related child refugees. Staff members also joined the Miral Welfare Foundation's Lighting Children campaign to deliver hand-made solar-powered lanterns to children in countries of energy poverty.



KIC staff volunteering to create disaster relief packages

Human Resource Development

As a key project for 2021, KIC expanded its support for human resource development, broadening educational opportunities for future generations. KIC offers scholarships to college students from orphanages and households experiencing financial difficulty through the Korea Student Aid Foundation (KOSAF). We also provide tuition for children from multicultural or single-parent households, donate books to children's centers in island and mountainous areas and support programs that help children enjoy reading. KIC is dedicated to helping children and youth overcome challenges and pursue their dreams with confidence.

Future Building

As a sovereign wealth fund specializing in overseas investments, KIC has partnered with Good Neighbors to develop infrastructure internationally. We engage in community service initiatives including sponsoring underprivileged children and funding disaster relief programs throughout Asia, Africa and South America. Staff at our overseas offices support local fundraisers and volunteer events. In these ways, we work to build a foundation for international development cooperation. KIC also backs social welfare organizations and programs that aim to create a better world.

Talent Sharing

The KIC staff supports the development of the domestic finance industry by sharing insights and expertise on external review and assessment committees, on panels and in conferences and seminars.

We are committed to fulfilling our social responsibility as a public institution through systematic social contributions.



New Year's Community Service



KIC PC Donation Event

KIC Social Contribution Areas



Emergency Relief Support

Helping vulnerable groups, including children in shelters/orphanages, low-income families, people with disabilities, seniors living alone, children with rare diseases or cancer and single-parent households, gain self-reliance and stability through donations, sponsorships, volunteer activities and disaster relief



Human Resource Development

Giving hope to future generations by sponsoring college students from low-income households, providing tuition for children from multicultural or single-parent households and donating books to facilities in island and mountainous areas



Future Building

Sponsoring overseas programs for children and relief/development, participating in local volunteer programs and sponsoring organizations and programs serving the public interest



Talent Sharing

Contributing to the advancement of the domestic finance industry by sharing insights and expertise through external committees, events, etc.



Lighting Children (Solar Powered Lantern) Drive

T-Shirts for Hope Volunteer Campaign

Milestones

2016 - 2021

- Dec. 2021** • Exceeded USD 200 billion in AUM
- March 2021** • Opened the San Francisco Office
- July 2020** • Celebrated KIC's 15th anniversary
- Oct. 2019** • Exceeded USD 150 billion in AUM
- Dec. 2018** • Adopted the Stewardship Principles
- Sept. 2017** • Opened the Singapore office
- June 2016** • Exceeded USD 100 billion in AUM

2011 - 2015

- July 2015** • Celebrated KIC's 10th anniversary
- Sept. 2014** • Launched the Co-investment Roundtable Of Sovereign And Pension Funds (CROSAPF)
- March 2014** • Launched the Public Community for Overseas Investment
- Sept. 2012** • Exceeded USD 50 billion in AUM
- Dec. 2011** • Opened the London office

