

National Agricultural Cooperative Federation

U.S. 165(d) Reduced Resolution Plan Public Section July 2022

This document contains forward-looking statements. Statements that are not historical facts, including statements about National Agricultural Cooperative Federation's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. The forward-looking information contained in this document is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes. Forward-looking statements speak only as of the date they are made, and National Agricultural Cooperative Federation undertakes no obligation to update publicly any of them in light of new information or future events.

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(a) Public Section

1. Introduction

The Reduced Plan of National Agricultural Cooperative Federation ('NACF') is being filed pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the 'Dodd-Frank Act') and to implement regulations (the 'Regulation') issued by the Board of Governors of the Federal Reserve System ('FRB') (12 CFR Part 243) and the Federal Deposit Insurance Corporation ('FDIC') (12 CFR Part 381).

Any foreign bank or company that is treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 (the 'IBA') and has \$250 billion or more in global total consolidated assets is a 'Covered Company' for purposes of Section 165(d) and the Final Rule. A covered company is required to periodically submit to both the FRB and FDIC a plan discussing the rapid and orderly resolution of its U.S. operations in the event of material financial distress or failure.

NACF is the top-tier parent company of NongHyup Financial Group ('NHFG') and NongHyup Agribusiness Group ('NHAG'). NHFG is the third largest financial group in Korea in terms of total consolidated asset value, as of December 31, 2021 which provides a wide range of financial services to its customers through its subsidiaries.

Also, NACF through NongHyup Agribusiness Group is the parent company of 14 subsidiaries that provide services related to marketing and supply of agricultural and livestock products. Among the 14 subsidiaries are Nong Woo Bio, NonHyup Feed and NH Trading which operates subsidiaries in the U.S.

In a multi-tiered holding company structure, the covered company is the top-tier of the multi-tiered holding company. NACF is defined as a 'Covered Company' under the Regulation since the global total consolidated assets of NACF, including its U.S. operations, exceeded \$250 billion as of December 31, 2021.

The FRB and the FDIC (together the "Agencies") reviewed the 2015 Resolution Plan of NACF and jointly determined to reduce the information content that the covered company will be required to provide in its resolution plan submission due by Dec 31 of 2016, 2017 and

2018(“Reduced Plans”), subject to the “conditions for Reduced Plans” specified by their letter on Jun 10, 2016 and as authorized under section 4(k) of the Resolution Plan Rule.

On November 1, 2019, the Agencies published in the Federal Register amendments to the Section 165(d) Rule, the first revision of the Final Rule since its issuance in 2011. The 2019 Revisions addressed changes to the resolution planning requirements of section 165(d) of the Dodd-Frank Act made by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA). The 2019 Revisions established three difference resolution plan filing groups (biennial filers, triennial full filers, and triennial reduced filers) for determining the application of the resolution planning requirement to U.S. and foreign banking organizations, consistent with section 401 of EGRRCPA. Specifically, EGRRCPA raised the \$50 billion minimum asset threshold for general application of enhanced prudential standards, including the resolution planning requirement, to \$250 billion in total consolidated assets (or global assets) for a foreign banking organization.

NACF incorporated information about NHAG’s three U.S. operations in the Reduced Resolution Plan, in order to incorporate all assets of the covered company in the Resolution Plan as to thoroughly follow the requirements of the Final Rule.

However, NACF does not have material entities, critical operations, and core business lines even when the three U.S. operations of NHAG are considered. Moreover, all financial operations of NACF are under the control of NHFG, and NHAG and its subsidiaries are independent of the U.S. financial system as they do not carry out any finance related business.

2. Overview of the National Agricultural Cooperative Federation

NACF was established out of a merger of agricultural cooperatives and the agricultural bank in 1961, in an attempt to construct a national cooperative system for Korean farmers suffering from poor production capacity and insufficient financial resources. In the decades since, NACF has played a crucial role in the growth of the Korean economy, developing into one of the most successful cooperatives in the world.

NACF is the apex organization of 1,117 primary member cooperatives representing more than 2.1 million member farmers in Korea. Member farmers are the owners, users, and controllers of the agricultural cooperatives. Similarly, 1,117 primary cooperatives are the

owners of the federation, NACF.

The member cooperatives are democratically controlled, autonomous business groups, funded by member subscriptions rather than government financial investment. They, in turn, raise capitals to fund NACF through institutional subscriptions. Cooperatives are governed by directly elected presidents, who, in turn, elect a chairman of the federation.

Over the past five decades, financial operations of NACF (bank, insurance, securities, capital and futures) have enjoyed substantial growth, leading it to become one of the largest financial institutions in Korea. On March 2, 2012, NACF physically separated its operations, establishing the two holding companies under the revised National Agricultural Cooperative Act and a resolution by the Board of Directors: the financial holding company (NongHyup Financial Group) and the agricultural holding company (NongHyup Agribusiness Group).

