

NATIONAL AGRICULTURAL COOPERATIVE FEDERATION

2020
ANNUAL
REPORT





Together 100 Years of NongHyup



CONTENTS

1. OVERVIEW

- 04 Operational highlights
- 06 Chairman's message
- 08 The NongHyup way
- 10 Our history
- 12 Organization at a glance
- 14 Our governance

2. SOCIAL RESPONSIBILITY

- 16 Our cooperative social responsibility initiatives
- 20 Covid-19 response

3. BUSINESS REVIEW

- 24 Extension and Support
- 26 Cooperative Banking
- 28 Agricultural Marketing and Supply
- 30 Livestock Marketing and Supply
- 32 NongHyup Financial Group

4. FINANCIAL STATEMENTS

- 34 Non-consolidated income statement
- 35 Non-consolidated statement of financial position

5. OTHER INFORMATION

- 37 Detailed organizational chart
- 38 National network
- 39 Global network
- 40 Directory of subsidiaries and affiliates

Operational highlights

Agribusiness unit: billions KRW

Member Co-ops Revenue



2018	52,039
2019	52,887
2020	56,771

NACF - Agricultural Revenue



2018	17,223
2019	16,565
2020	17,521

NACF - Livestock Revenue



2018	4,672
2019	4,949
2020	5,301

Financial Business unit: billions KRW

Member Co-ops Deposits and loans



2018	545,024
2019	576,794
2020	614,008

NongHyup Bank Deposits and loans



2018	440,126
2019	472,193
2020	508,689

NH Card Credit card spend



2018	46,109
2019	49,417
2020	47,944

Direct-to-consumer local food outlets



469

NongHyupMall sales volume



332b KRW

Contracted volume of horticultural crops



906k tons

Non-face-to-face sales



3.6t KRW

Smart banking users



16.2m

COK Banking users



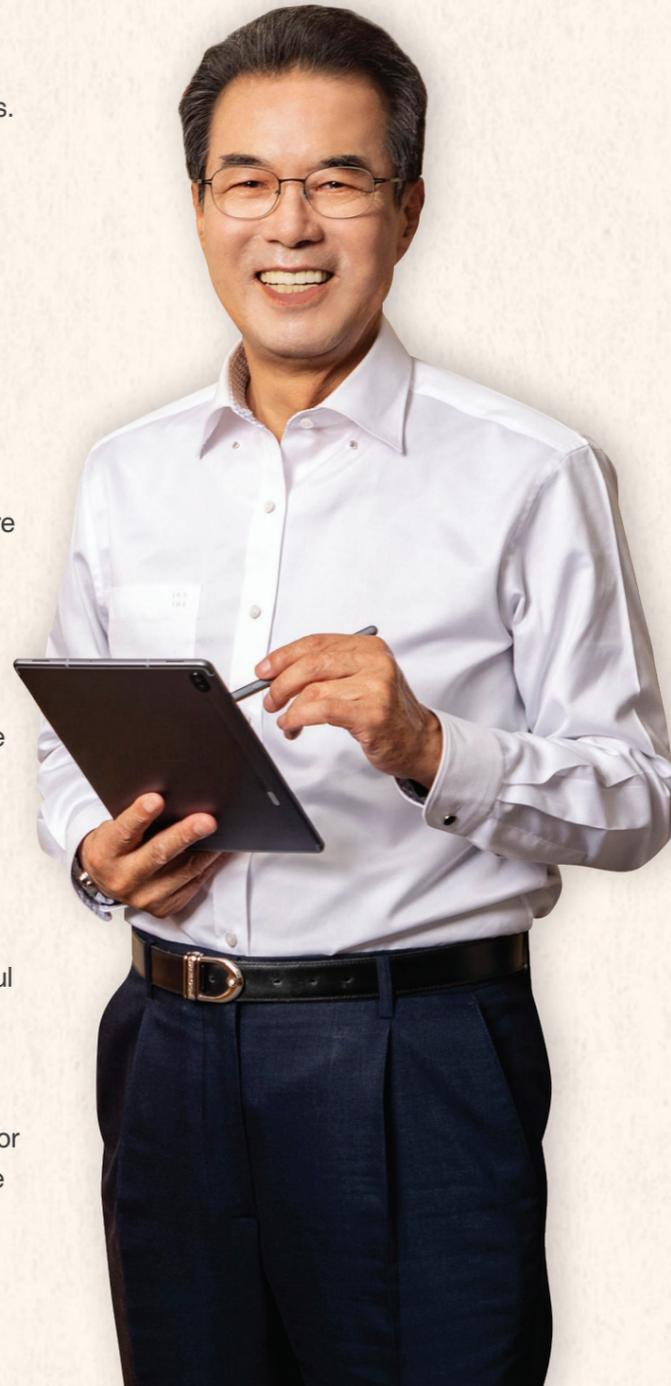
6.8m

Chairman's message

2020 was by far one of the most challenging years in recent history due to the coronavirus pandemic that swept the world. Prolonged social distancing measures heightened social and economic tensions, while a series of unprecedented disasters ranging from heavy rain to typhoons inflicted enormous damage on Korean agriculture and rural communities. Despite these difficult circumstances, NongHyup remained committed to supporting rural Korea, demonstrating its vital role in feeding Korean families. Overall, the year was a meaningful one, marked by important first steps taken towards 100 years of NongHyup on the back of collective efforts by our farmers, employees and broader Korean society.

In May, NongHyup launched Vision 2025, '100 years of NongHyup, elevating the status of agriculture, making rural communities a place of hope, promoting respect for farmers'. In addition to reflecting the values of inclusion and coexistence – a demonstration of our dedication to 'togetherness' – the vision encapsulates the Federation's objective to ensure a thriving future for the next 100 years and beyond through strengthened supply chains for safe food and greater digital innovation. NongHyup undertook all-out Federation-wide efforts this past year to fulfill these initiatives.

The Extension and Support unit (E&S) focused on enhancing the sustainability of agriculture, rural communities and NongHyup itself. To reduce labour shortages caused by Covid-19, E&S expanded job matching operations at its rural employment agencies as well as agency-run teams of readily deployable workers. The unit also successfully lobbied the government for tax reductions in the agricultural sector, contributing to meaningful farm income increases. To facilitate discovery of new growth areas, a new Digital Innovation department was tasked with enhancing Federation-wide digital capabilities. The department worked on several major projects including developing a model for 'NongHyup-style' smart farming and launching an online produce exchange. Additionally, E&S strived to train young farmers by



expanding hands-on training programs such as the Young Farmer Academy and the Agricultural Startup Course.

The Cooperative Banking unit laid the groundwork for a sustainable credit business against the backdrop of an increasingly volatile financial market. The unit recorded solid end-of-year profits thanks to successful management of its Special Account and expanded its core non-interest-income operations, helping member cooperatives diversify their profit portfolios. In January, Cooperative Banking was approved as the cooperative banking industry's first, and to this day only, provider of MyData services—which collect customer data across various financial institutions to provide an integrated banking experience—and went on to attract 7 million users on its mobile application, a first for the entire Korean financial industry and a clear demonstration of our commitment to embracing digital transformation.

The Agricultural Marketing and Supply unit, which has the aim of transforming distribution to satisfy both farmers and consumers, implemented a range of price stabilization measures to help farmers sell at optimal prices. As part of these efforts, the OI-ba-reun Distribution Committee was created in April. The Committee outlined four strategies aimed at promoting distribution-side innovations, e-commerce, digitization and cooperative identity and initiated ahead of schedule such key projects as the online produce exchange and integration of wholesale teams across the Agribusiness Group.

The Livestock Marketing and Supply (LMS) unit developed its own vision, 'Realizing Hopeful, Happy Livestock Industry', to more effectively help achieve the Federation-wide vision and sharpen its focus on securing efficiency gains for livestock distribution. In addition to enhancing supply capabilities through the establishment of a virtual auction system, LMS set up a big data platform offering information on livestock species to assist breeders in managing

their operations. LMS continued to play a leading role in promoting an environmentally friendly, clean livestock industry and launched an integrated online meat market in step with the rapidly changing digital environment.

Even as retail banking conditions deteriorated and domestic demand declined following the outbreak of Covid-19, NongHyup Financial Group successfully served its role as the Federation's profit centre, effectively minimizing the impact of risks to generate positive net profit. The Group designated 2020 as the first year of a new long-term initiative for global banking named 'Asia-Network, Global-IB and Dynamic DT'. Under this initiative, NHFG launched operations in emerging Asian countries with high demand for agricultural development and established a larger network for investment banking in developed financial markets.

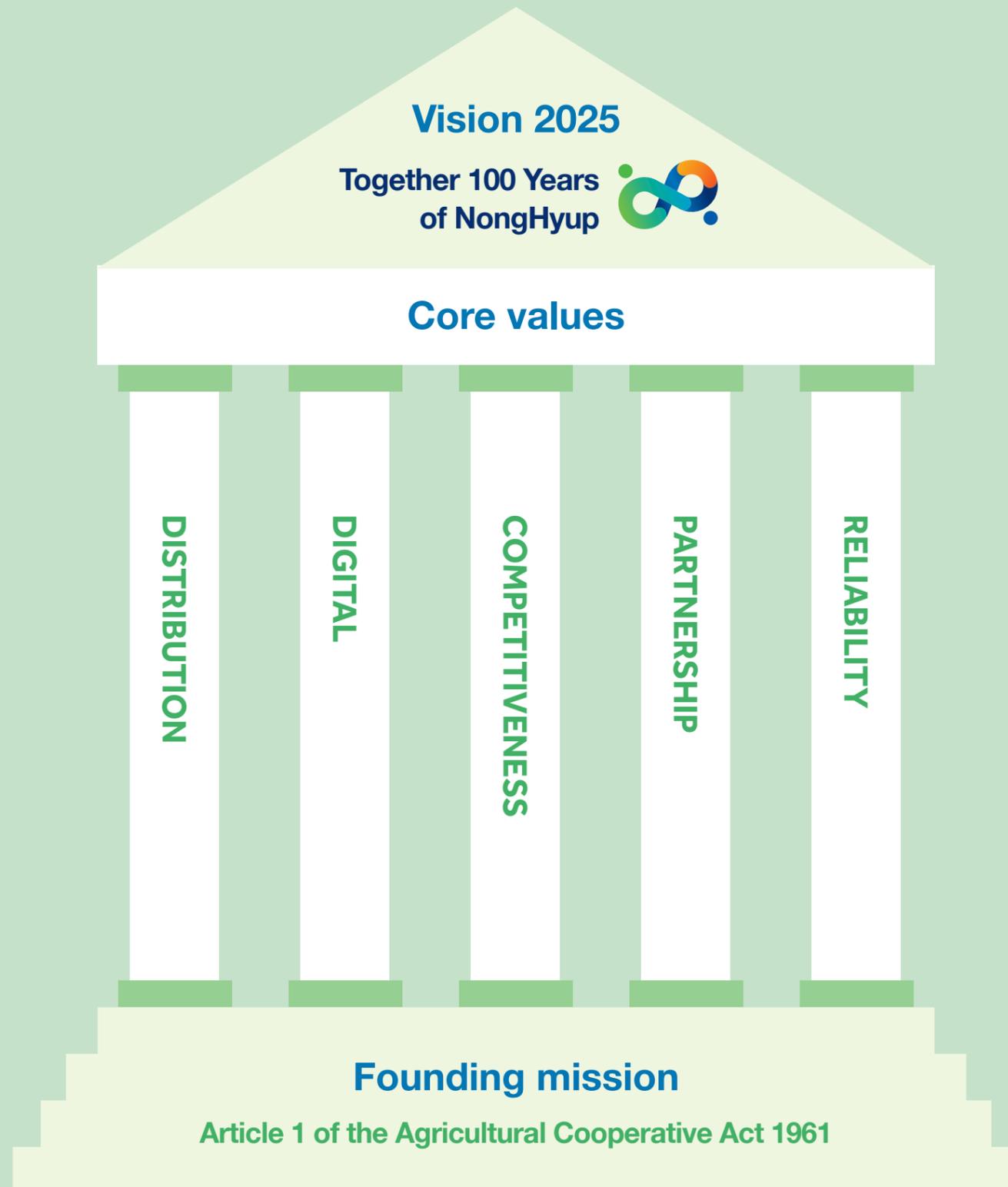
Over the past year, despite unprecedented difficulties ranging from Covid-induced economic shock to the zero-interest rate environment, NongHyup worked to fulfill its role in developing agriculture and rural communities and improving quality of life for farmers. NongHyup will continue doing its part to elevate the status of agriculture, make rural communities a place of hope and promote respect for farmers.