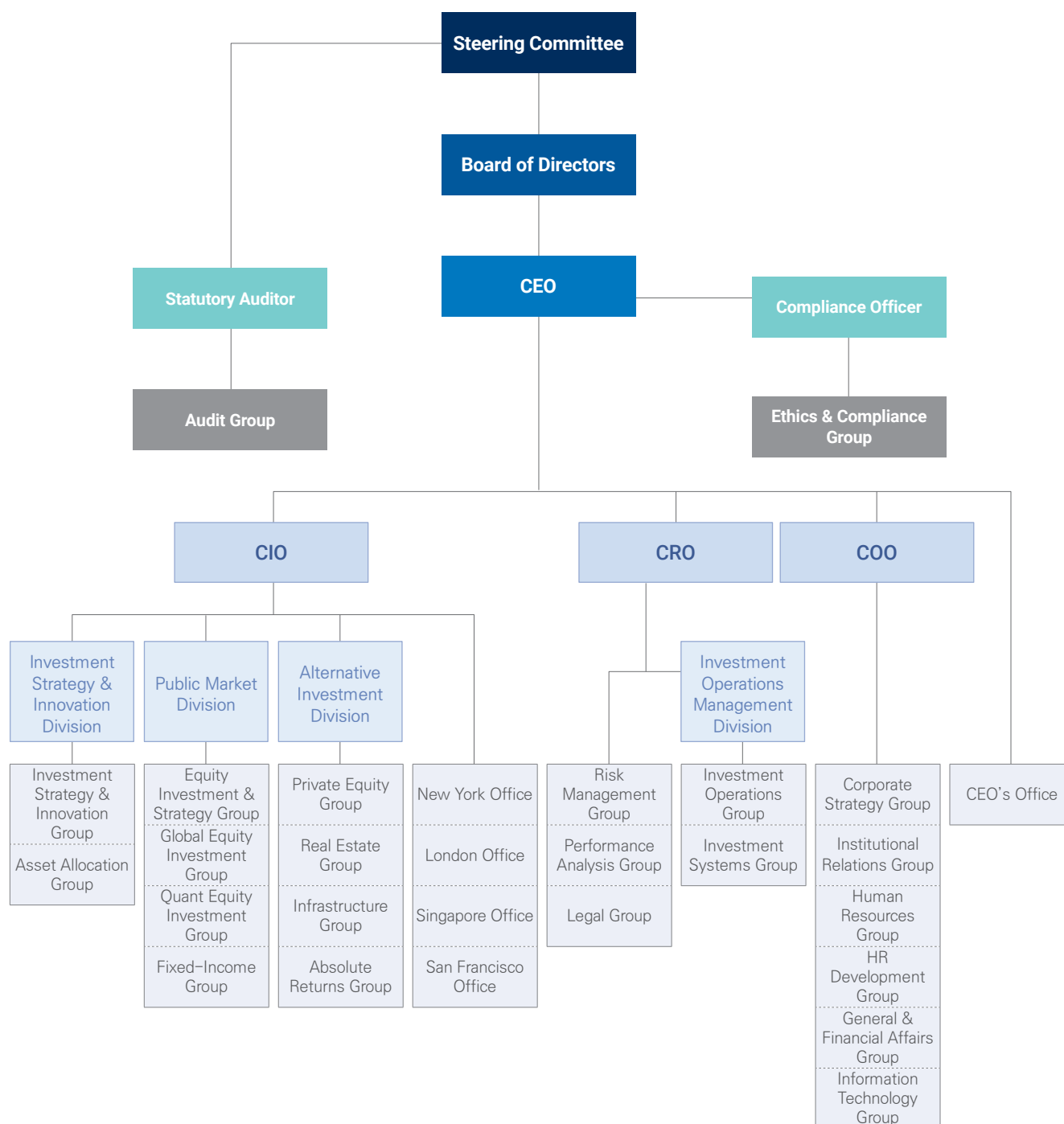
2006 - 2010

- July 2010** • Opened the New York office
- Aug. 2009** • Began global alternative investments
- Feb. 2009** • Established the Risk Management Division
- Aug. 2007** • Exceeded USD 10 billion in AUM
- April 2007** • Began global equity investments
- Nov. 2006** • Began global fixed-income investments

2005

- July 2005** • Korea Investment Corporation established
- March 2005** • Promulgation of the Korea Investment Corporation Act

Organization Chart



*Overseas offices: New York, London, Singapore, San Francisco
301 employees (excl. executives, as of the end of April 2022)

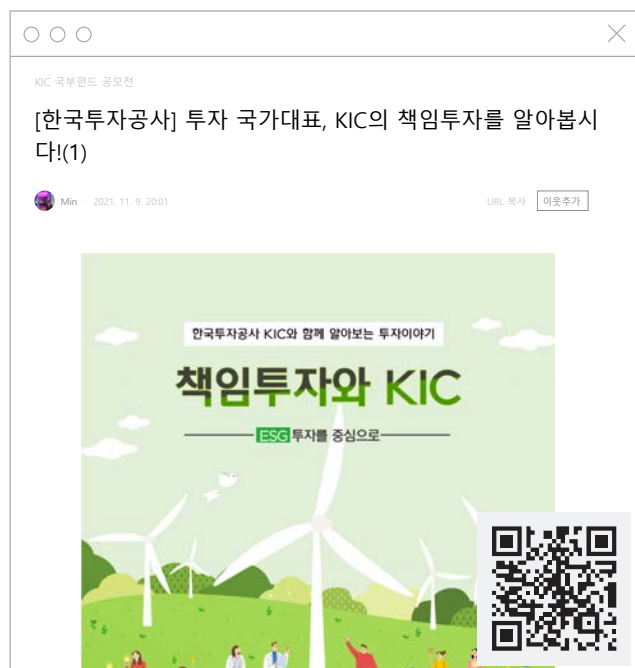
SPECIAL REPORT

Sovereign Wealth Fund Competition Finalists

KIC held a contest last year to help spread awareness of the role and importance of KIC and sovereign wealth funds in general. From September 15 to November 12, members of the public submitted entries in two categories – poster ads and blog posts – following the theme, “Introducing KIC, the sovereign wealth fund of Korea.” Eleven finalists were awarded as follows: First Place (2), Second Place (2), Honorable Mention (7). First place in the poster ad category went to a piece titled “Growth for the Future.” First place in the blog post category went to a piece titled, “Let’s Learn About Responsible Investing at KIC – Korea’s Representative Investor.”

Blog Post Category

Award	Finalists	Title
First Place	Gyeong-min Kim	Let’s Learn About Responsible Investing at KIC – Korea’s Representative Investor
Second Place	Seong-min Kim	An Introduction to the Mission, History and Achievements of KIC, Korea’s Sovereign Wealth Fund
Honorable Mention	Ji-eun Eo	The Importance of Sovereign Wealth Funds and the History of the Korea Investment Corporation
	Yu-jin Kim	Responsible Investing and ESG Investing at KIC
	Jin-song Jeon	What Are Sovereign Wealth Funds?!
	So-jeong Kim	Introducing the Sovereign Wealth Fund KIC, the National Leader in Investing



First Place • Gyeong-min Kim

Let’s Learn About Responsible Investing at KIC – Korea’s Representative Investor

• Winning entries can be viewed with a QR code.



Second Place • Seong-min Kim

An Introduction to the Mission, History and Achievements of KIC, Korea’s Sovereign Wealth Fund

Poster Ad Category

Award	Finalists	Title
First Place	Yu-jin Kim	Growth for the Future
Second Place	Yea-ji Kwon	The Giving KIC
Honorable Mention	In-jae Jang	KIC's Role in Developing Korea's Finance Industry
	Min-hyeok Choi	Scoring Safely as a Sovereign Wealth Fund
	Dong-hoon Lee, Jin-woo Gwon, Jae-hyun Kwak	KIC – Our Journey as Korea's Sovereign Wealth Fund