NHFG is a financial holding company established and organized under the Financial Holding Companies Act of Korea with its head office in Seoul, Korea. NHFG has been poised to flexibly respond to the ever-changing social, economic, and financial environments, while providing high-quality financial services to its customers through its subsidiaries, including NH Bank, NongHyup Life Insurance, NongHyup Property & Casualty Insurance, NH Investment & Securities, NH-Amundi Asset Management, NH Capital, NH Savings Bank, NH REITs Management, and NH Venture Investment.

Exhibit 1: NACF Organization



Exhibit 2.1: NHFG Organizational Structure

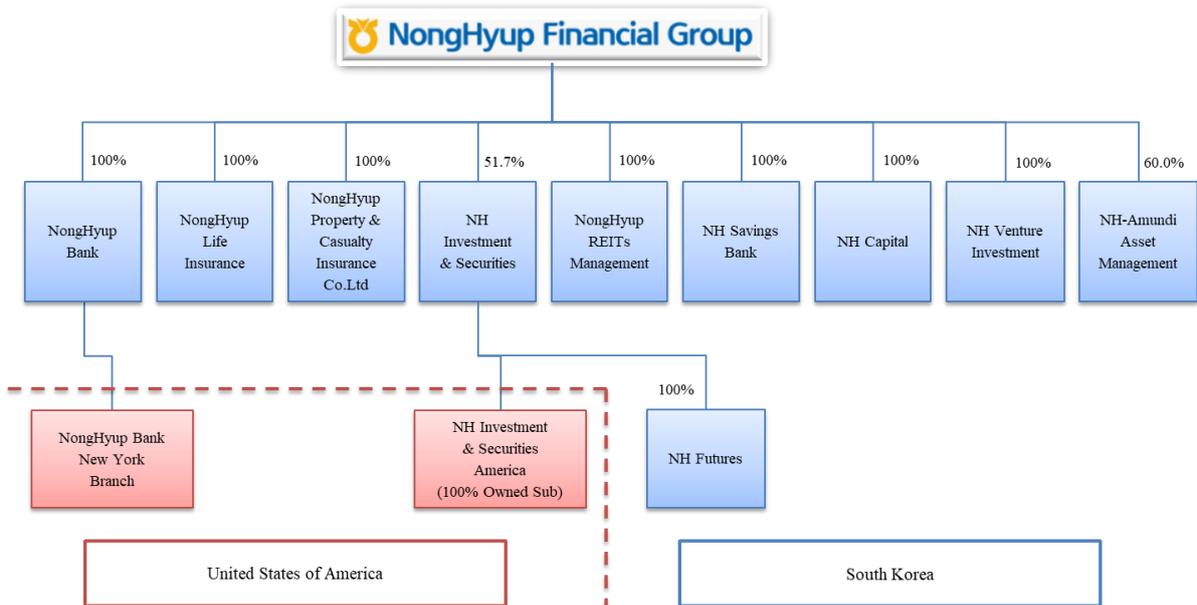
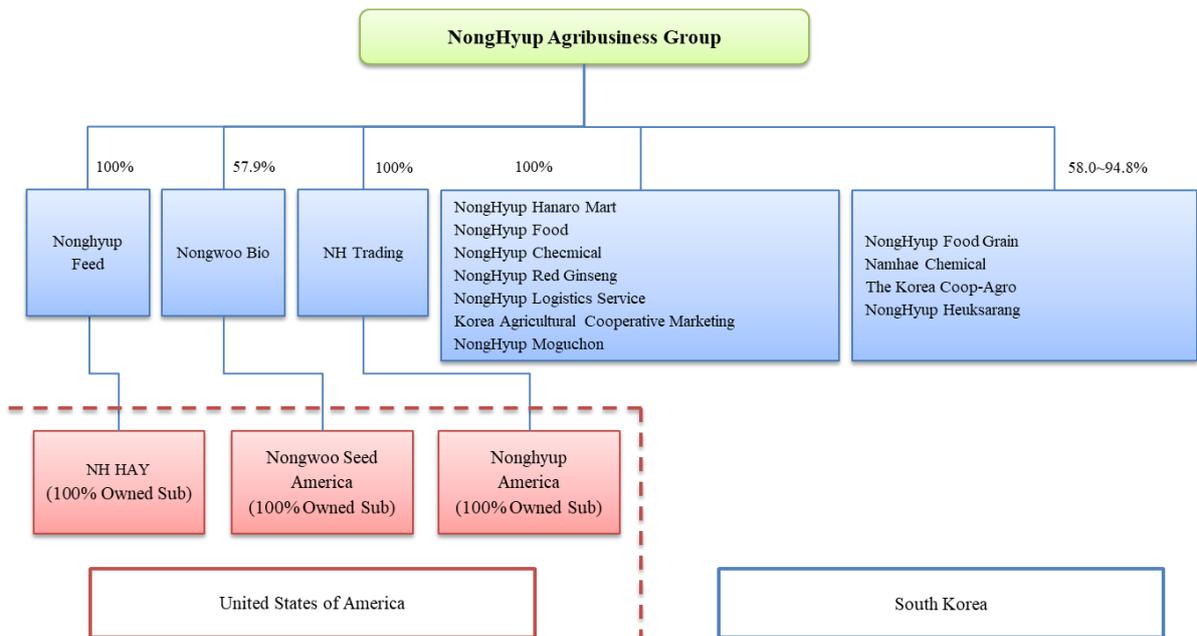