We thank you in advance for your continued interest and support as we set out on our exciting journey toward 100 years of NongHyup.

이성희

LEE Sung-hee
Chairman

The NongHyup way



Our vision

Announced in May this year, Vision 2025 'Together 100 years of NongHyup' represents our commitment to working with member cooperatives and their farmers as well as rural and urban communities to create an 'agritopia' where agriculture enjoys elevated status, rural communities are a place of hope and farmers are more respected.

The emblem coloured in multiple shades of green, blue and orange depicts two people holding hands to form the shape of an infinity symbol, signifying infinite growth.

Our core values



Transform distribution for farmers and consumers

We will transform distribution to provide consumers with safe food at affordable prices and ensure farmers earn more income.



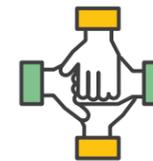
Embrace digital innovation to explore new growth areas

We will embrace the latest digital innovations and discover new growth engines for agriculture, rural communities and the NACF.



Make agriculture competitive, help farmers live better lives

We will help farmers increase their income and improve their quality of living by assisting with farm management.



Partner with the broader community to improve quality of life in rural areas

We will work closely with local communities to play a pivotal role in improving quality of life in rural areas and stimulating local economies.



Provide reliable services that are shaped by our cooperative identity

We will earn the trust of farmers and the rest of Korean society by retaining our true identity and increasing our capabilities for delivering practical benefits for our farmers.

Our founding mission

"...to improve the economic, social and cultural status of farmers, enhance the standard of living of farmers by making agriculture more competitive and contribute to balanced development of the national economy."

Our history

The National Agricultural Cooperative Federation (NACF), or 'NongHyup' as it is called in Korean, was established in 1961 via the merger of agricultural cooperatives and the Agricultural Bank with the aim of establishing a national cooperative system for Korean farmers, the majority of whom were suffering from poor production capacity and insufficient financial resources. In the decades since, the Federation has played a crucial role in the growth of the Korean economy and developed into one of the most successful cooperatives in the world.

In March 2012, the NACF established two holding companies, NongHyup Agribusiness Group and NongHyup Financial Group, and transferred its agribusiness and financial operations to each group, respectively, to provide more specialized services and ensure growth of the Federation as a whole.



1960

15 AUG 1961

NACF established through a merger of agricultural cooperatives and Agricultural Bank in accordance with the Agricultural Cooperative Act

20 JUL 1969

Cooperative banking began



2020

11 MAY 2020

Launch of new vision 'Together 100 years of NongHyup'

Together 100 Years of NongHyup



1980

01 JAN 1981

Organization changed from 3-tier to 2-tier (individual cooperatives and the federation)

01 JUN 1984

Credit card services began

26 OCT 1984

Expansion into annuities and fire insurance

14 AUG 1985

Launched IT center equipped with 360 online networks - the largest of its day

01 APR 1989

Direct election system introduced for member cooperative heads and NACF chairman



1990

01 JAN 1995

Start of independent operation of Marketing & Supply and Banking & Insurance divisions

29 APR 1995

Korea Agricultural Cooperative Marketing Inc. founded to handle product distribution and sales

21 JUN 1999

E-commerce services launched (Internet Hanaro Club)

01 AUG 1999

Launch of online banking services



2010

02 MAR 2012

Split into NACF and two holding companies, NongHyup Agribusiness Group and Nonghyup Financial Group

27 SEP 2013

Anseong Agrifood Distribution Center opened

14 MAR 2016

Academy of Cooperatives (Main Campus) opened

2000

01 JUL 2000

NACF integrated through merger of agricultural, livestock and ginseng cooperative federations

03 APR 2002

NH-CA (NH-Amundi) Asset Management Co., Ltd. co-founded with Crédit Agricole, France

25 FEB 2006

NH Investment & Securities launched after acquisition of Sejong Securities



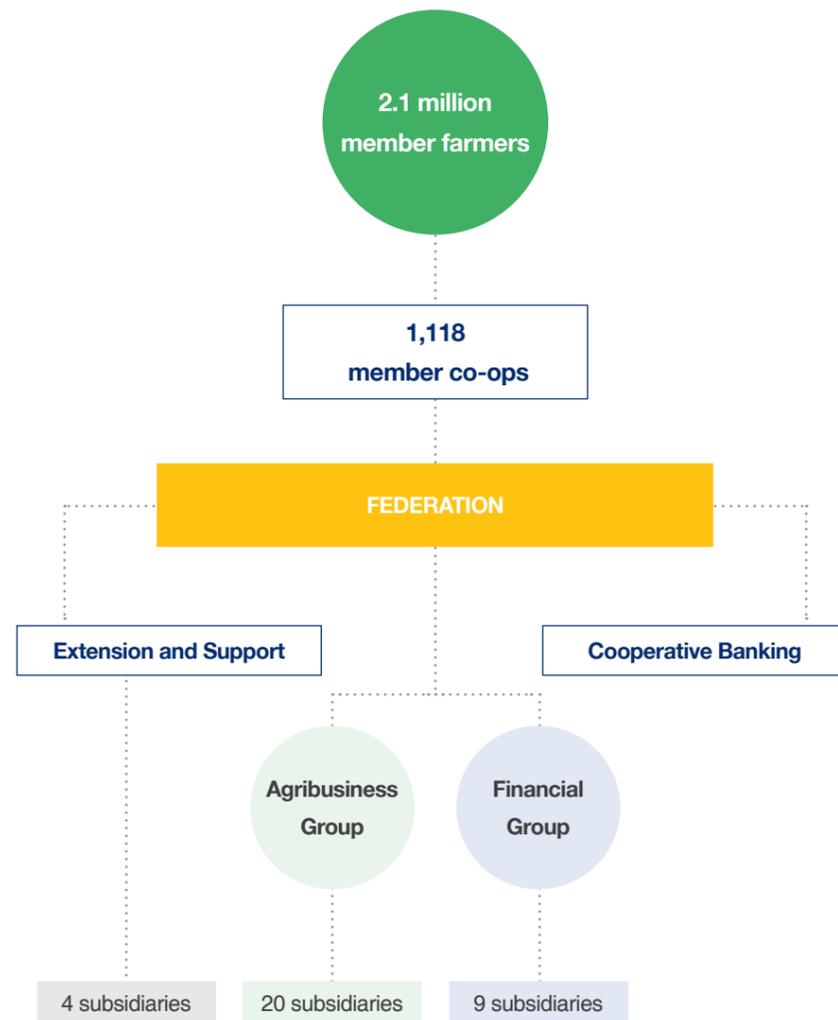
Organization at a glance

(As of 31 DEC 2020)

The National Agricultural Cooperative Federation is the apex organization for 1,118 multifunctional cooperatives which have a combined membership of 2.1 million farmers. These farmers are the owners, users and controllers of their cooperatives. Likewise, the cooperatives are the owners of the Federation.

In 2012, the NACF physically separated its operations and established a financial holding company and an agricultural holding company through a revision of the Agricultural Cooperative Act of 1961 and resolution by the Board of Directors.

In Korea, the NACF and our member cooperatives are collectively known as NongHyup, which means 'agricultural cooperative' in Korean. But NongHyup can also mean the Federation depending on the context.



FEDERATION

Represents the interests of farmers and helps improve their quality of life by promoting agricultural development and enhancing farmer incomes.

NongHyup Agribusiness Group

Supports farmers at every stage of their operations from production and processing to marketing. Divided into two units: Agricultural Marketing and Supply (AMS) and Livestock Marketing and Supply (LMS).

NongHyup Financial Group

Provides financial services to generate the capital and profit necessary to support the Federation's activities. Includes nine subsidiaries.

Subsidiaries

(As of 31 DEC 2020)