First Place • Yu-jin Kim
Growth for the Future



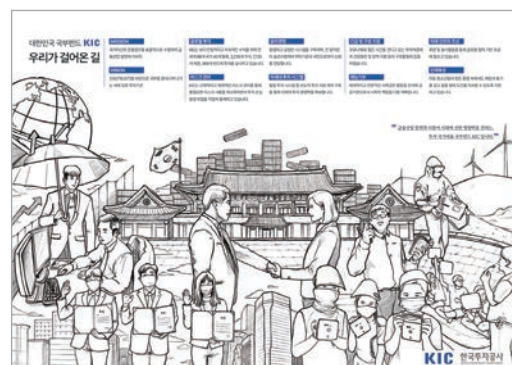
Second Place • Yea-ji Kwon
The Giving KIC



Honorable Mention • In-jae Jang
KIC's Role in Developing Korea's Finance Industry



Honorable Mention • Min-hyeok Choi
Scoring Safely as a Sovereign Wealth Fund



장려상 • Dong-hoon Lee, Jin-woo Gwon, Jae-hyun Kwak
KIC – Our Journey as Korea's Sovereign Wealth Fund

FINANCIAL REVIEW

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Independent Auditors' Report

**To the Board of Directors
Korea Investment Corporation:**

Opinion

We have audited the financial statements of Korea Investment Corporation(the Corporation), which comprise the statement of financial position as of December 31, 2021 and December 31, 2020, and the statement of income, statement of changes in equity and statement of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Corporation as of December 31, 2021 and December 31, 2020, and its financial performance and its cash flows for the years then ended in accordance with generally accepted accounting principles in the Republic of Korea.

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Korea, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principles in the Republic of Korea, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users

taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Grant Thornton Daejoo
2913, Nambusunhwan-ro, Gangnam-gu, Seoul, 06280, Korea
March 22, 2022

This audit report is effective as of the independent auditor's report date. Accordingly, certain material subsequent events or circumstances may have occurred during the period from the auditors' report date to the time this audit report is used. Such events and circumstances could significantly affect the accompanying financial statements and may result in modifications to this report.

Statement of Financial Position

As of December 31, 2021 and 2020

Korea Investment Corporation

(KRW thousand)

	Notes		2021	2020
Assets				
Cash and due from banks	4,11	₩	204,094,998	113,482,387
Accrued incomes, less allowance for doubtful accounts of ₩ 863,121 in 2021 and ₩ 599,122 in 2020	11,16		171,761,056	119,225,296
Securities	5,6		164,018,926	155,642,336
Property and equipment	7,8		3,953,228	2,448,276
Intangible assets	9		10,123,464	9,853,816
Investments	11		4,225,676	4,331,642
Accounts receivable, less allowance for doubtful accounts of ₩ 1,194 in 2021 and ₩ 16,572 in 2020	11		237,696	3,297,920
Loans, less allowance for doubtful accounts of ₩ 92 in 2021 and ₩ 235 in 2020			18,218	46,822
Income tax receivable	11,15		-	207,101
Deferred tax assets	15		-	1,912,954
Other assets	11		2,098,630	1,563,913
Total assets		₩	560,531,892	412,012,463
Liabilities				
Accrued expenses	11	₩	76,230,065	55,287,745
Withholdings			572,213	731,749
Accounts payable	11		1,027,069	1,792,763
Income tax payable	15		38,357,574	23,085,326
Provision for retirement and severance benefits	10		14,786,479	13,435,440
Pension plan assets			(14,786,479)	(13,435,440)
Deferred tax liabilities	15		3,196,329	-
Total liabilities			119,383,250	80,897,583
Equity				
Capital	1,13		100,000,000	100,000,000
Retained earnings	14		341,148,642	231,114,880
Total equity			441,148,642	331,114,880
Total liabilities and equity		₩	560,531,892	412,012,463

See accompanying notes to the financial statements.

Statement of Income

For the years ended December 31, 2021 and 2020

Korea Investment Corporation

(KRW thousand)

	Notes		2021	2020
Operating revenue				
Investment management fees	16	₩	403,712,332	321,781,776
Gain on foreign exchange	11		12,136,720	11,606,855
Interest income			1,649,941	1,181,016
Dividend income			3,971,060	3,458,513
Gain on financial assets at fair value through profit or loss	5		25,030,500	8,054,200
Reversal of allowance for bad debt			15,522	-
			446,516,075	346,082,360
Operating expenses				
Fee expenses			(153,180,985)	(133,756,120)
Loss on foreign exchange	11		(4,765,600)	(13,493,183)
Loss on financial assets at fair value through profit or loss	5		(227,694)	(285,508)
General and administrative expenses	17,18		(77,063,472)	(68,289,583)
			(235,237,751)	(215,824,394)
Operating income			211,278,324	130,257,966
Non-operating revenue				
Gain on disposal of property and equipment			300	-
Income from pension plan assets			215,886	204,267
Equity income on investments			13,520,162	846,385
Other income			19,607	7,215
			13,755,955	1,057,867
Non-operating expenses				
Loss on disposal of property and equipment			-	(40)
Donations			(398,498)	(300,689)
Other expense			(2,879)	(16,025)
			(401,377)	(316,754)
Income before income tax			224,632,902	130,999,079
Income tax expense	15		(56,609,003)	(34,348,852)
Net income		₩	168,023,899	96,650,227

See accompanying notes to the financial statements.

Statement of Changes in Equity

For the years ended December 31, 2021 and 2020

Korea Investment Corporation

(KRW thousand))

		Capital	Retained earnings	Total equity
Balance on January 1, 2020	₩	100,000,000	171,118,309	271,118,309
Dividends		-	(36,653,656)	(36,653,656)
Net income for the year		-	96,650,227	96,650,227
Balance on December 31, 2020	₩	100,000,000	231,114,880	331,114,880
Balance on January 1, 2021	₩	100,000,000	231,114,880	331,114,880
Dividends		-	(57,990,137)	(57,990,137)
Net income for the year		-	168,023,899	168,023,899
Balance on December 31, 2021	₩	100,000,000	341,148,642	441,148,642

See accompanying notes to the financial statements.