Exhibit 2.2: NHAG Organizational Structure



3. Core Business Line, Critical Operation & Material Entity

3.1. Core Business Lines

Core Business Lines are defined as the business lines of the covered company which are conducted in whole or material part in the U.S., and the failure of which would result in a material loss of revenue, profit, or franchise value to the covered company.

Based on analysis performed on a quantitative, as well as, a qualitative basis, failure of NACF's U.S. operations would not have a material effect on the overall value of the covered company.

As such, for the purpose of this U.S. Resolution Plan, NACF has determined that it had no core business lines, banking and nonbanking that were conducted in the U.S. as of December 31, 2021.

3.2. Critical Operations

Critical Operations are defined in the Regulation as those operations of a covered company which are conducted in whole or material part in the U.S., including associated services, functions and support, the failure or discontinuance of which, would pose a threat to the stability of the U.S. financial system.

After a thorough review of its U.S. operations, NACF has determined that none of the operations, being insignificant to the U.S. financial market and easily substitutable, if discontinued, would pose a threat to the financial stability of the U.S. As such, for the purpose of this Reduced Resolution Plan, NACF has determined that it does not have any Critical Operations.

3.3. Material Entities

Material Entities are defined as a subsidiary or foreign office of the covered company that is significant to the activities of a Critical Operation or Core Business Line. None of the business lines of NACF conducted in the United States have been determined to be a "Core Business Line" or a "Critical Operation". Therefore, for the purposes of this Reduced Resolution Plan, NHFG has no material entities.

3.4. U.S. operations of NHAG

NACF does not have material entities, critical operations, and core business lines even when the three U.S. operations of NHAG are considered. Moreover, all financial operations of NACF are under the control of NHFG, and NHAG and its subsidiaries are independent of the U.S. financial system as they do not carry out any finance related business.

4. Summary of Financial Information Regarding Assets, Liabilities, Capital and Major Funding Sources

4.1. Financial Statements of NACF, NHFG and NHAG

NHFG and NHAG came into existence because of a split-off from NACF on March 2, 2012, for the purpose of controlling and managing companies that conduct financial business and to support funding.

Subsidiaries of NHFG include NongHyup Bank, NongHyup Life Insurance, NongHyup Property & Casualty Insurance, NH Investment & Securities, NH-Amundi Asset Management, NH Capital, NH Futures, NH Savings Bank and NH Venture Investment. NHAG is the parent company of 14 subsidiaries that provide services related to marketing and supply of agricultural and livestock products. Among the 14 subsidiaries are Nong Woo Bio, NongHyup Feed and NH Trading which operates subsidiaries in the U.S.

The entity's headquarter is located at 16 Saemoonan-ro (Chungjeong-ro 1 street) Joong-gu in Seoul. As of December 31, 2021, and the NACF owned 100% shares of NHFG and NHAG's capital stock.

Exhibit 3: Non- consolidated balance sheet of NACF as of December 31, 2021

(Units: ₩ Korean million, \$ U.S. million)

Description	2021(KRW)	2021(USD)
Assets		
Assets of General Business Sector	29,628,960	24,993
Assets of Administrative Sector	29,628,960	24,993
Current Assets	1,110,542	937
Quick Assets	1,110,542	937
Cash & Cash Equivalents	6,134	5
Shor-term Financial Instruments	1,077,173	909
Non-Trade Receivable	5,087	4
Accrued Revenues	6,472	5
Prepaid Expense	15,159	13
Others	517	0
Non-current Assets	28,518,418	24,056
Investment Assets	27,812,731	23,461
Property & Equipment	490,296	414
Intangible Assets	99,368	84
Others	16,023	14
Assets of Special Business Sector	114,999,189	97,005
Assets of Education & Support Service	6,581,251	5,551
Assets of Mutual Credit Business	108,417,938	91,453
Total Assets	144,628,149	121,998
Liabilities		
Liabilities of General Business Sector	15,092,448	12,731
Liabilities of Administrative Sector	15,092,448	12,731
Current Liabilities	3,252,453	2,744
Debentures	3,020,000	2,547
Discount on Bond Issuance	(38)	0
Non-Trade Payable	172,997	146
Accrued Expenses	60,630	51
Others	8,864	7
Non-Current Liabilities	11,829,995	9,979
Debentures	10,010,000	8,444
Discount on Bond Issuance	(642)	(1)
Accrued Severance Benefits	166,006	140
Retirement Fund	(65,546)	(55)
Deferred Tax Liabilities	1,708,974	1,442
Others	11,203	9
Liabilities of Special Business Sector	108,417,917	91,453
Liabilities of Education & Support Service	837,305	706
Liabilities of Mutual Credit Business	107,580,612	90,747