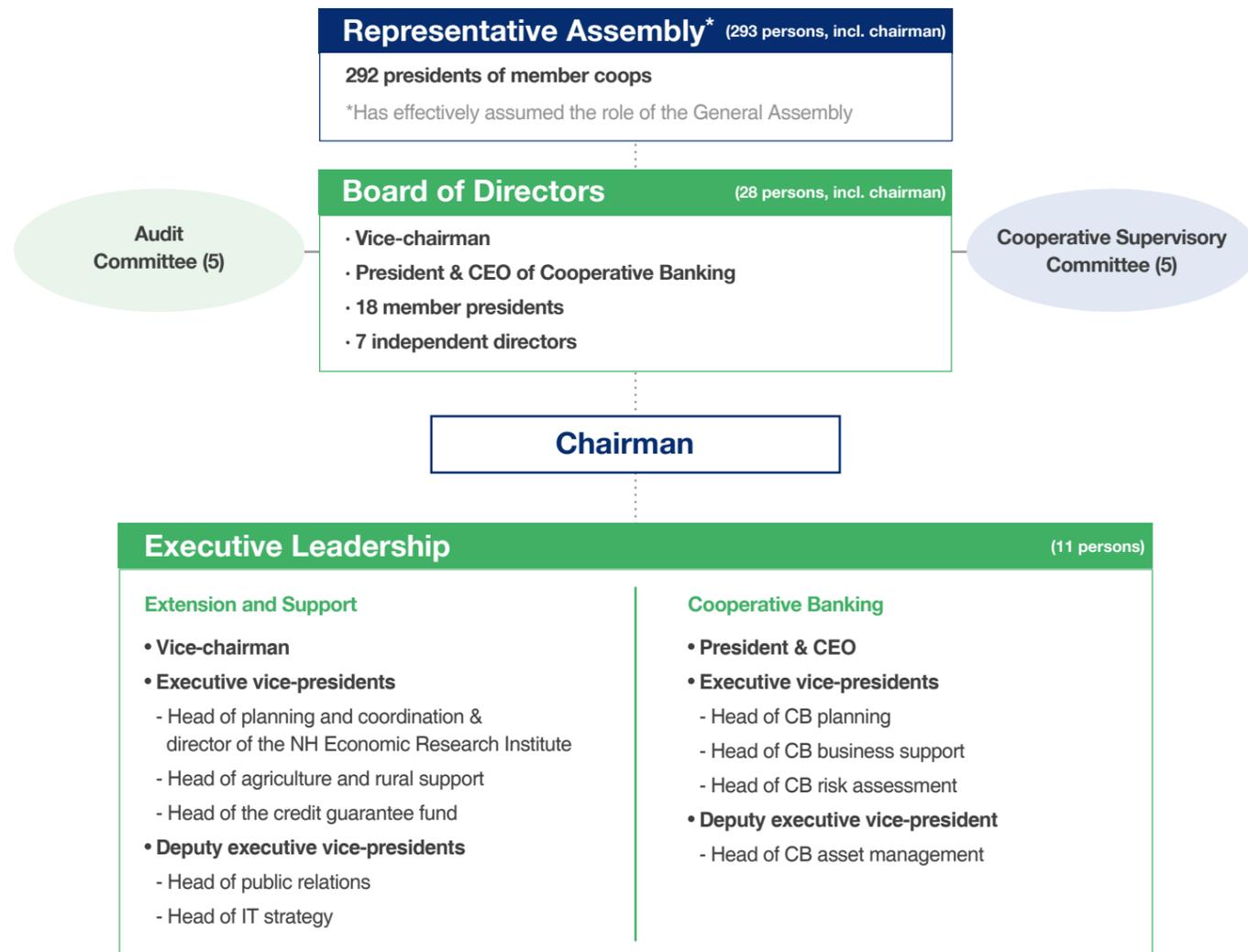
Our governance

The highest decision-making body of NongHyup is the General Assembly, consisting of the chairman and the presidents of all member cooperatives. But its roles have effectively been taken over by the Representative Assembly, consisting of the chairman and 292 representatives elected from among the member presidents, for more efficient decision making.

The Board of Directors includes the chairman, vice-chairman (managing director), CEO of Cooperative Banking, 18 member presidents and 7 independent non-executive directors. The Board has two committees: the Audit and Cooperative Supervisory Committees.

The chairman of NongHyup is elected every four years and has a one-term limit.

There are 11 executive officers, and the managing director (vice-chairman) and the president & CEO of Cooperative Banking are appointed by the chairman. The executives of the Agribusiness and Financial Groups, and other subsidiaries have not been included in this annual report.



Our leadership

(As of 31 MAY 2021)

	LEE Sung-hee Chairman	
	YU Chan-hyung Vice-chairman (managing director, Extension and Support)b	
	LEE Jae-sik President & CEO, Cooperative Banking	
	JO So-haeng Head of planning and coordination & director of NH Economic Research Institute	
	JIN Jong-moon Head of agriculture and rural community support	
	KIM Seog-gie Head of the credit guarantee fund	
		
		
		

Our cooperative social responsibility initiatives

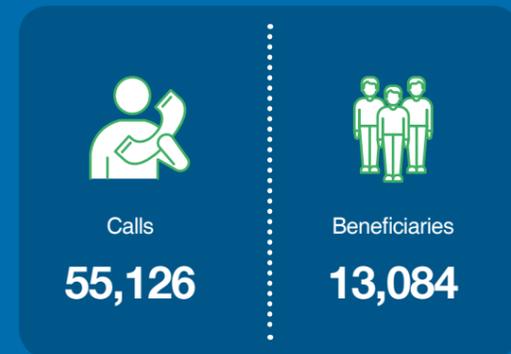
Employee community service



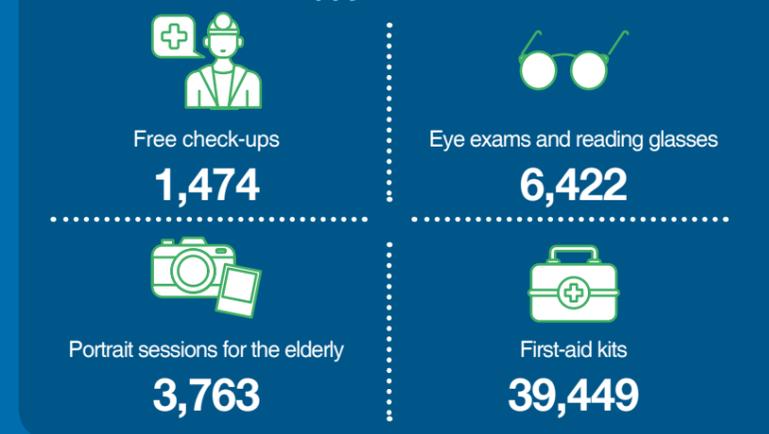
Support programs for rural communities



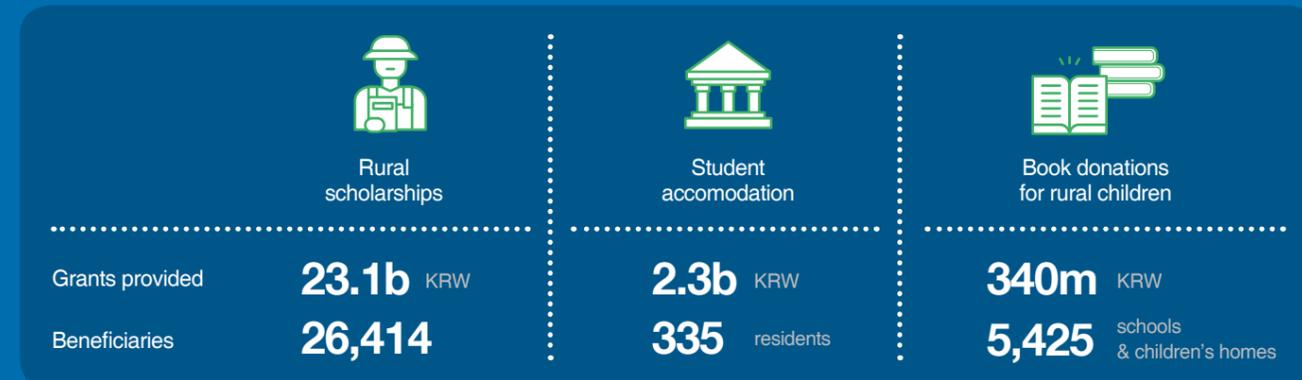
Care call service for seniors



Happy Farmer Bus Unit: recipients



Scholarships for children of farmers



Overview



Improving quality of life for rural residents

Our Happy Call Center for Farmers assisted 128,000 rural seniors with 212,000 enquiries through chat services and matched them with volunteers and paid workers to help with household chores as well as farming.

Our Happy Farmer Bus initiative, a joint effort with the government to ensure rural communities do not miss out on health and social benefits, provided a total of 51,108 people with a range of free services, from check-ups and funerary portraits for the elderly to provision of free reading glasses and first-aid kits.



Revitalizing rural Korea for sustainable agriculture

Our Making Rural Communities Clean and Beautiful program, organized with outside organizations and groups to preserve the beautiful landscape of rural Korea and promote the value of agriculture through rural environmental improvement efforts, was held in 446 different communities.

Through our Connecting with Communities program, which matches communities and businesses in 'sisterhoods', some 10,619 activities were organized, ranging from farmers' markets to volunteer work to assist short-handed farmers.

Training to promote awareness of agriculture and rural communities was provided to 1,447 women consumers and students, and in collaboration with the government, we provided support to 1,277 members of multicultural families to settle in rural Korea.



Strengthening our role in training future leaders in agriculture

This year, our Young Farmer Academy program, which seeks to ensure a continued inflow of young member farmers, was completed by 96 participants. The Agricultural Startup for Young People program had a total 664 participants.

We also provided training to aspiring farmers permanently settling in rural Korea, including financial planning training for 118 participants and training in distribution and marketing for 125 participants.



Federation



Home Improvement of Love Program

One of our most well-known social responsibility initiatives, the Home Improvement of Love Program community service program, was initiated in 2005 by a group of NongHyup employees with expertise in areas like construction, electricity and machinery. Since then, almost 8,200 employees have visited 758 farm households, making free-of-charge home repairs ranging from replacing boilers and water pipes to installing new electrical wires and light bulbs.



Happy Call Center for Farmers

Since 2017, NongHyup has run the Happy Call Center for Farmers to provide an extra social safety net to rural seniors aged 70 and older and vulnerable farmers. With just a single phone call, individuals can receive services ranging from counselling for loneliness and depression to assistance for mild inconveniences and emergency dispatch of helpers. Our call center proved especially vital in the past year amid the pandemic and higher-than-usual incidence of natural disasters. As of the end of 2020, we have responded to 212,000 calls and provided home improvement services to 1,144 rural households.



Winter jacket donation program

This program was launched in October to provide winter jackets to foreign migrant workers and family members living in rural Korea, most of whom are from countries with warmer climates. A total of 232 employees from our head office in Seoul donated 368 pieces of winter clothing.



Subsidiaries



Campaign to encourage flower consumption

In February, NongHyup Agribusiness Group held a flower giveaway for NongHyup employees. Organized as part of a wider initiative to support flower growers through encouraged flower consumption, the event gave away 2,200 roses and 300 desk-sized cyclamen pots. Other efforts included special sales online and in-store, sending of flowers as corporate gifts, and setting up of floral arrangements in our offices. As a result, NongHyup alone consumed an estimated 1.26 million flowers as of the end of December.



Green Ladder Camp

One of NH Bank's major social responsibility programs, Green Ladder Camp aims to provide students in rural communities with better access to quality education, helping narrow the academic gap between them and their urban-dwelling peers. Primary school students are selected by educational authorities in different regions to receive two weeks' mentoring by college students and spend a week at Yonsei University, Songdo, where they participate in a range of activities to explore different careers.

Unfortunately, due to Covid-19, the Green Ladder program was not conducted this year. NH Bank instead provided 2,000 students with 100 million KRW worth of school supply packages that included eco-friendly tote bags, EBS textbooks and stationery.



Financial literacy program

Another major social responsibility program of NH Bank, the Haengbok Chaeum financial literacy program is offered to help the financially illiterate—typically teenagers, multicultural families and seniors—gain a better understanding of financial services. The program is tailored for the target participants and run on-site by visiting staff for those living in remote islands and mountainous areas. In 2020 alone, NH Bank conducted the program 893 times (8,037 hours).



Free vehicle maintenance for farmers

To help farmers operate their farm vehicles safely and save on maintenance costs, NongHyup Networks offers farmers a free maintenance service. The NongHyup subsidiary, which manages construction of member-owned facilities ranging from bank branches to HanaroMart stores, has provided this program over the years as a way to give back to individual members. Despite reduced operations due to Covid-19, this year vehicles were serviced for 136 farmers (27 times).



Covid-19 response

Supporting our farmers, customers and the broader community



Since the coronavirus outbreak was declared a pandemic in March, Covid-19 has spread across most parts of the world and continues to take a heavy toll on our daily lives.