Statement of Cash Flows

For the years ended December 31, 2021 and 2020

Korea Investment Corporation

(KRW thousand)

		2021	2020
Cash flows from operating activities			
Net income	₩	168,023,899	96,650,227
Adjustments for:			
Severance benefits		2,527,111	3,016,448
Depreciation		1,105,648	937,473
Amortization		2,589,356	493,312
Loss on foreign currency translation		70,079	1,911,031
Provision for allowance for doubtful accounts		263,999	178,454
Loss on financial assets at fair value through profit or loss		227,694	285,508
Loss on disposal of property and equipment		-	40
Gain on foreign currency translation		(266,977)	(1,038,498)
Reversal of allowance for bad debt		(15,522)	-
Gain on financial assets at fair value through profit or loss		(25,030,500)	(8,054,200)
Gain on disposal of property and equipment		(300)	-
Income from pension plan assets		(215,886)	(204,267)
Equity income on investments		(13,520,162)	(846,385)
Changes in assets and liabilities:			
Decrease (increase) in accrued income		(52,632,049)	(34,272,172)
Decrease (increase) in accounts receivable		3,075,463	(3,020,209)
Decrease (increase) in income tax receivable		-	(30,500)
Decrease (increase) in deferred tax assets		1,912,954	2,295,823
Decrease (increase) in other assets		(258,620)	(1,482,063)
Increase (decrease) in accrued expenses		20,874,344	14,070,335
Increase (decrease) in withholdings		(159,536)	(103,443)
Increase (decrease) in accounts payable		(767,209)	926,534
Increase (decrease) in income tax payable		15,272,248	7,664,045
Payments to severance benefits		(1,176,072)	(1,094,294)
Decrease (increase) in pension plan assets		(1,104,147)	(2,866,173)
Increase (decrease) in deferred tax liabilities		3,196,329	-
Net cash provided by operating activities	₩	123,992,144	75,417,026

(KRW thousand)

		2021	2020
Cash flows from investing activities			
Decrease in time deposits included in cash and due from banks	₩	90,000,000	110,061,501
Decrease in investments in associates and subsidiaries		29,946,378	873,593
Disposal of property and equipment		300	-
Refund of leasehold deposits		518,033	11,262
Decrease in loans		40,359	-
Increase in time deposits included in cash and due from banks		(165,000,000)	(140,061,501)
Increase in certificate of deposit included in cash and due from banks		(5,000,000)	-
Increase in loans		(11,612)	(12,339)
Acquisition of property and equipment		(2,610,601)	(694,669)
Acquisition of intangible assets		(2,859,004)	(5,575,023)
Payment for leasehold deposits		(413,250)	-
Net cash used in investing activities		(55,389,397)	(35,397,176)
Cash flows from financing activities			
Dividends paid		(57,990,136)	(36,653,656)
Net cash used in financing activities		(57,990,136)	(36,653,656)
Net increase (decrease) in cash and cash equivalents		10,612,611	3,366,194
Cash and cash equivalents at beginning of year		23,482,387	20,116,193
Cash and cash equivalents at end of year	₩	34,094,998	23,482,387

See accompanying notes to the financial statements.

Notes to the Financial Statements

Korea Investment Corporation

For the years ended December 31, 2021 and 2020

1. Reporting Entity

The Korea Investment Corporation (the "Corporation") was incorporated on July 1, 2005 under the Korea Investment Corporation Act, and is engaged in the investing of assets entrusted by the Korean government (the "Government") and Bank of Korea. As of December 31, 2021, the Corporation is wholly owned by the Government, and the paid-in capital of the Corporation amounted to ₩100 billion.

The primary business of the Corporation is the management of assets entrusted by the trust institutions, and related survey and research activities. In addition, the Corporation exchanges and cooperates with other domestic or overseas institutions carrying on similar business. The Corporation also conducts other incidental business based on the decisions of the Steering Committee. It is located at #100, Toegye-ro, Jung-gu, Seoul, Korea. The Capital and investor as of December 31, 2021 is summarized as follows.

(KRW thousand)

Investor	Capital	Percentage of shareholding
Ministry of Economy and Finance	₩ 100,000,000	100%

2. Basis of Preparation

(1) Statement of Compliance

The financial statements of the Corporation are prepared in accordance with the Accounting Standards for Non-Public Entities in the Republic of Korea ("K-GAAP for Non-Public Entities"), which have been effective since the fiscal year beginning January 1, 2011.

The accompanying financial statements have been condensed, restructured and translated into English (with certain expanded descriptions) from the Korean language financial statements. In the event of any differences in interpreting the financial statements or the independent auditors' report thereon, the Korean version, which is used for regulatory reporting purposes, shall prevail.

(2) Basis of Measurement

The financial statements have been prepared on the historical cost basis, except for the financial instruments measured at fair value.

(3) Use of Estimates and Judgments

Preparation of the financial statements in conformity with K-GAAP for Non-Public Entities requires that management make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

3. Significant Accounting Policies

The significant accounting policies applied by the Corporation in preparation of its financial statements are included below.

(1) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. The Corporation considers investments with maturities of three months or less on the acquisition date to be cash and cash equivalents.

(2) Financial instruments

Upon acquisition, the Corporation classifies debt and equity securities (excluding investments in subsidiaries, associates, and joint ventures) into the following categories: held-to-maturity, available-for-sale, and trading securities. The Corporation reviews their classification at the end of each reporting period.