Description	2021(KRW)	2021(USD)
Total Liabilities	123,510,365	104,184
Equity		
Capital Stock	10,351,529	8,732
Capital Surplus	150,370	127
Capital adjustment	(25,109)	(21)
Accumulated Other Comprehensive Income	(592,469)	(500)
Retained Earning	11,233,463	9,476
Legal Reserve	5,466,986	4,612
Voluntary Reserve	4,226,295	3,565
Retained Earning	1,540,182	1,299
Total Equity	21,117,784	17,813
Total Liabilities & Equity	144,628,149	121,998

(USD 1\$ = KRW 1,185.5 won)

Exhibit 4-1: Consolidated balance sheet of NHFG as of December 31, 2021

(Units: ₩ Korean million, \$ U.S. million)

Description	2021(KRW)	2021(USD)
Assets		
Cash and due from banks	12,845,129	10,835
Financial assets at fair value through profit or loss	59,967,770	50,584
Derivative assets	1,140,865	962
Financial assets at fair value through other comprehensive income	49,836,843	42,039
Financial assets at amortised cost	43,542,559	36,729
Loans and receivables	331,329,375	279,485
Investments in associates and joint ventures	739,063	623
Tangible assets	3,488,751	2,943
Right of Use	267,629	226
Investment properties	885,912	747
Intangible assets	682,619	576
Current income tax assets	12,112	10
Deferred income tax assets	281,919	238
Other assets	1,917,505	1,617
Assets classified as held for sale	15	0
Total assets	506,938,066	427,615
Liabilities		
Deposits	299,449,460	252,593
Trading financial liabilities	5,940,043	5,011
Financial liabilities at fair value through profit or loss	7,577,692	6,392

Description	2021(KRW)	2021(USD)
Derivative liabilities	1,371,022	1,156
Borrowings	35,783,151	30,184
Debentures	34,642,151	29,222
Provisions	510,930	431
Retirement benefit obligations	486,726	411
Insurance contract liabilities	70,025,136	59,068
Current income tax liabilities	290,992	245
Deferred tax liabilities	81,780	69
Other liabilities	22,829,412	19,257
Total liabilities	478,988,495	404,039
Equity		
Equity attributable to equity holders of the parent	23,766,479	20,048
Capital stock	1,414,095	1,193
Other paid-in capital	14,999,804	12,653
Retained earnings	8,754,921	7,385
Other component of equity	(1,402,341)	(1,183)
Non-controlling shareholder's equity	4,183,092	3,529
Total equity	27,949,571	23,576
Total liabilities and equity	506,938,066	427,615

(USD 1\$ = KRW 1,185.5 won)

Exhibit 4-2: Consolidated balance sheet of NHAG as of December 31, 2021

(Units: ₩ Korean million, \$ U.S. million)

Description	2021(KRW)	2021(USD)
Assets		
Current Assets	5,733,979	4,837
Cash and due from banks	511,198	431
Trading financial assets	198,545	167
Financial assets at fair value through profit or loss	314,473	265
Account receivable	1,647,443	1,390
Financial assets at fair value through other comprehensive income	507	0
Inventory	1,214,936	1,025
Biological asset	35,533	30
Current income tax assets	826	1
Other current financial assets	1,675,748	1,414
Other current assets	98,662	83
Assets classified as held for sale	36,108	30
Non-Current Assets	6,701,410	5,653
Long-term financial asset	11,735	10
Long-term Account receivable	1,796,747	1,516

