

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2022 AND 2021 (Unaudited)**

ATTACHMENT: INDEPENDENT AUDITORS' REVIEW REPORT

HYUNDAI MOTOR COMPANY

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Independent Auditors' Review Report
Based on a report originally issued in Korean

The Board of Directors and Shareholders
Hyundai Motor Company:

Reviewed financial statements

We have reviewed the accompanying condensed consolidated interim financial statements of Hyundai Motor Company and its subsidiaries (the "Group"), which comprise the condensed consolidated statement of financial position as of June 30, 2022, the condensed consolidated statements of income, and comprehensive income for the three-month and the six-month periods ended June 30, 2022 and 2021, the condensed consolidated statements of changes in equity and cash flows for the six-month periods ended June 30, 2022 and 2021 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these condensed consolidated interim financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") No.1034 *Interim Financial Reporting*, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS No.1034 *Interim Financial Reporting*.

Other matters

The consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us in accordance with Korean Standards on Auditing and our report thereon, dated March 8, 2022, expressed an unqualified opinion. The accompanying statement of financial position as of December 31, 2021, presented for comparative purposes, is not different from that audited by us in all material respects.

The procedures and practices utilized in the Republic of Korea to review such condensed consolidated interim financial statements may differ from those generally accepted and applied in other countries.



KPMG Samjong Accounting Corp.

Seoul, Korea
August 16, 2022

This report is effective as of August 16, 2022, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying condensed consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

**CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED
JUNE 30, 2022 AND 2021**

The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.

Chang, Jae Hoon
Chief Executive Officer
HYUNDAI MOTOR COMPANY

Main Office Address: (Road Name Address) 12, Heolleung-ro, Seocho-gu, Seoul
(Phone Number) 02-3464-1114

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2022 AND DECEMBER 31, 2021

ASSETS	NOTES	June 30, 2022	December 31, 2021
		(In millions of Korean Won)	
Current assets:			
Cash and cash equivalents	20	₩ 16,129,381	₩ 12,795,554
Short-term financial instruments	20	7,130,691	6,949,333
Other financial assets	5,20	10,706,307	12,396,646
Trade notes and accounts receivable	3,20	4,087,083	3,147,296
Other receivables	4,20	4,287,689	4,220,970
Inventories	6	13,658,070	11,645,641
Current tax assets		29,422	47,346
Financial services receivables	14,20	36,804,318	35,252,606
Non-current assets classified as held for sale	8	441,244	28,121
Other assets	7,20	2,358,806	2,081,853
Total current assets		95,633,011	88,565,366
Non-current assets:			
Long-term financial instruments	20	330,622	306,410
Other financial assets	5,20	3,906,470	3,539,286
Long-term trade notes and accounts receivable	3,20	158,311	137,157
Other receivables	4,20	786,583	741,168
Property, plant and equipment	9,40	35,887,015	35,543,083
Investment property	10,40	154,597	156,656
Intangible assets	11,40	5,687,714	5,846,986
Investments in joint ventures and associates	13	23,936,700	22,429,117
Net defined benefit assets	35	148,156	219,721
Deferred tax assets	34	2,621,890	2,224,833
Financial services receivables	14,20	51,136,895	45,776,526
Investments in operating leases	15	28,740,499	26,327,996
Right-of-use assets	12	899,137	940,826
Other assets	7,20	1,379,213	1,191,284
Total non-current assets		155,773,802	145,381,049
Total assets		₩ 251,406,813	₩ 233,946,415

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF JUNE 30, 2022 AND DECEMBER 31, 2021