Investments in debt securities that the Corporation has the positive intent and ability to hold to maturity are classified as held-to-maturity. Securities acquired principally for the purpose of selling in the short term are classified as trading securities. Investments not classified as either held-to-maturity or trading securities are classified as available-for-sale securities.

Upon initial recognition, non-derivative financial instruments (other than financial instruments at fair value through profit or loss) are measured at their fair value; plus (less) transaction costs that are directly attributable to the acquisition of a financial asset or issuance of a financial instrument. Trading securities and available-for-sale securities are subsequently carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognized at cost.

For equity securities that have a quoted market price, their market price is considered to be fair value and the market price is the closing price on the reporting date. For debt securities that do not have a quoted market price in an active market, fair value is measured at discounted estimated future cash flows. The discount rate used is the corresponding rate reflecting the debt securities' credit rating as quoted by a credit rating agency, if any. For investment funds that do not have a quoted market price in an active market, their fair value is the standard selling price as reported by the fund management agent.

Gains and losses arising from changes in the fair value of trading securities are included in the statement of income in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale securities (net of tax) are recognized as other comprehensive income directly in equity. Accumulated other comprehensive income is recognized as profit or loss when the investments are impaired or sold. Subsequently, held-to-maturity investments are carried at amortized cost and interest income is recognized in profit or loss using the effective interest method.

At each reporting date, the Corporation reviews whether events or changes in circumstances indicate that the carrying amount of the investments may not be recoverable. Impairment losses are recognized when the reliably estimated recoverable amounts are less than the carrying amount and it is not obviously evidenced that impairment is unnecessary. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss is recorded and the reversal of an impairment loss does not exceed the carrying amount that would have been determined without having recognized an impairment loss in prior years. The reversal is recognized in profit or loss.

(3) Financial assets at fair value through profit or loss

The Corporation may designate equity securities as financial assets at fair value through profit or loss upon initial recognition. Upon initial recognition, financial assets at fair value through profit or loss are measured at their fair value; plus (less) transaction costs that are directly attributable to acquisition. For financial assets that have a quoted market price, their market price is considered to be fair value and the market price is the closing price on the reporting date. Gains and losses arising from changes in the fair value of financial assets at fair value through profit or loss are included in the statement of income in the period in which they arise.

(4) Investments in associates and subsidiaries

Investments in associates and subsidiaries in which the Corporation has the ability to significantly influence financial and operating policies are accounted for using the equity method and are initially recognized at cost. The Corporation's share of its post-acquisition profits or losses in investments in associates and subsidiaries is recognized in the statement of income, and its share of post-acquisition movements in equity is recognized in equity. The cumulative post-acquisition movements are adjusted against the carrying amount of each investment. When the Corporation's share of losses in an associate or subsidiary equals or exceeds its interest in the associate or subsidiary, including preferred stock or other long-term loans and receivables issued by the associate or subsidiary, the Corporation does not recognize further losses, unless it has incurred obligations or made payments on behalf of the associate or subsidiary.

Unrealized gains on transactions between the Corporation and its investees using the equity method ("associates") that are not subsidiaries are eliminated to the extent of the Corporation's interest in each associate.

If an associate or a subsidiary uses accounting policies or estimates other than those of the Corporation for like transactions and events in similar circumstances, the Corporation makes appropriate adjustments to conform the associate's or subsidiary's accounting policies to those of the Corporation when they are accounted for by the Corporation using the equity method. However, in the event that accounting policies and estimates differ due to the application of Article 31 of the Exceptions to Accounting for Small and Medium-Sized Entities or K-IFRS, no adjustments are made.

(5) Property and equipment

Property and equipment are initially measured at cost. The cost of property and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Assets acquired through investment in kind or donations are recorded at their fair value upon acquisition. For assets acquired in exchange for a non-monetary asset, the fair value of the asset given up is used to measure the cost of the asset received unless the fair value of the asset received is more clearly evident.

Significant expenditures or improvements extending the useful life of assets are capitalized. Normal maintenance and repairs are charged to expense as incurred.

Subsequent to initial recognition, an item of property and equipment is carried at its cost less accumulated depreciation and accumulated impairment losses, if any. The estimated useful lives and depreciation method for the current and comparative years are as follows:

	Useful lives	Depreciation method
Computer equipment	4 - 5 years	Straight-line method
Office equipment	5 years	Straight-line method
Leasehold assets	5 years	Straight-line method

(6) Intangible assets

Cost of intangible assets except for goodwill includes expenditures arising directly from the construction or acquisition of the asset and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent to initial recognition, the intangible assets are measured at cost less any accumulated amortization. Intangible assets are amortized using the straight-line method over the estimated useful lives of five years (residual value is presumed to be zero).

(7) Revenue recognition

The Corporation's revenue primarily consists of investment management fees. The Corporation recognizes the revenue in the statement of income when all of the following conditions are met:

- The amount of revenue can be measured reliably, and
- It is probable that the economic benefits associated with the transaction will flow into the Corporation.

(8) Allowance for doubtful accounts

The Corporation provides an allowance for bad debts based on the estimated collectability of the receivable in accordance with the Regulation on Financial Investment Services. As of December 31, 2021, the percentage of loss by risk classification applied in order to determine the allowance for bad debts are as follows:

Classification	Percentage of Loss
Normal	0.5%
Precautionary	2%
Substandard	20%
Doubtful	75%
Estimated loss	100%

(9) Retirement and severance benefits

The Corporation selectively operates a defined benefit pension plan and a defined contribution pension plan for employees who have been with the Corporation for more than one year.