Financial assets at fair value through other comprehensive income	85,728	72
Deferred income tax assets	42,072	35
Investments in associates and joint ventures	185,017	156
Tangible assets	3,045,236	2,569
Right of Use	46,652	39
Investment properties	251,960	213
Intangible assets	136,210	115
Biological asset	4,166	4
Other non-current financial assets	1,089,537	919
Other non-current assets	6,350	5
Total assets	12,435,389	10,490
Liabilities		
Current Liabilities	4,887,076	4,122
Financial liabilities at fair value through profit or loss	917	1
Account payable	1,476,632	1,246
Borrowings	2,936,294	2,477
Current income tax liabilities	22,498	19
Provisions	11,133	9
Deferred income	5,161	4
Other current financial liabilities	45,044	38
Other current liabilities	364,369	307
Liabilities related to Assets classified as held for sale	25,028	21
Non-Current liabilities	2,052,099	1,731
Long-term account payable	1,918	2
Borrowings	1,714,842	1,447
Retirement benefit obligations	181,114	153
Deferred tax liabilities	48,331	41
Provisions	37,731	32
Other non-current financial liabilities	66,274	56
Other non-current liabilities	1,889	2
Total liabilities	6,939,175	5,853
Equity		
Equity attributable to equity holders of the parent	5,116,328	4,316
Capital stock	3,657,440	3,085
Other paid-in capital	1,406,139	1,186
Retained earnings	237,221	200
Other component of equity	(184,472)	(156)
Non-controlling shareholder's equity	379,886	320
Total equity	5,496,214	4,636
Total liabilities and equity	12,435,389	10,490

(USD 1\$ = KRW 1,185.5 won)

4.2. Capital Adequacy

NHFG is required to maintain its capital adequacy ratio against risk-weighted assets in accordance with the criteria set by the Bank of International Settlements (the ‘BIS capital adequacy ratio’), and it must be 8/100 or more according to the Financial Holding Companies Act. The Bank for International Settlements’ Basel Committee for International Banking Supervision has drawn up global standards for capital adequacy determining how much capital financial institutions should set aside as a proportion of risky assets. BIS capital adequacy ratio is calculated as the sum of the basic and supplementary capital reflecting items deducted from capital, which is divided by risk-weighted assets.

The basic capital consists of paid-up capital, statutory reserves and retained earnings for permanent capital; and supplementary capital consists of the items of capital contribution containing liability characteristics that meet the criteria as determined and announced by the Financial Services Commission with the limit of 100% of basic capital. Deduction items are deducted from basic and supplementary capital for the purpose of capital management, which has no capital characteristics, such as deferred tax assets. Details of the NHFG’s BIS capital adequacy ratio as of December 31, 2021 and 2020 are as follow.

Exhibit 5: Capital Adequacy of NHFG

(Unit: %)

Classification	Year ended December 31	
	2021	2020
Total capital ratio	15.45	15.18
Basic capital ratio (Tier 1 ratio)	13.99	13.69
Common equity tier 1 ratio	12.50	12.55

Total capital=Basic capital + Supplementary capital,
Basic capital=Common Equity capital + other basic capital

5. A Description of Derivative activities and Hedging activity

5.1. NHFG

NHFG enters into a variety of derivative contracts to manage its exposure to interest rate and foreign exchange rate risk associated with financials instruments, including currency forward contracts, interest rate swaps and cross-currency swaps.

Derivatives are initially recognized at fair value at the date the derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. Derivatives used for trading purposes are recognized as financial assets and liabilities at FVTPL (Fair Value Through Profit and Loss) and derivatives for hedging purposes are recognized as hedging-purpose derivative assets and liabilities on the consolidated financial statements at fair value.

The resulting gain or loss is recognized in net income immediately, unless the derivative is designated and effective as a hedging instrument, in such case the timing of the recognition in net income depends on the nature of the hedge relationship. Fair value hedge accounting or cash flow hedge accounting is applied to the derivatives when the derivatives meet the certain requirements for hedging.

A derivative instrument with a positive fair value is recognized as a financial asset; and a derivative with a negative fair value is recognized as a financial liability.

5.2. U.S. operations

NongHyup Bank New York branch ('NHBNY') is not a party dealing with any swaps, repurchase agreement, or derivative transactions, and therefore, NongHyup Bank does not have any exposure related to such activities in connection with its U.S. operations.

NH Investment & Securities America, Inc ('NHISA') acts as an agent for institutional clients for the purchase and sale of Korean and U.S. Securities. However, NHISA does not perform any trading or derivative transactions on its own behalf.

This section is not applicable to the U.S. Operations of NHAG as they carry out non-financial businesses.

6. A List of Memberships in Material payment, Clearing and Settlement systems

Each of U.S. operations holds memberships in financial market utilities ('FMUs') for payment, clearing, and settlement services, in order to conduct essential financial transactions. The following Exhibit 6 is the list of NHBNY and NHISA's memberships in material payment, clearing, and settlement systems:

Exhibit 6: Memberships in Payment, Clearing, and Settlement Systems

Entity Holding Membership	Name	Description
NHBNY	Fedwire	U.S. Dollar payment system
	FEDLine Advantage Services	Access to FRB-provided advanced payment service, Fedwire Funds Service
	SWIFT	Society for Worldwide Interbank Financial Telecommunication
NHISA	APEX Clearing	U.S. Clearing / Settlement Systems, U.S. Dollar Payment System, Securities System

This section is not applicable to the U.S. Operations of NHAG as they carry out non-financial businesses.