In rural Korea, for instance, farmers have suffered severe shortages of labour as travel restrictions prevent many seasonal workers from entering the country. At the same time, the prolonged closure of

facilities like schools and offices, and consequently, their cafeterias, has led to a sharp decline in demand for agricultural produce, threatening the livelihood of millions of Korean farmers.

Through such challenging times, NongHyup remained committed to ensuring the safety and wellbeing of producers, customers and the broader community.



Minimizing disruptions to farmers' operations

- Launched promotional campaigns in support of flower growers, contributing to the sale of 8.2 million flowers.
- Supported school cafeteria suppliers to sell 209.8 billion KRW of produce through alternative channels.
- Matched short-handed farmers with 1.5 million workers.



Providing medical and food supplies

- Distributed 20 million masks as a government-designated provider of 'public-purpose' masks and donated 12.5 million masks for vulnerable members of society.
- Provided 400,000 free lunch boxes and 50,000 food boxes.
- Offered our Gyeongju and Gurye training centers to be used as temporary treatment facilities.



Funding business customers in need

- Provided 430 billion KRW in loans to small businesses.
- Provided 16.2 trillion KRW in loans to the broader business community.

Business review

- 24 Extension and Support
- 26 Cooperative Banking
- 28 Agricultural Marketing and Supply
- 30 Livestock Marketing and Supply
- 32 NongHyup Financial Group



Extension and Support

Unit: billions KRW

	2020	2019	2018
Extension and Support spending	444	433	332

Building a foundation for one hundred years of NongHyup

In May, the Extension and Support unit (E&S) announced a new Federation-wide vision, 'Together 100 years of NongHyup'. Embodying the Federation's ambitious plans for the future of Korean agriculture and rural communities, the vision is supported by five core values: transforming distribution for farmers and consumers; embracing digital innovation to explore new growth areas; making agriculture competitive in support of better lives for farmers; partnering with the broader community to improve quality of life in rural areas; and providing reliable services shaped by our cooperative identity.

This year, E&S continued its focus on sustainable growth for the Federation. Cash flow was increased by 315 billion KRW, enabling the first major reduction in outstanding debts (down to 13.3 trillion KRW) since the Federation's restructuring in 2012. E&S also conducted an overall assessment of the financial health of struggling subsidiaries, based on which plans were formulated to help these companies reshape their management strategies to better adapt to today's rapidly changing business environment.



Promoting digital transformation to seek new growth engines

A new department was created within E&S to drive efforts to accelerate digital transformation across the Federation. The Digital Innovation department has three major areas of long-term strategic focus: innovating farmer and customer experience; innovating business models; and innovating management and organizational culture. This year, key initiatives included developing smart farming systems tailored for the Korean farming environment, setting up a Federation-wide big data platform, equipping more member cooperatives with robotic process automation (RPA) technology, and building smart work hubs. The Federation benefited itself from enhanced productivity in administrative tasks related to personnel and taxation as a result of successful wide-scale RPA implementation earlier in the year.

To better meet the needs of agricultural employers and employees, E&S updated the Rural Job Matching system. Personnel processing procedures were greatly simplified, and large volumes of raw data were used to produce useful statistics and visual content made available online.



Making agriculture more competitive, helping farmers live better lives

E&S supported farmers to earn higher incomes, especially agricultural income. In total, the Unit contributed a total of 2.36 trillion KRW to farmer's incomes, or approximately 2.3 million KRW per farmer.

E&S also provided the Federation's 1,108 agriculture and livestock co-operatives with 32.7 billion KRW in subsidies for purchases of farm machinery.

Together with the central and local governments, E&S provided 213 cooperatives with 60.7 billion KRW to support crop diversification, enabling expansion into 120 new crops, including shine muscat, apple mango, and apple watermelon.

E&S helped minimize the impact of labour shortages on farms caused by seasonal workers not being able to enter Korea due to Covid-19. A total 1.5 million workers were successfully matched with rural employers through the Federation's job matching centres, and a pool of 192 'immediate response' workers was operated to support prompt assistance for short-handed farmers during growing seasons.

In the face of numerous natural disasters over the year, including the longest monsoon on record and frequent cold spells, E&S provided farmers with recovery assistance amounting to a total 21.2 billion KRW. This sum included 8.7 billion KRW in potential interest income on 773 billion KRW of reserves, 7 billion KRW from the contingency budget, and 1.1 billion KRW collected in the form of donations. The remaining assistance was provided in the form of free meals and marketing support for the sale of produce grown in heavily affected areas.



Working with local communities to build a more livable rural Korea

E&S continued to raise public awareness of the importance of agriculture and rural communities and the need for efforts to strengthen sustainability. In one major initiative, businesses were matched with individual rural communities to engage in focused community service and exchange activities, including volunteer farm work as well as direct purchase and sale of fresh produce. Participants engaged in a total of 10,619 activities worth 91.1 million KRW in monetary terms.

E&S held workshops on agriculture for general consumers as well as for women and schoolchildren, in addition to joint workshops with the Ministry of Agriculture, Food and Rural Affairs to assist mixed-race families (from marriages between Korean men and foreign women) to settle in rural areas. Training courses were also offered to aspiring farmers at the Young Farmer Academy on farm operations, financial planning, distribution and marketing.



Guiding members on the path to sustainable growth

To help member cooperatives respond proactively to risks and uncertainties, E&S developed a three-phase risk management framework. The framework provides guidance for dealing with risks by phase — 'perceived', 'worrying', or 'ongoing'.

Steps were also taken to improve member cooperatives' overall management competence, including updates to management manuals and provision of online training to managerial staff. Thanks to such efforts, member cooperatives generated a combined profit of 1.6 trillion KRW despite extremely challenging economic conditions.



Cooperative Banking

Unit: billions KRW

		2020	2019	2018
Member	Deposits	349,187	326,923	308,282
	Loans	264,821	249,871	236,742

Laying the groundwork for members' sustainable growth

The Cooperative Banking Special Account recorded a 2.40% return (820.7 billion KRW) on its assets under management amid volatile market conditions. Of this, 500 billion KRW was paid out to member cooperatives as interest payments, including 300 billion KRW in advance payments over the course of August, and the remaining 320.7 billion set aside as reserves.

Loans and deposits taken out and made by members totaled an impressive 600 trillion KRW. Deposits increased by 24.8 trillion KRW to 362.1 trillion KRW, largely driven by growth of low-cost deposits. Loans grew by 24.4 trillion KRW to 279.5 trillion KRW due to higher demand for financing from small businesses and corporate customers.

To help members increase their non-interest income, Cooperative Banking conducted promotions aimed at attracting more customers to their insurance, credit card and managed fund businesses.

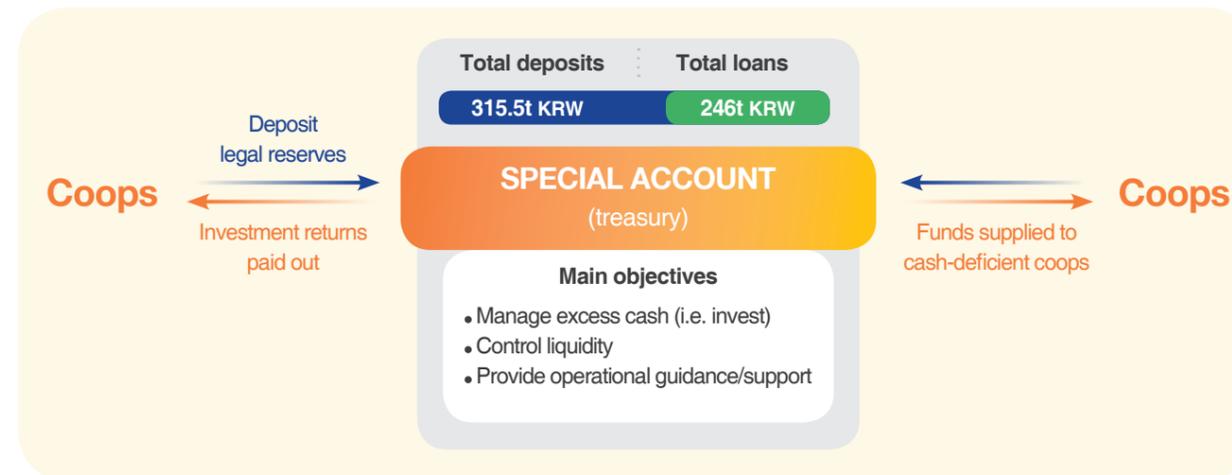
Cooperative Banking also successfully lobbied to exempt members from paying a permit fee of 30 million KRW to start a managed fund business; those that had already paid the fee were reimbursed.



Driving future growth through enhancing digital capabilities

Following the recent revision of the so-called 'Three Data Acts', Cooperative Banking took quick action to register with the regulator to provide MyData services, becoming the only cooperative bank to be granted the MyData service provision license. Accordingly, Cooperative Banking can now access – with customers' consent – financial data on customers held by other financial services companies. In December, Cooperative Banking also launched Open Banking, through which customers can view, manage, and make transfers from all their accounts on the Cooperative Banking mobile app.

To ensure new and existing customers are satisfied with their Open Banking experience, Cooperative Banking introduced a new savings product and three new online-only loan products, for which it subsequently recorded balances of 26.3 billion KRW and 276.3 billion KRW, respectively.



Strengthening the role of members as community banks

To help farmers earn more non-farming income, Cooperative Banking launched a new savings product and term deposit product, which subsequently recorded balances of 67.2 billion KRW and 9.39 trillion KRW, respectively.

Cooperative Banking also provided 41.2 billion KRW in loans to farmers hit by the pandemic, 51.6 billion KRW in interest-free loans to farmers affected by natural disasters and livestock disease, and six for-farmers-only loans totalling 877 billion KRW.

A total 35.1 billion KRW was provided in grants to help upgrade members' banking equipment and facilities, along with an additional 981 million KRW to assist disaster-affected farmers.



Building the skills and capabilities of members' employees

As part of efforts to equip members with the necessary skills and knowledge to respond to digital disruption in the industry, Cooperative Banking designated 9,460 'digital banking managers' and 82 'digital changers' among member employees and launched an initiative to promote interest in and highlight major issues related to digital trends at the Federation level.

Cooperative Banking trained 286 member employees to serve as risk management specialists and provided an expanded range of training programs, mostly online, which were completed by 2,223 team members.

In light of revised regulations concerning online banking fraud prevention and damages payout procedures, Cooperative Banking published a comprehensive manual detailing proper procedures and circulated it to members.

To ensure members duly report instances of suspected money laundering in compliance with relevant legislation, Cooperative Banking provided an online anti-money laundering training course, which was completed by a total of 32,684 employees.





Agricultural Marketing and Supply

Unit: billions KRW

Revenue	2020	2019	2018
Distribution	6,771	6,001	6,133
Grains	818	752	1,332
Supplies, energy and seeds	5,417	5,809	5,766
HanaroMart	4,515	4,004	3,992
Total	17,521	16,566	17,223

The long-term objective of Agricultural Marketing and Supply (AMS) is to improve the produce distribution system to enable farmers to sell produce at higher prices. This year, AMS focused on maintaining price stability, reducing farmers' production costs, and strengthening production capabilities as well as Federation-wide wholesale operations.