Based on the defined benefit pension plan, each eligible employee receives a fixed amount of pension after retirement. Until employees retire, the Corporation's estimated liability under the plan, which would be payable if all employees left at the end of the reporting period, is accrued in the accompanying statement of financial position. If an employee selected the pension plan upon retirement, the Corporation accrues estimated benefits based on actuarial assumptions measured at the end of the reporting period at the discounted present value. The asset managed by the retirement pension plan is reflected in the accompanying statement of financial position as a reduction of the liability for retirement and severance benefits.

Meanwhile, the Corporation recognizes the contribution payable to a defined contribution plan in exchange for that service as an expense.

(10) Income taxes

Income tax on the income or loss for the year comprises current and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using enacted tax rates. Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

Changes in deferred taxes due to a change in the tax rate, except for those related to items initially recognized outside profit or loss, are recognized as profit or loss in the current year.

(11) Foreign currency transactions

① Functional and presentation currency

These financial statements are presented in Korean won, which is the Corporation's functional currency and the currency of the primary economic environment in which the Corporation operates.

② Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Corporation at exchange rates at the dates of the transactions. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are retranslated to the exchange rate at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the exchange rate at that date, and resulting translation gains or losses are recognized in profit and loss.

4. Cash and Due From Banks

Cash and due from banks as of December 31, 2021 and 2020 are as follows:

(KRW thousand)

	Annual interest rate (%)		2021	2020
Cash and cash equivalents				
Money market deposit accounts	0.71	₩	47,416	65,565
Money market trust	1.11		3,985,900	3,500,000
Specified money trust	1.85~2.28		25,000,000	16,975,381
Ordinary deposits	0.10		52,692	43,771
Foreign currency deposits	0.00~0.01		5,008,990	2,897,670
			34,094,998	23,482,387
Time deposits	1.02~2.15		165,000,000	90,000,000
Certificate of deposit	1.37		5,000,000	-
			170,000,000	90,000,000
		₩	204,094,998	113,482,387

5. Financial Assets at Fair Value Through Profit or Loss Included in Securities Account

Financial assets at fair value through profit or loss as of December 31, 2021 and 2020 are summarized as follows:

(KRW thousand)

	2021			2020
	Acquisition cost	Fair value	Book value	Book value
IGIS No. 43	₩ 27,400,000	24,755,626	24,755,626	24,983,320
Mirae Asset Trust No. 2-3	110,000,000	139,263,300	139,263,300	114,232,800
	₩ 137,400,000	164,018,926	164,018,926	139,216,120

6. Investments in Associates and Subsidiaries Included in Securities Account

Investments in companies accounted for using the equity method as of December 31, 2020 are summarized as follows:

(KRW thousand)

	Percentage of ownership	Acquisition cost	Book value
K-REALTY VI	40%	16,000,000	16,426,216

Changes in the balances of investments in companies accounted for using the equity method of accounting for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

	2021			
	Beginning balance	Equity gain	Collection	Book value
K-REALTY VI(*)	₩ 16,426,216	13,520,162	(29,946,378)	-

(*) For the year ended December 31, 2021, K-REALTY VI disposed of its real estate and distributed the remaining net assets to shareholders, and then K-REALTY VI was liquidated.

(KRW thousand)

	2020			
	Beginning balance	Equity gain	Collection	Book value
K-REALTY VI	₩ 16,453,424	846,385	(873,593)	16,426,216

The financial information of equity-accounted investments, which represent 100% of the entities' balances as of and for the year ended December 31, 2020 is summarized as follows:

(KRW thousand)

	2020			
	Total assets	Total liabilities	Operating revenue	Net income
K-REALTY VI	₩ 94,723,269	57,219,470	5,050,055	1,112,967

7. Property and Equipment

Changes in property and equipment for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

	2021				
	Beginning balance	Acquisition	Disposal (*)	Depreciation	Ending balance
Computer equipment	₩ 2,091,196	2,176,556	-	(915,900)	3,351,852
Office equipment	161,335	237,260	-	(79,667)	318,927
Leasehold assets	195,745	196,785	-	(110,081)	282,449
	₩ 2,448,276	2,610,601	-	(1,105,648)	3,953,228

(*) Fully-depreciated computer equipment and office equipment are disposed for the year ended December 31, 2021. Those acquisition costs are ₩ 667,840 thousand and ₩ 69,179 thousand.

(KRW thousand)

	2020				
	Beginning balance	Acquisition	Disposal (*)	Depreciation	Ending balance
Computer equipment	₩ 2,183,088	651,973	-	(743,865)	2,091,196
Office equipment	207,966	30,376	(40)	(76,967)	161,335
Leasehold assets	300,066	12,320	-	(116,641)	195,745
	₩ 2,691,120	694,669	(40)	(937,473)	2,448,276

(*) Fully-depreciated office equipment is disposed for the year ended December 31, 2020. Its acquisition costs is ₩ 75,464 thousand.