7. A Description of Foreign operation

7.1. U.S. Operations

In the United States, NHFG operates a branch of NongHyup Bank, Korea, and a registered broker-dealer, NH Investment & Securities America, Inc., which is a wholly-owned subsidiary of NH Investment & Securities, Korea. NHBNY and NHISA were opened in 2013 and 1992 respectively and both have located in New York.

NHBNY engages in corporate banking operations, including syndicated loan servicing, remittance/money transmittal services, trade finance services (i.e., L/C acceptance and reimbursement), and corporate financial services for Korean and other foreign companies with subsidiaries or branches in the United States and funding activities. NHBNY, in the ordinary course of business, has extensive transactions and relationship with the NH Bank’s Head Office and other affiliates. NHISA acts as an agency for institutional clients for the purchase and sale of Korean and U.S. Securities. NHISA executes and clears Korean securities trades through its parent company, NH Investment & Securities, while it clears U.S. securities trades through third-party vendors. However, NHISA does not perform any trading or derivative transactions on its own behalf.

NHAG’s U.S. operations include NH-HAY(‘NH HAY’), Nongwoo Seed America(‘NWSA’) and Nonghyup America(‘NHA’), whose parent companies are Nonghyup Feed, Nong Woo Bio and NH Trading, respectively. NHAG is the major shareholder of the three parent

companies.

NHAG’s U.S. subsidiaries were incorporated for agricultural business, including sales of agricultural products. Nong Woo Bio is a seed provider involved in R&D, production and sales of seeds and plant genetics which incorporated Nongwoo seed America in April 1994 for R&D in American produces. Nonghyup Feed produces animal feeds and incorporated NH HAY in August 2008 for the purpose of research and manufacturing of animal feeds. Nonghyup America is the subsidiary of NH Trading and serves the role of Overseas operation frontline of NHAG.

7.2. Other Foreign Operations

As of December 31, 2021, NongHyup Bank operates 2 subsidiaries, 3 branches and 5 representative offices in 7 countries, NH Investment & Securities operates 6 subsidiaries and 2 representative office in 6 countries, and NH Capital operates 2 subsidiaries in 2 countries around the world.

NHAG operates 3 subsidiaries in the U.S. and 8 subsidiaries and 1 representative office in 7 other countries around the world.

Exhibit 7: Financial information of Foreign Operations

(Units: \$ U.S. million)

Geographic Area	NHFG			NHAG		
	Domestic	U.S.	Other Countries	Domestic	U.S.	Other Countries
Total Asset	426,118	240	1,257	10,386	36	68
Revenue	11,575	23	74	11,914	52	45
Operating Income	3,550	11	35	35	1	3

(USD 1 = KRW 1,185.5 won)

8. Material Supervisory Authority

NHBNY is licensed by the state banking authority of the State of New York and is therefore subject to regulation and examination by the New York State Department of Financial Services (‘NYSDFS’) and Federal Reserve Bank of New York (‘FRBNY’). NHISA is regulated primarily by Financial Industry Regulatory Authority (‘FINRA’) and the Securities

and Exchange Commission ('SEC'). In addition to these regulators, NHISA is also subject to regulation by the New York Stock Exchange ('NYSE'), the U.S. Department of Treasury, the Federal Reserve and the Commodities Futures Trading Commission ('CFTC').

NHBNY and NHISA are subsidiaries of NHFG which is a financial holding company under the Financial Holding Companies Act of Korea. Hence, NHBNY and NHISA are subject to regulation, supervision, and enforcement by the home country regulators.

Exhibit 8: Identities of Material Supervisory Authority

Legal Entity	Primary Regulator
NHBNY	New York State Department of Financial Services(NYSDFS) Federal Reserve Bank of New York(FRBNY)
NHISA	Financial Industry Regulatory Authority (FINRA) Securities and Exchange Commission (SEC) U.S. Department of Treasury New York Stock Exchange (NYSE) Federal Reserve and the Commodities Futures Trading Commission (CFTC)
NH HAY	Not Applicable
NWSA	Not Applicable
NHA	Not Applicable

9. The Identities of the Principal Officers

The Exhibit 9 and 10 below list Directors and Senior Management of NACF, NHFG and NHAG.