Horticulture

AMS expanded its contract farming programs to support the government's Proactive and Autonomous Supply and Demand Stabilization Program. A total 906,000 tons of fruits and vegetables were grown through contract farming, up 7.2% over the previous year.

To help growers sell at competitive prices, AMS intervened to purchase and thereby remove (i.e. 'isolate') surplus outputs of fruits and vegetables. In addition, AMS campaigned to promote consumption of domestically produced foods.

Other activities included in-store promotions at HanaroMart stores nationwide to boost organic produce sales, provision of food boxes to people in quarantine as well as 3.5 million families with students, and a range of campaigns to encourage consumption of in-season fruits and vegetables.

Rice

AMS successfully lobbied the government against releasing its buffer stock of 0.8 million tons of rice (unthreshed) in reserve and helped facilitate the adoption of the Automatic Market Isolation program for rice crops. Under this program, the government determines optimal levels of rice production and consumption and buys up rice produced in excess of these levels, effectively 'isolating' such rice from the market.

AMS also focused on enhancing the competitiveness of Rice Processing Complexes (RPCs) within the NongHyup system. Fifteen members received consulting to better manage and invest in their RPCs, and eligible members merged their RPCs with the support of AMS to achieve economies of scale.



Wholesale Distribution

AMS' wholesale business delivered impressive results, handling a total volume of 2.2 trillion KRW of produce across its operations. On the back of measures to enhance profitability and improve expense management of its wholesale markets, net profits reached 12.7 billion KRW, a 101.6% increase over the previous year.

In May, AMS partnered with the government on a pilot launch

of a new 'Online Produce Exchange', a platform to facilitate contactless trade between wholesalers and buyers. Only three commodities—onion, garlic and apple—are currently being traded, but the exchange has already processed 18,925 tons of produce worth 27.9 billion KRW.

To hold up produce prices, AMS expanded the fixed-price private trading of agricultural commodities. Total trade volume was 843.2 billion KRW, up 28.8 billion KRW over last year. In partnership with established producers, AMS added two commodities—autumn squash and shine muscat—to the list of 8 commodities traded wholesale through only fixed-price and private arrangements.

AMS' intra-NongHyup distribution business supplied 572.3 billion KRW of produce to wholesalers and retailers across the Federation, up 8% over the previous year. To improve price competitiveness of AMS-operated wholesale markets, arrangements were made to increase direct supply of produce from producers.

Despite the challenges facing brick-and-mortar distributors, AMS' external distribution processed 899.3 billion KRW of commodities, a 9.4% increase over the prior year. Through effective marketing strategies focusing on new growth channels like super supermarkets (SSM), revenue increased 25 billion KRW to 180.5 billion KRW.



Food

This year, AMS outlined a mid-to-long-term strategy to promote ten major food products. Tofu, instant rice, kimchi and chili powder were among the designated foods.

AMS provided 190.4 billion KRW in funding to NongHyup food processing factories to support the enhancement of factory management capabilities. To help the factories recover losses incurred as a result of Covid-19, AMS also conducted online campaigns to promote their products and provided funds to be spent on packaging design.

Export

While trade conditions deteriorated significantly in the aftermath of Covid-19, AMS successfully secured new markets in Asia, exporting 87 tons of sweet persimmons to Vietnam, 600 tons of spring cabbages to Japan and 13 tons of pears to India.

Shinwha pears, shine muscat and sweet potatoes were designated for promotion as premium export crops destined for the USA, China and Hong Kong respectively.

In addition to the USA, China and Japan, Vietnam was newly chosen as a fourth major export destination. Various promotional activities were carried out in Vietnam, including billboard advertising in Ho Chi Minh City.

Farm supplies

Despite increasing production costs for inorganic fertilizers due to high commodity prices and a strong Korean won, AMS capped the price increase on its fertilizers to 5.9%.

Some 117 products were added to the Federation product lineup for a total portfolio of 1,343 products. To support farmers badly affected by record rainfall, the Ari pesticide was offered at a discount.

AMS also expanded the range of products at NongHyup material distribution centres from 2,087 to 5,798.

The machinery business supplied machinery for 10.5 billion KRW lower than market prices thanks to bulk purchasing of value models, eliminating the need for farmers to purchase multiple redundant products.

AMS opened 21 new NH-Oil Stations, increasing the total number in operation to 767. A total 27.4 billion litres of gasoline were supplied through the stations, up 1.3% over the previous year. Equivalent to approximately 2.67 trillion KRW, this volume was supplied at an average 47 KRW lower per litre than competitors.





Livestock Marketing and Supply

Unit: billions KRW

Revenue	2020	2019	2018
Livestock Marketing	5,226	4,888	4,594
Genetic resources	75	61	78
Total	5,301	4,949	4,672

This year, Livestock Marketing and Supply (LMS) expanded the Livestock Farm Improvement program to assist more farmers in farm odour reduction and improved its ongoing disease control programs to better prepare farmers against livestock disease. LMS also expanded its portfolio of meal kits to encourage consumption of meat products.

Supporting production, distribution and marketing

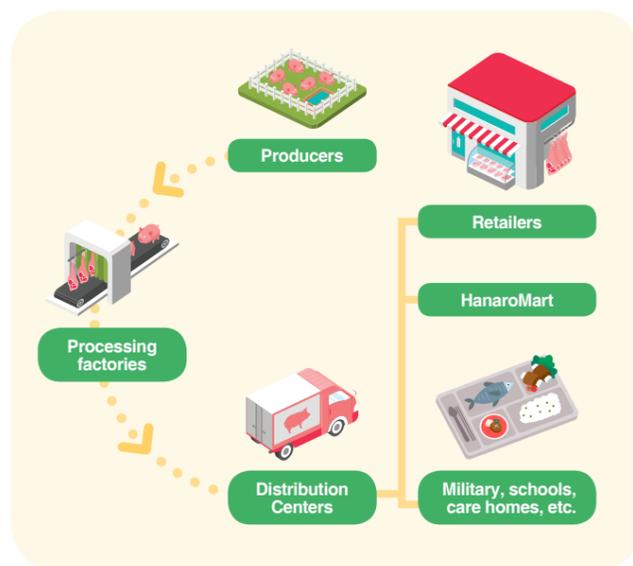
The OI-ba-reun Distribution Committee, composed of the presidents of members cooperatives and outside experts, was formed to initiate high-level discussion on innovating livestock distribution. At its first meeting, the committee approved a roadmap containing three major initiatives and seven sub-initiatives for promoting more balanced supply and demand and improving wholesale livestock distribution. LMS focused on strengthening qualitative growth, including through promotion of online sales. In particular, the E-MeatMarket platform's cold chain facilities, product range and sale channels were expanded. Makeshift drive-throughs were opened in the city of Seoul to sell Handon pork packs, of which the entire available supply was sold. More products were also added to the LMS meal kit range.

The Hanwoo Division made improvements to the Veal Production Assistance program to better help Hanwoo breeders manage their operations, in addition to launching a

new program to assist farmers in the final shipment stage. The Dairy Division increased the base price of dairy to 947 KRW (a 21 KRW increase) in response to fluctuations in the supply and demand of milk.

The Pork Division continued to provide training to help build the skills and capabilities of staff in consultation with a Dutch partner organization. A system was set up to provide information on supply and demand to breeders as a way to empower them to play a leading role in promoting stable supply and demand.

The Poultry and Rare Breeds Division submitted a recommendation calling for revisions to current government guidelines on egg processing centers (EPCs), highlighting the need to eliminate unfair business practices within the national egg distribution system.



Recycling livestock byproducts

Another area of focus for LMS was strengthening management of animal waste recycling plants and development of regenerative agriculture. LMS provided ten recycling businesses with on-site consulting to help expand their operations.

LMS also awarded members whose recycling businesses manufactured high-quality organic fertilizers. The potential income interest on 40 billion KRW was provided to members as grants to go towards investment in their manufacturing facilities.

In response to a new government rule prohibiting use of insufficiently rotted manure, LMS successfully lobbied to exempt small farms that breed fewer than 22 head and produce waste of less than 300kg. A support team was created to assist farmers subject to the rule to satisfy all requirements.



Providing consulting services and livestock supplies

LMS worked to provide more tailored consulting services to better meet the needs of livestock farmers and improve the quality of consulting through multi-level training courses for consultants.

The compulsory livestock training course provided by LMS at the national level in collaboration with the government was conducted completely online this year.

A dedicated online support team was created to assist trainees experiencing technical difficulties.

The Livestock Supplies Division had a successful year, handling 80 billion KRW of supplies through its expanded supply network. The division also updated its online supplies mall to improve the user experience.



Livestock disease control

LMS spearheaded efforts to prevent the spread of livestock disease and minimize its impact on farmers. A first response team was operated around the clock, and timely actions were taken upon the outbreak of diseases such as African Swine Fever, avian influenza and foot and mouth disease, which have become more frequent over recent years. LMS dispatched disinfectant trucks and drones to the 120 bird sanctuaries across Korea as well as neighboring communities and conducted thermal fogging in areas where pig farms are concentrated.

LMS also worked to support implementation of national guidelines on African Swine Fever and avian influenza and provided pig breeders with disinfection supplies.

Basic training was provided on vaccination procedures to prevent the outbreak of foot and mouth disease and members were notified in case of inadequate vaccination progress by their farmers.





NongHyup Financial Group

Unit: billions KRW

		2020	2019	2018
NH Bank	Deposits	284,524	267,410	244,981
	Loans	224,165	204,783	195,145
NH Card	Spend	47,944	49,417	46,109
NH Life and P&C	Premiums	9,999	9,915	10,796

Continuity planning in response to Covid-19

2020 was a year of continuing uncertainty. Against the backdrop of heightened volatility in the global financial markets following the outbreak of Covid-19, NongHyup Financial Group (NHFG) posted lower Q1 profits versus the same period the previous year. A business continuity plan was subsequently adopted with the aim of minimizing the business impact of worsening market conditions and enabling achievements of targets set prior to the pandemic. After Q1, NHFG saw tangible improvements in business performance and went on to record a net profit of 1.74 trillion KRW at year end. This was in spite of 342 billion KRW set aside for market corrections, 85.3 billion KRW set aside to cover at-risk borrowers in cyclical industries, and a further 259.5 billion KRW for potential nonperforming loans.



Launching a DT Roadmap and accelerating the transition

NHFG assisted subsidiaries to overhaul their product, service, and channel strategies in accordance with their customer strategies and formulated plans to enable more effective execution of digital transformation. In order to manage ongoing projects in a more systematic fashion, quantitative metrics for execution, performance, and inherent risk factors produced and the data uploaded to the Group's Smart Management System for easy access. Group-level strategies were also drafted to improve NHFG's MyData service. NH Bank and NH Investment and Securities were named the main service providers and other subsidiaries assigned to supporting roles. NHFG also set out to develop a Digital Marketing Platform (DMP) to enable targeted marketing using external de-identified data. Significant improvements were made to the mobile applications of the Group's subsidiaries. App features were improved based on customer feedback, and all subsidiaries' apps subsequently earned higher scores in app usability tests conducted by an outside research firm.