8. Insured Assets

Insurance contracts maintained by the Corporation as of December 31, 2021 are as follows:

(KRW thousand)

Category of insurance	Classification	Insured assets	Insured amount	Insurance company
Movables comprehensive insurance	Korea	Computer equipment	₩ 11,215,094	MG Non-Life Insurance
		Office equipment		
		Leasehold assets		
	New York	Computer equipment	802,584	The Hartford
		Office equipment		
		Leasehold assets		
	London	Computer equipment	369,658	AXA Insurance
		Office equipment		
		Leasehold assets		
	Singapore	Computer equipment	276,299	AXA Insurance
		Office equipment		
		Leasehold assets		
	San Francisco	Computer equipment	551,613	The Hartford
		Office equipment		
		Leasehold assets		

9. Intangible Assets

Changes in intangible assets for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

		Development costs	Computer Software	Total
Net balance at the beginning of 2021	₩	8,502,120	1,351,696	9,853,816
Additions		2,544,173	314,830	2,859,003
Amortization (*)		(2,155,264)	(434,091)	(2,589,355)
Net balance at the end of 2021	₩	8,891,029	1,232,435	10,123,464
Net balance at the beginning of 2020	₩	3,836,504	935,601	4,772,105
Additions		4,794,791	780,232	5,575,023
Amortization (*)		(129,175)	(364,137)	(493,312)
Net balance at the end of 2020	₩	8,502,120	1,351,696	9,853,816

(*) Amortization costs are reflected in the general and administrative expenses of the statement of income.

10. Retirement and Severance Benefits

Changes in retirement and severance benefits for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Provision for retirement and severance benefits at beginning of year	₩	13,435,440	11,513,286
Payments		(1,176,072)	(1,094,294)
Accrual for retirement and severance benefits		2,527,111	3,016,448
Provision for retirement and severance benefits at end of year	₩	14,786,479	13,435,440

Pension plan assets as of December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Principal guarantee financial instruments	₩	7,116,135	7,008,906
Other		7,670,344	6,426,534
	₩	14,786,479	13,435,440

Changes in pension plan assets for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Beginning balance	₩	13,435,440	11,008,868
Increase		2,637,439	3,704,267
Decrease		(1,286,400)	(1,277,695)
Ending balance	₩	14,786,479	13,435,440

Expenses related to defined contribution plans recognized for the years ended December 31, 2021 and 2020 are ₩ 482,451 thousand and ₩ 473,929 thousand, respectively.

11. Assets and Liabilities Denominated in Foreign Currencies

Assets and liabilities denominated in foreign currencies as of December 31, 2021 are as follows:

(KRW thousand)

		Foreign currency	Exchange rate	Translated into won
Assets				
	USD	3,762,882.98 ₩	1,185.50 ₩	4,460,898
Deposits	GBP	289,171.18	1,600.25	462,746
	SGD	97,300.61	877.14	85,346
Accrued income	USD	144,978,705.04	1,185.50	171,872,255
	USD	405,279.73	1,185.50	480,459
Other assets	GBP	1,059,531.84	1,600.25	1,695,516
	SGD	127,736.27	877.14	112,043
			₩	179,169,263
Liabilities				
	USD	49,518,837.79 ₩	1,185.50 ₩	58,704,582
Accrued expenses	GBP	2,361.93	1,600.25	3,780
	SGD	4,556.13	877.14	3,996
	USD	405,484.07	1,185.50	480,701
Accounts payable	GBP	71,722.55	1,600.25	114,774
	SGD	28,928.00	877.14	25,374
			₩	59,333,207

Regarding foreign currency translations, the Corporation recognized operating revenue of ₩ 349,122 thousand and operating expenses of ₩ 71,347 thousand for the year ended December 31, 2021.

Assets and liabilities denominated in foreign currencies as of December 31, 2020 are as follows:

(KRW thousand)

		Foreign currency	Exchange rate	Translated into won
Assets				
	USD	2,088,778.10 ₩	1,088.00 ₩	2,272,591
Deposits	GBP	353,644.03	1,482.40	524,242
	SGD	122,640.45	822.22	100,837
Accrued income	USD	109,679,608.20	1,088.00	119,331,414
	USD	406,332.58	1,088.00	442,090
Other assets	GBP	837,760.02	1,482.40	1,241,895
	SGD	700,764.28	822.22	576,182
			₩	124,489,251
Liabilities				
	USD	35,348,941.39 ₩	1,088.00 ₩	38,459,648
Accrued expenses	GBP	94.52	1,482.40	140
	SGD	11,265.68	822.22	9,263
	USD	176,433.91	1,088.00	191,960
Accounts payable	GBP	190,850.36	1,482.40	282,917
	SGD	13,637.01	822.22	11,213
			₩	38,955,141

12. Commitments and Contingencies

As of December 31, 2021, the Corporation maintains investment management agreements with Bank of Korea and Ministry of Economy and Finance, and sub-investment management agreements with BlackRock International Limited and others. Total entrusted assets related to these agreements amounted to USD 205,039,221,649.01 as of December 31, 2021.

There are no pending litigations as of December 31, 2021.

13. Capital

Capital as of December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Authorized capital	₩	1,000,000,000	1,000,000,000
Capital issued		100,000,000	100,000,000

According to the Korea Investment Corporation Act, the authorized capital of the Corporation is ₩ 1 trillion and the Government is to invest the full amount. The time and investment method of the capital contribution will be decided by the Minister of Economy and Finance.

14. Retained Earnings

Retained earnings as of December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Earning reserve (*)	₩	46,917,348	37,252,326
Voluntary reserve		126,207,395	97,212,327
Unappropriated retained earnings		168,023,899	96,650,227
Total retained earnings	₩	341,148,642	231,114,880

(*) According to Article 41 of the articles of incorporation, the Corporation is required to reserve at least 10% of net income for each period until the reserve equals half of its capital.

Statement of appropriation of retained earnings for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

	2021	2020
Unappropriated retained earnings		
Balance at beginning of year	₩ -	-
Net income for the year	168,023,899	96,650,227
Balance at end of year before appropriation	₩ 168,023,899	96,650,227
Appropriation of retained earnings		
Earning reserve	₩ 16,802,390	9,665,023
Voluntary reserve	33,604,780	28,995,068
Dividends (*)	117,616,729	57,990,136
Unappropriated retained earnings to be carried over to subsequent year	₩ -	-

(*) The Corporation's dividend for the years ended December 31, 2021 is estimated dividend, assuming a dividend ratio of 70%. The estimated dividend for the years ended December 31, 2020 was calculated ₩ 57,990 million, assuming a dividend ratio of 60%, and the same amount was actually distributed.