Exhibit 9: NACF Board Member

Name	Title
LEE SUNG-HEE	Chairman
LEE JAE-SIK	Vice Chairman / President & CEO, Planning & Extension
JO SO-HAENG	President & CEO, Cooperative Bank
LEE KYU-SAM	Chairman of Audit Committee
PARK TAE-SUN	Chairman of Cooperative Supervisory Committee
YEOM KYU-JONG	Board Members
KIM JAE-HO	Board Members
KIM SEONG-TAE	Board Members
LIM YOO-SOO	Board Members
KIM WON-CHUL	Board Members
JANG SEUNG-YOUNG	Board Members
SUNG YOUNG-KEUN	Board Members
HWANG SEONG-BO	Board Members
LEE CHANG-CHUL	Board Members
SONG YOUNG-JO	Board Members
LEE JAE-HYEONG	Board Members
PARK JAE-JONG	Board Members
PARK MAN-SOO	Board Members
GOH PYEONG-HUN	Board Members
CHOI SUNG-HWAN	Board Members
KIM YOUNG-NAM	Board Members
AHN HYUN-KOO	Board Members
CHO JAE-YOUL	Board Members
KANG JUNG-HWA	Board Members
PARK JUNG-KYU	Board Members
AHN KYOUNG-WHAN	Board Members
IM JEONG-BIN	Board Members
YEO IN-HONG	Board Members
LEE DEOK-SOO	Board Members
LEE HAK-GU	Board Members

Exhibit 10-1: NHFG Board Member

Name	Title
SON BYEONGHWAN	Chairman
BAE BOOYEOL	Director
AN YONG SEUNG	Director
NAM BYUNG HO	Outside Director
SEO EUN SOOK	Outside Director
SONG IN CHANG	Outside Director
LEE SOON HO	Outside Director
LEE JONG BAEK	Outside Director
HA KYUNG JA	Outside Director
HAHM YU KUN	Outside Director

Exhibit 10-2: NHAG Board Member

Name	Title
WOO SEONG-TAE	President & CEO, Marketing & Supply
AHN BYUNG-WOO	President & CEO, Livestock
KIM SEONG-TAE	Director
KIM YOUNG-NAM	Director
PARK MAN-SOO	Director
IM YOO-SOO	Director
CHANG SEUNG-YOUNG	Director
CHO JAE-YEOL	Director
KIM DONG-HWAN	Outside Director
NAM IN-SIK	Outside Director
BYUN DONG-KANG	Outside Director

10. A Description of the Corporate Governance Structure and Processes related to Resolution Planning

As indicated in the exhibit below, the following key departments were established or given the responsibilities for resolution planning:

Exhibit 11: NACF Resolution Planning Governance Structure



10.1. NACF

NACF’s Board of Directors (‘BOD’) is the top-tier governance body of NACF. It is ultimately responsible for the safety and soundness of NACF’s daily operations on a global basis. The BOD provides high-level guidance, approves and evaluates NACF’s U.S. Resolution Plan. Moreover, NACF’s NH Economic Research Institute and International Cooperation Office and works closely with NHFG’s Global Strategy Department and Business Strategy Group to periodically reviews the resolution plan and provide specific feedback.

10.2. NHFG

NHFG is the financial holding company engaged in managing its subsidiaries and business affairs incidental to managing its subsidiaries. NHFG formulated the specifics of the resolution strategies by supporting department, such as information technology, accounting and legal.