Strengthening core competences to enhance our competitive position

NHFG outlined major strategies to secure a stronger foothold in the thriving wealth management industry: a competitive organizational structure, sales offices specializing in wealth management, channels for non-face-to-face advice, and a strong pool of professional talent. NHFG also worked to promote information exchanges between subsidiaries through various working groups such as the committee on corporate and investment banking. On the back of such efforts, the Group recorded 28.5 trillion KRW in investment banking profits, up 3.6 trillion KRW over the prior year. In addition, several NHFG subsidiaries collaborated with the Federation's Cooperative Banking Unit of the Federation to launch three joint funds that raised some 440 billion KRW. NHFG also joined the government in launching bond and stock market stabilization funds. Four of the 84 participating entities in the bond fund, who collectively provided 20 trillion KRW, were NHFG subsidiaries. Together, the subsidiaries will contribute a total 1.7 trillion KRW, of which 257.1 billion has already been paid. Likewise, four of the 23 entities taking part in the stock fund were NHFG subsidiaries who committed to providing 700 billion KRW, of which 70 billion has already been paid.



Growing our global network of strategic partners

Having designated 2020 as the first year of a new drive for global expansion, NHFG set several mid- to long-term targets for 2025: to increase overseas offices' assets to 6 trillion KRW; to achieve 160 billion KRW in net profit of overseas offices; and to expand global partners to 28 organizations spanning 13 countries. Accordingly, efforts

were made to expand strategic locations in emerging Asian countries with high demand for agricultural development while establishing a larger network for investment banking in developed financial markets. NHFG also helped subsidiaries develop and jointly implement localized business models in the countries of the Federation's partner coops. NH Capital continued to be the second-biggest shareholder of Kisan, the lending institution of IFFCO, the world's biggest fertilizer cooperative in India, and was represented on its board of directors. NH Capital is the first Korean lender to conduct joint business in India. NH Investment and Nonlife Insurance continued joint projects in China with the All-China Federation of Marketing and Supply Cooperatives. NH Bank, which first launched microlending operations in Myanmar in 2016, opened a representative office for market research this year in Yangon. NongHyup Finance Cambodia, NH Bank's Cambodia business, opened additional branches and issued new shares to strengthen its asset base. In Beijing, Ho Chi Minh and New Delhi, NH Bank is in the process of obtaining licenses for branch operation. Work is also underway to open Sydney and Hong Kong branches as strategic outposts for our global investment banking operations. NH Investment and Securities completed internal procedures for establishing a subsidiary in London to expand investment banking in Europe and issued new shares of its Hong Kong and Vietnam subsidiaries to diversify and strengthen its business.



Financial statements

The following are non-consolidated financial statements and therefore do not include the figures for NongHyup Agribusiness and Financial Groups.

Non-consolidated income statement

(As of 31 DEC 2019 and 31 DEC 2020)

Unit: millions KRW

Description	Amount	
	2019	2020
Operating Revenue		
1. Business Administration	2,436,883	2,550,544
(1) Agricultural Support Fund	458,876	474,125
(2) Gain on Equity Method Valuation	1,662,222	1,753,609
(3) Other Income	315,785	322,810
2. Cooperative Banking	3,281,080	3,617,194
Total	5,717,963	6,167,738
Operating Expenses		
1. Business Administration	169,140	161,835
2. Cooperative Banking	2,994,051	3,064,724
Total	3,163,191	3,226,559
General and Administrative Expenses		
1. Payroll	224,811	245,714
2. Severance Benefits	51,084	77,406
3. Depreciation	50,264	46,873
4. Amortization on Intangible Assets	43,825	44,241
5. Taxes and Dues	11,466	14,189
6. Other	181,981	187,669
Total	563,431	616,092
Operating Income	1,991,341	2,325,087
Extension and Support Spending	433,820	444,265
Non-operating Income	31,372	22,583
Non-operating Expenses	431,664	628,070
Income before Income Tax	1,157,229	1,275,335
Income Tax Expense	269,411	309,632
Net Income	887,818	965,703

Non-consolidated statement of financial position

(As of 31 DEC 2019 and 31 DEC 2020)

Assets

Unit: millions KRW

Description	Amount	
	2019	2020
Assets of General Accounting	26,710,272	27,897,805
I . Current Assets	25,786	66,504
1. Quick Assets	25,786	66,504
(1) Cash & Cash Equivalents	616	9,267
(2) Short-term Financial Instruments	-	30,181
(3) Non-trade Receivables	392	5,433
(4) Accrued Revenues	8,264	8,658
(5) Prepaid Expense	12,355	12,400
(6) Other	4,159	565
II . Non-current Assets	26,684,486	27,831,301
(1) Investment Assets	26,062,305	27,233,484
(2) Property & Equipment	505,147	488,448
(3) Intangible Assets	103,511	95,154
(4) Other	13,523	14,215
Total	26,710,272	27,897,805
Assets of Special Accounting	113,684,440	119,595,970
Assets of Education & Support Service	6,009,927	6,198,840
Assets of Mutual Credit Business	107,674,513	113,397,130
Total Assets	140,394,712	147,493,775

Liabilities & Capital

Unit: millions KRW

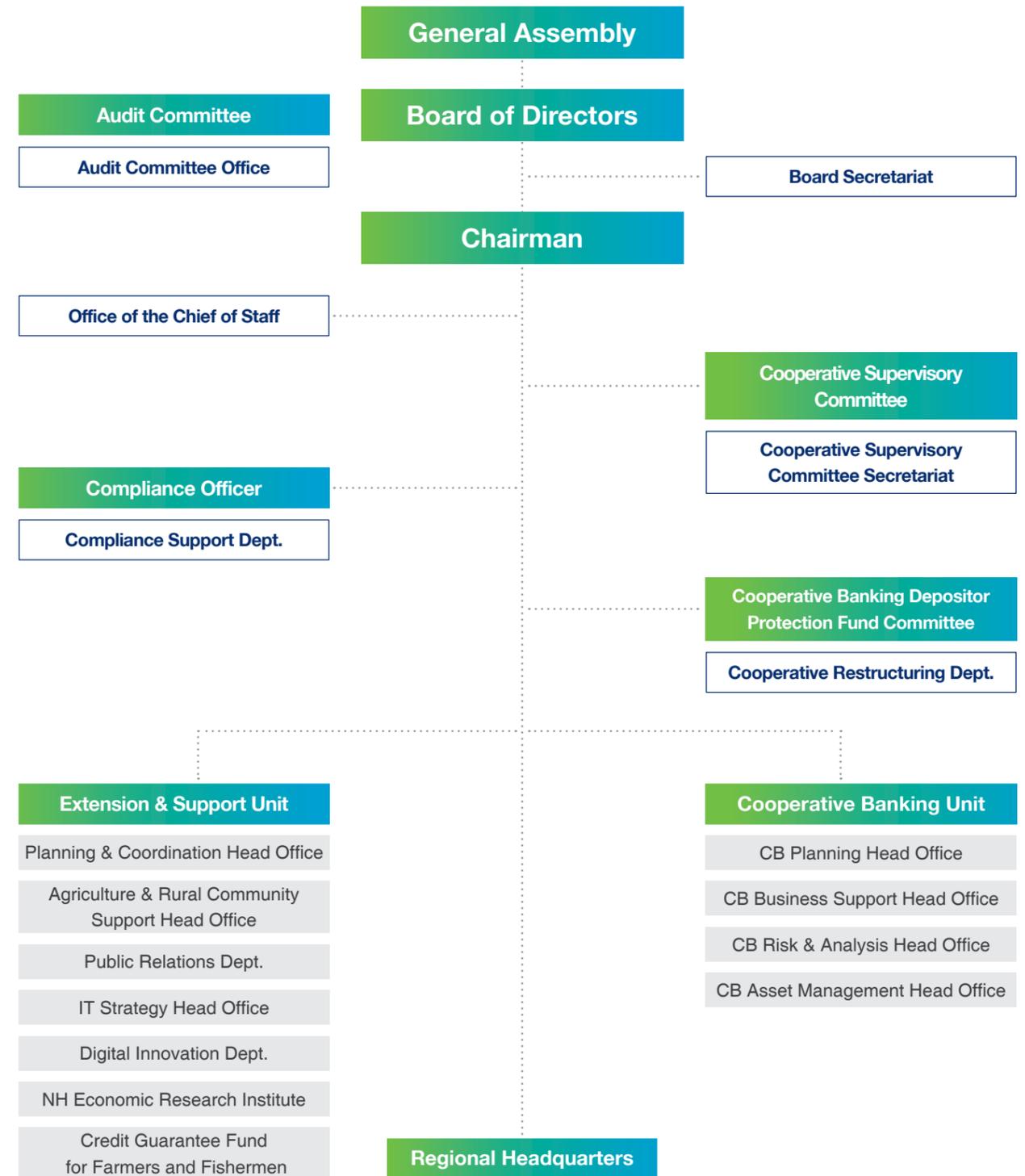
Description	Amount	
	2019	2020
Liabilities of General Accounting	13,307,211	14,967,526
I . Current Liabilities	2,991,257	1,813,205
(1) Debentures	2,670,000	1,580,000
Discount on Bond Issuance	(18)	(27)
(2) Non-trade Payables	168,028	166,704
(3) Accrued Expenses	68,877	52,182
(4) Other	84,370	14,346
II . Non-current Liabilities	10,315,954	13,154,321
(1) Debentures	9,240,000	11,710,000
Discount on Bond Issuance	(658)	(815)
(2) Accrued Severance Benefits	198,013	58,919
Retirement Fund	(197,515)	(57,276)
(3) Deferred Tax Liabilities	1,064,114	1,432,293
(4) Other	12,000	11,200
Total	13,307,211	14,967,526
Liabilities of Special Accounting	108,829,694	112,694,438
Liabilities of Education & Support Service	546,014	626,381
Liabilities of Mutual Credit Business	108,283,680	112,068,057
Total Liabilities	122,136,905	127,661,964
Equity		
I . Capital Stock	8,821,670	9,023,890
II . Capital Surplus	150,370	150,370
III. Capital Adjustments	(24,684)	(24,269)
IV. Accumulated Other Comprehensive Income	(199,330)	408,504
V. Retained Earnings	9,509,781	10,273,316
(1) Legal Reserve	4,552,931	4,880,183
(2) Voluntary Reserve	3,869,303	4,228,049
(3) Unappropriated Retained Earnings	1,087,547	1,165,084
Total Equity	18,257,807	19,831,811
Total Liabilities & Equity	140,394,712	147,493,775

Other information

- 37 Detailed organizational chart
- 38 National network
- 39 Global network
- 40 Directory of subsidiaries and affiliates