15. Income Taxes

The components of income tax expense for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

	2021	2020
Current tax expense	₩ 51,538,373	30,928,769
Changes in deferred tax from temporary differences	5,109,284	2,295,823
Supplementary payment of income taxes	(38,654)	1,124,259
Income tax expense	₩ 56,609,003	34,348,852

The income tax expense calculated by applying statutory tax rates to the Corporation's income before income taxes for the year differs from the actual tax expense in the statement of income for the years ended December 31, 2021 and 2020 for the following reasons:

(KRW thousand)

	2021	2020
Income before income tax	₩ 224,632,902	130,999,079
Income tax expense at statutory tax rates	53,899,162	31,239,777
Tax effects of permanent differences	11,106	15,209
Tax credit	(20)	(20)
Non-reflux income	2,737,409	1,969,627
Other adjustments	(38,654)	1,124,259
Income tax expense	₩ 56,609,003	34,348,852
Effective tax rate	25.20%	26.22%

Changes in temporary differences for the year ended December 31, 2021 and deferred tax assets(liabilities) as of December 31, 2021 are as follows:

(KRW thousand)

		Beginning balance	Increase	Decrease	Ending balance	Deferred tax assets(liabilities)
Accrued expenses	₩	13,120,156	13,303,393	(13,120,156)	13,303,393	3,219,421
Accounts receivable		(3,089,937)	-	3,089,937	-	-
Securities under equity method		(426,216)	-	426,216	-	-
Financial assets at fair value through profit or loss		(1,816,120)	(26,618,926)	1,816,120	(26,618,926)	(6,441,780)
Property and equipment		116,888	41,226	(50,554)	107,560	26,030
	₩	7,904,771	(13,274,307)	(7,838,437)	(13,207,973)	(3,196,329)

Changes in temporary differences for the year ended December 31, 2020 and deferred tax assets(liabilities) as of December 31, 2020 are as follows:

(KRW thousand)

		Beginning balance	Increase	Decrease	Ending balance	Deferred tax assets(liabilities)
Appropriation for retirement	₩	486,985	3,685,965	(4,172,950)	-	-
Accrued expenses		11,251,748	13,120,156	(11,251,748)	13,120,156	3,175,077
Accounts receivable		-	-	(3,089,937)	(3,089,937)	(747,765)
Securities under equity method		(453,424)	(426,216)	453,424	(426,216)	(103,144)
Financial assets at fair value through profit or loss		5,952,572	-	(7,768,692)	(1,816,120)	(439,501)
Property and equipment		153,763	25,753	(62,628)	116,888	28,287
	₩	17,391,644	16,405,658	(25,892,531)	7,904,771	1,912,954

Deferred tax assets have been recognized, as the Corporation has determined it is probable that future profits, against which it can use related benefits, will be available.

Income tax receivable and income tax payable imposed by the different taxation authority are not offset against each other.

16. Related Party Transactions

Details of related party as of December 31, 2021 are as follows:

Related party	Relationship
Ministry of Economy and Finance	Investor

Account balances with a related party as of December 31, 2021 and 2020 are as follows:

(KRW thousand)

Account	2021	2020
Ministry of Economy and Finance Accrued income	₩ 145,941,500	96,618,075

Significant transactions that occurred in the normal course of business with the related party for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

	Account		2021	2020
Ministry of Economy and Finance	Investment management fees	₩	316,190,490	242,699,290

17. General and Administrative Expenses

Details of general and administrative expenses for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Salaries and wages	₩	35,182,129	35,110,509
Accrual for retirement and severance benefits		3,009,562	3,490,377
Other employee benefits		7,672,573	7,845,755
Advertising		114,880	58,223
Travel		417,548	335,108
Communications		414,529	389,699
Computer system operation expenses		6,456,770	1,475,957
Taxes and dues		389,225	309,506
Rental expenses		5,271,054	4,977,278
Other service fees		1,823,961	1,285,873
Depreciation		1,105,648	937,473
Amortization		2,589,356	493,312
Business development expenses		99,991	93,873
Business meetings		383,287	327,935
Printing		72,276	60,094
Vehicle maintenance expenses		127,568	136,262
Supplies		93,983	97,679
Repairs and maintenance		37,894	18,987
Utilities		2,001,205	1,887,977
Insurance		66,380	69,196
Legal expenses		921	833
Event expenses		131,307	153,186
Information expenses		8,818,917	8,121,840
Training		473,783	396,734
Books and periodicals		36,131	32,582
Prize		8,595	4,881
Bad debt expenses		263,999	178,454
	₩	77,063,472	68,289,583

18. Value Added Information

Details of accounts included in the computation of value added for the years ended December 31, 2021 and 2020 are as follows:

(KRW thousand)

		2021	2020
Salaries and wages	₩	35,182,129	35,110,509
Accrual for retirement and severance benefits		3,009,562	3,490,377
Other employee benefits		7,672,573	7,845,755
Taxes and dues		389,225	309,506
Rental expenses		5,271,054	4,977,278
Depreciation		1,105,648	937,473
Amortization		2,589,356	493,312
	₩	55,219,547	53,164,209

19. Date of Authorization for Issue

The Corporation's financial statements are authorized for issue on March 25, 2022, at the Board of Directors meeting. These financial statements are scheduled to be submitted for approval to the Steering Committee on March 29, 2022.

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