10.3. NHAG

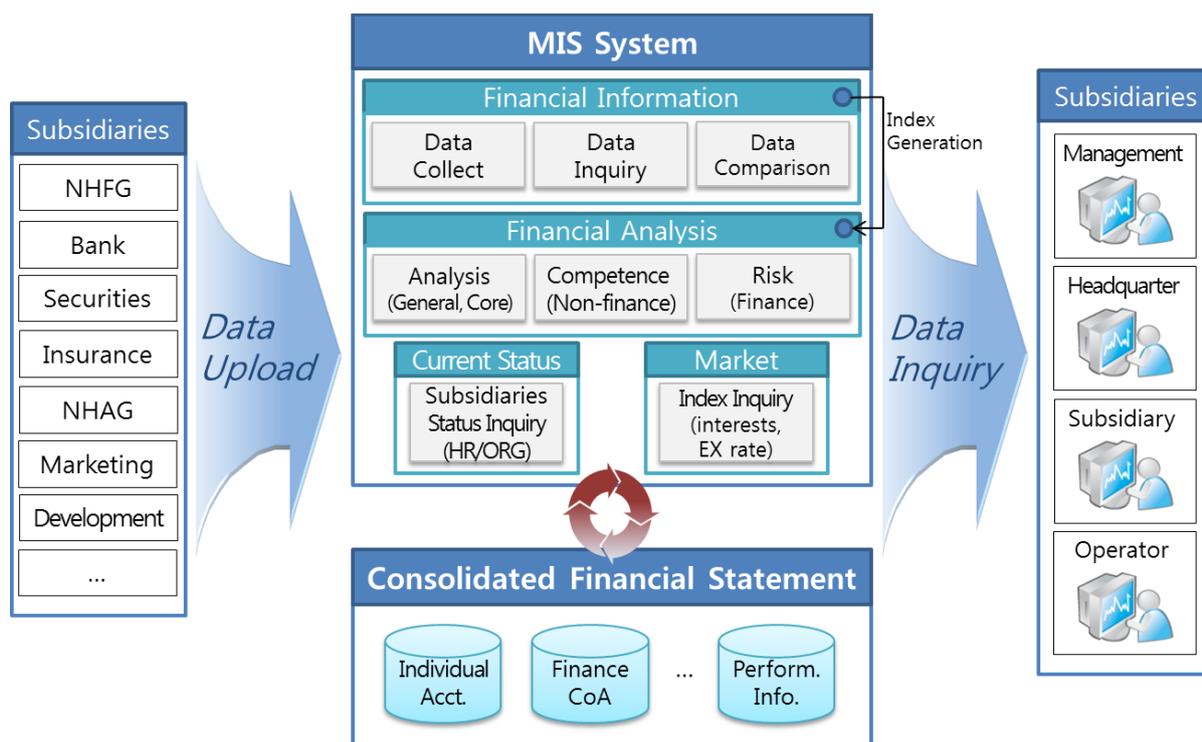
NHAG is the agribusiness holding company engaged in managing its subsidiaries and business affairs incidental to managing its subsidiaries. NACF and NHFG requested NHAG to provide management and financial information regarding the U.S. operation of NHAG subsidiaries that are necessary for the preparation of the Resolution Plan.

11. A Description of Material Management Information Systems

As the covered company of NHBNY, NHISA, NH HAY, NWSA, and NHA, NACF has established its own management information system to provide comprehensive management support across its subsidiaries. In this system, the management information associated with NACF's subsidiaries is categorized mainly into the three sections: general status, financial report, and non-financial report.

Specifically, the general status section contains 18 sub-items per subsidiary, and the financial report section contains 15 sub-items (including key performance index) used to analyze the financial conditions of NACF's subsidiaries. Moreover, the non-financial report section contains 12 managerial items associated with non-financial business issues, such as reporting to regulators.

Exhibit 12: Task Process of Management Information System for NACF



12. A Description of the Covered Company’s Resolution Strategy

NACF has determined that it has no Material Entities, Critical Operations, or Core Business Lines within the U.S. operations. However, NACF has performed a limited analysis of resolution strategies for each of its U.S. operations in the event of material financial distress or failure as described below.

12.1. NHBNY

NHBNY is licensed by the state banking authority of the State of New York and is therefore subject to regulation and examination by the New York State Department of Financial Services (‘NYSDFS’). In addition, the Board of Governors of the Federal Reserve Bank of New York, (‘FRBNY’) has supervisory and regulatory authority over NHBNY.

The U.S. Resolution Plan contemplates that NHBNY would be subject to New York bank insolvency law rather than the U.S. Bankruptcy Code, in the event of the insolvency. The law generally includes a ring-fencing insolvency regime that effectively draws a fence around the NHBNY and treats it as a separate entity from NongHyup Bank. Assets of the NHBNY may be seized and liquidated by the receiver to pay off the claims of creditors of the NHBNY.

12.2. NHISA

Although NHISA is a registered broker-dealer and a member of the Securities Investor Protection Corporation (‘SIPC’), NHISA would only be eligible for resolution under the Securities Investor Protection Act (‘SIPA’), if it has “customers” as defined under SIPA upon its entry into resolution. Generally, SIPA is applicable only when the customers entrust assets to the broker-dealer. As an Introducing Broker-Dealer, NHISA does not hold any customer assets in the ordinary course of business.

Therefore, NACF assumes that NHISA would be resolved through reorganization under Chapter 11 of Bankruptcy Code and wound down in an orderly manner. The primary objective of the Chapter 11 proceedings would be to maximize the value realized from the assets and businesses of NHISA. If NHISA’s financial distress has passed the stage of reorganization and must sell off its assets, it will be resolved through liquidation under the Chapter 7 of Bankruptcy Code.

12.3. U.S. Operation of NHAG

U.S. operations of NHAG comprises of subsidiaries incorporated for the purpose of providing support for NHAG's trading business and to increase market share, which are independent of the U.S. financial system. Also, Head office in Korea provides 100% of capital to its subsidiaries, which means that there will be no financial impact on investors in the U.S. in case of failure of operation. In the event of a U.S. business with NHAG, an orderly process will be implemented in accordance with the laws on bankruptcy and resolution related to each company.