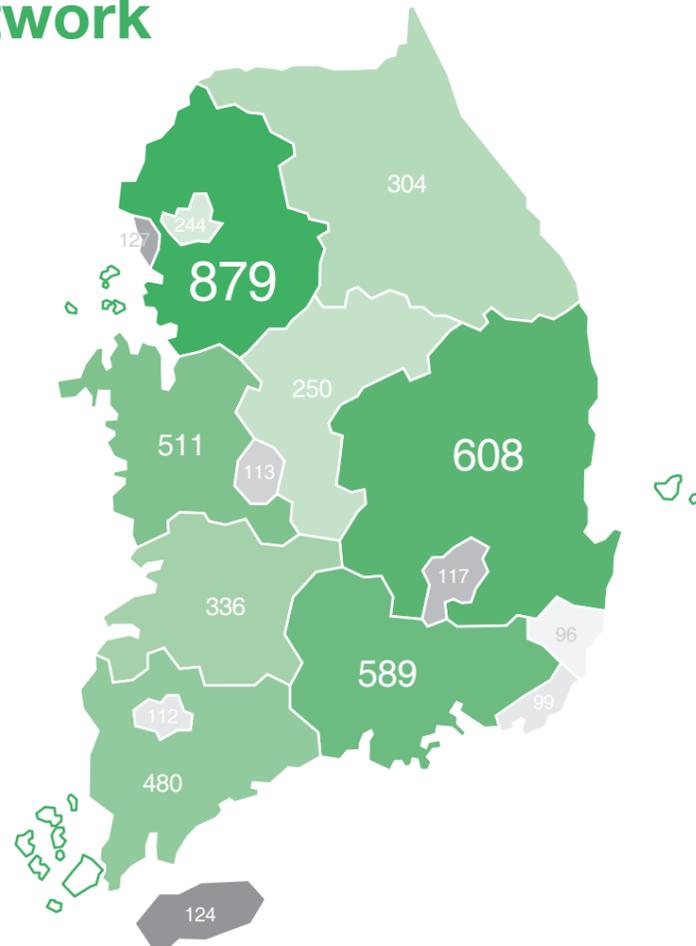
Detailed organizational chart

(As of 31 MAR 2021)



Note: The above chart does not include NongHyup Agribusiness and Financial Groups.

National network



(As of 31 MAR 2021)

Region	Federation				Member Cooperatives				Sub total	Total
	Regional Headquarters	County Offices	Regional Supervisory Offices	Sub total	Regional		Commodity			
					Head offices	Branches	Head offices	Branches		
● Gyeonggi-do	1	31	1	33	149	644	12	41	846	879
● Gangwon-do	1	18	1	20	73	183	16	22	284	304
● Chungcheongbuk-do	1	11	1	13	62	156	3	16	237	250
● Chungcheongnam-do	1	16	1	18	130	291	13	59	493	511
● Jeollabuk-do	1	13	1	15	82	200	10	29	321	336
● Jeollanam-do	1	21	1	23	138	285	8	26	457	480
● Gyeongsangbuk-do	1	23	1	25	151	395	6	31	583	608
● Gyeongsangnam-do	1	18	1	20	130	384	8	47	569	589
● Jeju-do	1	2	1	4	21	76	2	21	120	124
● Seoul	1	0	1	2	13	172	6	51	242	244
● Busan	1	1	1	3	14	82	0	0	96	99
● Daegu	1	1	1	3	19	91	1	3	114	117
● Incheon	1	2	1	4	14	100	2	7	123	127
● Gwangju	1	0	1	2	14	96	0	0	110	112
● Daejeon	1	0	1	2	13	91	1	6	111	113
● Ulsan	1	1	1	3	16	69	1	7	93	96
Total	16	158	16	190	1,039	3,315	79	366	4,799	4,989

Global network



(As of 31 MAR 2021)

Country	City	Company	No.
● USA	LA	NH Trading Co., Ltd.	5
	Albany	Nonghyup Feed Co., Ltd.	
	San Juan	Nongwoo Bio Co., Ltd.	
	New York	Nonghyup Bank	
		NH Investment & Securities Co., Ltd.	
● CHINA	Beijing	Nonghyup Bank	7
		Nongwoo Bio Co., Ltd.	
	Shanghai	NH Investment & Securities Co., Ltd.	
		NH Trading Co., Ltd.	
● VIETNAM	Hanoi	NH Trading Co., Ltd.	4
	Ho Chi Minh	Nonghyup Bank	
		NH Investment & Securities Co., Ltd.	
● INDONESIA	Jakarta	NH Investment & Securities Co., Ltd.	2
	Kediri	Nongwoo Bio Co., Ltd.	
● INDIA	New Delhi	Nonghyup Bank	3
	Bangalore	Nongwoo Bio Co., Ltd.	
● MYANMAR	Naungcho	Nongwoo Bio Co., Ltd.	2
	Yangon	Nonghyup Bank	
● JAPAN	Tokyo	NH Trading Co., Ltd.	1
● ENGLAND	London	NH Investment & Securities Co., Ltd.	1
● TURKEY	Antalya	Nongwoo Bio Co., Ltd.	1
● SINGAPORE	Singapore	NH Investment & Securities Co., Ltd.	1
● CAMBODIA	Phnom Penh	Nonghyup Bank	1
● AUSTRALIA	Sydney	Nonghyup Bank	1
● ITALY	Rome	National Agricultural Cooperative Federation	1
● MALAYSIA	Kuala Lumpur	National Agricultural Cooperative Federation	1
Total			31

Directory of subsidiaries and affiliates

NongHyup Agribusiness Group

NongHyup HanaroMart Inc.

Established in March 2015 when the NongHyup HanaroMart business was spun off into a subsidiary of NongHyup Agribusiness Group. Offers agricultural products to customers at the best prices, sourced direct from farmers.

9th Floor, NongHyup Sinchon Building, 66 Sinchon-ro Mapo-gu, Seoul 04057, Korea

Tel: +82 2 2022 6900 **Fax:** +82 2 2022 6930
Web: nhhanaro.co.kr

Korea Agricultural Cooperative Marketing Inc.

Established in 1995 to enhance farmer incomes through effective marketing services. Serves consumers and farmers, providing produce at the best prices for both through streamlined marketing channels.

9 10 Cheonggyesan-ro Seocho-gu, Seoul 06797, Korea

Tel: +82 2 3498 1000 **Fax:** +82 2 3498 1211
Web: nhhanaro.co.kr

NongHyup Chungbuk Marketing Co., Ltd

Established in 1998 to bring innovation to agricultural marketing in the Chungbuk region. Engages in the marketing, purchase, and development of agricultural and livestock products.

32 Munongjeong-ro Sangdang-gu, Cheongju-si, Chungcheongbuk-do 28783, Korea

Tel: +82 43 290 0114 **Fax:** +82 43 290 0297
Web: nhhanaro.co.kr

Daejeon Agricultural Products Marketing Co., Ltd

Established in 1997 to promote the trader of agricultural and livestock products in Daejeon and the Chungnam region. Provides agricultural and livestock products and services, including storage, delivery, and processing.

43 Daedunsan-ro 199 beon-gil Jung-gu, Daejeon 35084, Korea

Tel: +82 42 580 5000 **Fax:** +82 42 580 5082
Web: nhhanaro.co.kr

NongHyup Busan Gyeongnam Marketing Co., Ltd

Established in 1998 to bring innovation to agricultural marketing in Busan and the Gyeongnam region. Engages in the marketing, purchase, and development of agricultural and livestock products.

469 Geumgok-daero Buk-gu, Busan 46519, Korea

Tel: +82 51 330 9000 **Fax:** +82 51 330 9140
Web: nhhanaro.co.kr

Nongwoo Bio Co., Ltd

Established in 1990 as a seed supplier. Conducts R&D, production and sale of seeds and plant genetics. Supplies high-quality vegetable seeds through 11 branches, including its headquarters in Korea and several international subsidiaries in China, the US, Indonesia, India, Myanmar and Turkey.

114-8 CentralTown-ro Yeongtong-gu, Suwon-si, Gyeonggi-do 16506, Korea

Tel: +82 31 213 4321 **Fax:** +82 31 213 8845
Web: nongwoobio.co.kr

Sanglim Inc.

Established in 1989 and acquired by Nongwoo Bio as a subsidiary in 2017. Supplies eco-friendly, first-class animal waste compost and safe bed soils. Through the production of OEM sustainable farming materials, Sanglim aims to contribute to better quality of life and higher incomes for farmers, as well as the development of the national and local economies.

33 Jangsin 2-gil Yongji-myeon, Gimje-si, Jeollabuk-do 54333, Korea

Tel: +82 63 542 3536 **Fax:** +82 63 542 3537
Web: sang-lim.co.kr

Namhae Chemical Corporation

The largest fertilizer manufacturer in Korea, supplying approximately 50% of national demand. Provides high-quality, low-cost fertilizers to farmers in a timely way. NACF is the majority shareholder (holds 56% of shares).

1384 Yeosusandan-ro Yeosu-si, Jeollanam-do 59618, Korea

Tel: +82 61 688 5500 **Fax:** +82 61 686 3060
Web: nhchem.co.kr

NongHyup Feed Co., Ltd

Produces high-quality feed for chickens, pigs, dairy cows, and beef cattle in twelve factories across the country. Also plays a role in the establishment of fair prices in the domestic feed market, helping ease the burden of feed costs for farmers. NACF is the sole investor in Nonghyup Feed as of 2002.

528 Olympic-ro Gangdong-gu, Seoul 05398, Korea

Tel: +82 2 6932 9700 **Fax:** +82 2 6932 9880
Web: nonghyupsaryo.co.kr

NongHyup TMR Inc.

Established as a subsidiary of Nonghyup Feed to produce high-quality Hanwoo rations leveraging a cutting-edge automation system and highly skilled personnel. Through the TMR factory, completed in December 2015, Nonghyup TMR aims to provide better products and increase incomes for livestock farmers.

65 Ogwang 1-gil, Gongseong-myeon Sangju-si, Gyeongsangbuk-do 37268, Korea

Tel: +82 54 531 5005 **Fax:** +82 54 531 5010
Web: nhtrm.nonghyup.com

NongHyup Chemical Co., Ltd

A leader in the agricultural chemical market. Produces environmentally-friendly, high-quality, affordable agricultural chemicals and helps ensure supply and price stability for Korean farmers through farmer-oriented management.

10th Floor, Central Tower, 25 Hwangsaewul-ro 312 beon-gil Seongnam-si, Gyeonggi-do 13591, Korea

Tel: +82 31 738 5200
Web: nhcmiecal.com

NongHyup Agro Inc.

Has manufactured packaging materials such as boxes and wrapping paper for agricultural products since 1994. As a subsidiary of NACF, works closely with member cooperatives to ensure stable supply of packaging at reasonable prices and support high-quality production by farmers.

25 Nongong-ro 69-gil, Nongong-eup Dalseong-gun, Daegu 42982, Korea

Tel: +82 53 665 6500 **Fax:** +82 53 615 0840
Web: nonghyupagro.com

NongHyup Heuksarang Co., Ltd

Established as a joint venture between the NACF and ginseng cooperative. Produces organic fertilizers and environmentally friendly farm products at low costs for farmers.

389-1 Sari-ro, Sari-myeon Goesan-gun, Chungcheongbuk-do 28045, Korea

Tel: +82 80 700 8627 **Fax:** +82 43 838 1003
Web: heuksarang.nonghyup.com

NongHyup Mogunchon Inc.

Established in 2006 with the ambitious goal of becoming the top meat meal-integration company in Korea. Product lines include ham, bacon, chicken, and frozen foods, all made from domestically raised livestock and known for their high quality.

528 Olympic-ro Gangdong-gu, Seoul 05398, Korea

Tel: +82 2 2224 8800 **Fax:** +82 2 2224 8860
Web: moguchon.co.kr

NongHyup Red Ginseng Co., Ltd

Established in 2002 to increase the incomes of ginseng farmers and pioneer the global export of Korean red ginseng. Works closely with ginseng cooperatives and contract farmer groups to manufacture and distribute over 150 different red ginseng products under the brand name Hansamin.

88 Jungang-ro, Jeungpyeong-eup Jeungpyeong-gun, Chungcheongbuk-do 27943, Korea

Tel: +82 43 835 8400 **Fax:** +82 43 835 8410
Web: hansamin.org

NongHyup Food Grain Inc.

Established in 2015 to enhance farmer incomes via efficient marketing of rice and grain procured by member cooperatives. Conducts various marketing promotions to strengthen connections between rice processing centers and customers.

1st Floor, NongHyup IT Headquarters Building, 24 Maeheon-ro Seocho-gu, Seoul 06771, Korea

Tel: +82 2 3408 8600 **Fax:** +82 2 3408 8670
Web: riceall.co.kr

NongHyup Foods Inc.

Established in 2017 as a specialized cooperative food company that serves Korean farmers, cooperatives, and the general public. Manufactures and distributes healthy, premium-quality processed foods to support consumer health, farmer incomes, increased profit for factories, and growth for cooperatives.

2nd Floor, The People Building, 4 Sinchon-ro 12-gil Mapo-gu, Seoul 04057, Korea

Tel: +82 2 2022 1555 **Fax:** +82 2 2022 1590
Web: nhfood.nonghyup.com

Orion-NongHyup Agri Inc.

Established in 2016 as a joint company of NongHyup Agribusiness Group and Orion Corp. Produces a variety of high-quality confectioneries and semi-processed goods for confectionary products using domestic raw ingredients, with both companies responsible for product sales and marketing.

3229-1 Jeompiljae-ro, Buduk-myeon Miryang-si, Gyeongsangnam-do 50404, Korea

Tel: +82 55 802 5000 **Fax:** +82 55 802 8034

NongHyup Logistics Service Inc.

Founded in 2004 to provide effective logistics services for the agriculture industry, thereby reducing transportation costs and improving the competitiveness of agricultural products. Links rural producers and urban consumers and seeks continued innovation in agricultural logistics.

7th Floor, NongHyup Life Insurance East Building, 87 Tongil-ro Seodaemun-gu, Seoul 03739, Korea

Tel: +82 2 2264 7500 **Fax:** +82 2 360 6336
Web: nhlogis.co.kr

NH Trading Co., Ltd

Established in 1990 to promote the export of agricultural goods produced by member farmers. Exports agricultural produce and processed products to countries such as Japan, China, and the US and imports farm inputs for member cooperatives.

7 Olympic-ro 48-gil Gangdong-gu, Seoul 05398, Korea

Tel: +82 2 2225 2300
Web: nhtra.co.kr

NongHyup Financial Group

NongHyup Bank

Established under NACF at its founding in 1961. Recognized today as the safest bank in Korea, not to mention one of the world's most advanced cooperative financial institutions, thanks to a half-century-long proven track record in financial operations. Spun off as a separate entity in 2012, NongHyup Bank serves over 20 million Korean customers.

120 Tongil-ro
Jung-gu, Seoul 04517, Korea
Tel: +82 2 3704 1004
Web: banking.nonghyup.com

NongHyup Life Insurance Co., Ltd

Established in 1961 under the cooperative philosophy of 'One for All, All for One'. Prioritizes customer satisfaction and pledges to provide professional consulting and quality insurance services.

87 Tongil-ro
Seodaemun-gu, Seoul 03739 Korea
Tel: +82 2 6943 1601
Web: nhlife.co.kr

NongHyup Property & Casualty Insurance Co., Ltd

Established in 1961 under the cooperative philosophy of 'One for All, All for One.' Handles governmental, long-term, and general insurance and has recorded the highest growth rates in the industry.

60 Chungjeong-ro
Seodaemun-gu, Seoul 03740 Korea
Tel: +82 2 1644 9000
Web: nhfire.co.kr

NH Investment & Securities Co., Ltd

The new NH Investment & Securities was created in 2014 when Woori Securities was incorporated into NACF. Woori Securities was known for its strength in IB & bond trading, so NH Investment & Securities began operations with a market reputation that was already excellent.

60 Yeoui-daero
Yeongdeungpo-gu, Seoul 07325 Korea
Tel: +82 2 768 7000
Web: nhqv.com

NH Futures Co., Ltd

Established in 1992 as a pioneer in the Korean derivatives market. Leverages a solid domestic and global network to meet the needs of customers and utilizes a top-notch computing system to ensure safe trading. Also provides a range of educational materials and analysis of current market trends.

16th and 17th Floors, NongHyup Foundation Building, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330 Korea
Tel: +82 2 3774 0300
Web: futures.co.kr

NH-Amundi Asset Management Co., Ltd

Established in 2003 as a joint venture by NACF and Credit Agricole Group, the French cooperative financial institution, combining the brand power of NongHyup Financial Group and Credit Agricole's Amundi Asset Management (a global top 10 asset management company). Brings together local distribution and global investment expertise.

10th Floor, NongHyup Foundation Building, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330, Korea
Tel: +82 2 368 3600
Web: nh-amundi.com

NH Capital Co., Ltd

Incorporated into NACF as a financial subsidiary in 2006. A financial company specializing in credit and offering comprehensive financial services including mortgages, personal lines of credit, and corporate as well as real estate and new technology financing.

27-8 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07332, Korea
Tel: +82 2 1644 3700
Web: nhcapital.co.kr

NH Savings Bank

Incorporated into NACF in 2014. Provides quality financial services to individuals and small & medium-sized businesses. Supports credit recovery through customized services and products and plays an important role in supporting economic sustainability.

2nd and 3rd Floors, Donghooon Tower, 317 Teheran-ro
Gangnam-gu, Seoul 06151, Korea
Tel: +82 2 1588 5191
Web: nhsavingsbank.co.kr

NongHyup REITs Management Co., Ltd

Established in 2018 under the aim to become a world-class market-leading management company providing competitive products to its clients. Leverages partnerships to provide maximum value and is working to create its own REITs model utilizing the NongHyup network.

13th Floor, NongHyup Foundation Building, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330, Korea
Tel: +82 2 6264 2836 **Fax:** +82 2 6264 2846
Web: nhreits.com

NH Venture Investment

Established in 2019 as a subsidiary of NH Investment and Securities. Invests mainly in promising startups and small & medium-sized businesses with highly competitive technical capabilities, strengthening their valuation in synergy with relevant Federation-wide projects.

9th Floor, NongHyup Foundation Building
31 Gukjegeumgyung-ro 8-gil, Yeongdeungpo-gu, Seoul 07332, Korea
Tel: +82 2 6226 6804
Web: nhvic.com

NH Hedge Asset Management Co., Ltd

Spun off from NH Investment & Securities in 2019 as an asset management company specializing in hedge fund management. Has worked to create a hedge fund market specifically for institutional investors to respond to their growing demand for alternative investments. Seeks in the mid-to-long term to serve as a local alternative for investment for the National Pension Service, which currently mainly invests in hedge funds abroad.

5th Floor, NongHyup Foundation Building, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330, Korea
Tel: +82 2 748 8900 **Fax:** +82 2 748 8992
Web: nhham.com

Other subsidiaries

NH Information System Co., Ltd

Established in 2006. Staff composed of highly skilled IT professionals with specialties in banking and agricultural marketing. Aims to strengthen NongHyup Group's tech competitiveness to support Korean agricultural and rural communities and be the best tech service company in the country.

24 Maeheon-ro
Seocho-gu, Seoul 06771, Korea
Tel: +82 3497 2004 **Fax:** +82 3497 2199
Web: nonghyupit.com

NongHyup Asset Management Co., Ltd

Established in 2002 in a restructuring of member cooperatives, NACF, and NACF subsidiaries. Provides support in the sale of non-performing loans and non-operating assets.

3rd and 4th Floors, NongHyup Foundation Building, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330, Korea

NongHyup Networks Co., Ltd

Founded in 1991 with a business model focused on the development and distribution of educational and training materials for farmers and the strengthening of NongHyup's corporate identity. Engages in PR, car leasing, tours, and maintenance services.

9th and 10th Floors, NongHyup Life Insurance West Building, 81 Tongil-ro
Seodaemun-gu, Seoul 03739, Korea

NongHyup Partners

A subsidiary of Nonghyup Networks. Recruits personnel for affiliated companies.

7 Olympic-ro 48-gil
Gangdong-gu, Seoul 05398, Korea
Tel: +82 2 560 9100 **Fax:** +82 2 560 9110
Web: nhman.co.kr

Affiliates

Nongmin Sinmoon

Translated as 'Farmers' Newspaper'. Providing comprehensive coverage of agricultural issues relevant to Korean farmers since 1964. Published every other day and circulated to over 300,000 farmers and various agribusinesses. Also publishes four monthly magazines circulated nationwide: 'Country Living,' 'Children's Garden,' 'Digital Agriculture,' and 'Livestock Farming.'

59 Dongnimmun-ro
Seodaemun-gu, Seoul 03735, Korea
Tel: +82 2 3703 6114
Web: www.nongmin.com

Agricultural Cooperative College

Established in 1962. Serves as the center of cooperative education in Korea and aims to provide quality education to members of agricultural cooperatives and rural communities. Also offers training for NACF staff and member cooperatives on subjects such as finance and management. A two-year diploma program is offered in agricultural marketing and finance, for which approximately 100 students are selected each year.

281 Seosamneung-gil, Deogyang-gu
Goyang-si, Gyeonggi-do 10292, Korea
Tel: +82 31 960 4000 **Fax:** +82 31 960 4119
Web: nonghyup.ac.kr

NongHyup Foundation

Established in 2004 to promote the development of Korean rural culture and promote balanced development of urban and rural areas. Seeks to contribute to the enhancement of farmer welfare and living standards, as well as the preservation and development of rural communities.

18th Floor, NongHyup Foundaiton Builidng, 2 Gukjegeumgyung-ro 8-gil
Yeongdeungpo-gu, Seoul 07330, Korea
Tel: +82 2 768 5078 **Fax:** +82 2 768 5080
Web: jaedan.nonghyup.com

Together 100 Years
of NongHyup 

Global Strategy Office

16 Saemunan-ro, Seoul, 04516, Korea | www.nonghyup.com

E-mail nacfico@nonghyup.com | **Tel** +82-2-2080-6125 | **Fax** +82-2-2080-6130