LIABILITIES AND EQUITY	NOTES	June 30, 2022	December 31, 2021
		(In millions of Korean Won)	
Current liabilities:			
Trade notes and accounts payable	20	₩ 10,178,321	₩ 9,155,255
Other payables	20,39	5,506,840	6,335,645
Short-term borrowings	16,20,40	12,200,843	13,087,836
Current portion of long-term debt and debentures	16,20,40	25,941,676	20,578,902
Income tax payable		699,131	751,929
Provisions	17	7,269,192	6,664,647
Other financial liabilities	18,20	256,224	55,187
Lease liabilities	12,20	156,268	167,266
Non-current liabilities classified as held for sale	8	57,953	-
Other liabilities	19,20,27	9,494,853	7,440,120
Total current liabilities		<u>71,761,301</u>	<u>64,236,787</u>
Non-current liabilities:			
Long-term other payables	20,39	751,888	769,487
Debentures	16,20,40	63,982,517	63,458,809
Long-term debt	16,20,40	12,647,360	10,667,731
Net defined benefit liabilities	35	95,750	79,165
Provisions	17	4,302,046	4,214,137
Other financial liabilities	18,20	24,401	87,258
Deferred tax liabilities	34	4,330,739	3,689,328
Lease liabilities	12,20	733,451	783,306
Other liabilities	19,20,27	3,830,108	3,344,618
Total non-current liabilities		<u>90,698,260</u>	<u>87,093,839</u>
Total liabilities		<u>162,459,561</u>	<u>151,330,626</u>
Equity:			
Capital stock	21	1,488,993	1,488,993
Capital surplus	22	4,070,260	4,070,260
Other capital items	23	(2,161,836)	(1,968,385)
Accumulated other comprehensive income (loss)	24	568,204	(1,772,601)
Retained earnings	25	76,595,126	73,167,855
Equity attributable to the owners of the Company		<u>80,560,747</u>	<u>74,986,122</u>
Non-controlling interests		8,386,505	7,629,667
Total equity		<u>88,947,252</u>	<u>82,615,789</u>
Total liabilities and equity		<u>₩ 251,406,813</u>	<u>₩ 233,946,415</u>

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

		2022		2021	
	NOTES	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
(In millions of Korean Won, except per share amounts)					
Sales	27,40	₩ 35,999,896	₩ 66,298,464	₩ 30,326,066	₩ 57,716,937
Cost of sales	32	28,599,592	53,124,954	24,594,797	46,949,098
Gross profit		7,400,304	13,173,510	5,731,269	10,767,839
Selling and administrative expenses	28,32	4,420,510	8,264,786	3,845,268	7,225,223
Operating profit		2,979,794	4,908,724	1,886,001	3,542,616
Gain on investments in joint ventures and associates, net	29	706,006	1,066,909	373,847	734,454
Finance income	30	432,155	634,556	162,487	307,642
Finance expenses	30	296,629	465,562	119,466	239,807
Other income	31	741,923	1,183,475	387,138	754,055
Other expenses	31,32	674,491	1,160,718	188,054	550,730
Profit before income tax		3,888,758	6,167,384	2,501,953	4,548,230
Income tax expense	34	803,932	1,305,182	519,351	1,043,403
Profit for the period		₩ 3,084,826	₩ 4,862,202	₩ 1,982,602	₩ 3,504,827
Profit attributable to:					
Owners of the Company		2,803,457	4,388,379	1,761,887	3,089,137
Non-controlling interests		281,369	473,823	220,715	415,690
Earnings per share attributable to the owners of the Company:	33				
Basic earnings per share:					
Common stock		₩ 10,869	₩ 17,003	₩ 6,765	₩ 11,860
1 st preferred stock		₩ 10,882	₩ 17,028	₩ 6,778	₩ 11,885
Diluted earnings per share:					
Common stock		₩ 10,869	₩ 17,003	₩ 6,765	₩ 11,860
1 st preferred stock		₩ 10,882	₩ 17,028	₩ 6,778	₩ 11,885

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Profit for the period	₩ 3,084,826	₩ 4,862,202	₩ 1,982,602	₩ 3,504,827
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to profit or loss:				
Profit (loss) on financial assets measured at FVOCI, net	(162,414)	(215,578)	98,069	248,718
Remeasurements of defined benefit plans	(15,761)	(1,708)	(5,904)	14,099
Changes in retained earnings of equity-accounted investees, net	41,197	79,353	(10,127)	16,099
Changes in share of OCI of equity-accounted investees, net	(19,502)	(48,584)	22,749	39,126
	<u>(156,480)</u>	<u>(186,517)</u>	<u>104,787</u>	<u>318,042</u>
Items that may be reclassified subsequently to profit or loss:				
Profit (loss) on financial assets measured at FVOCI, net	(12,725)	(29,564)	2,270	(1,012)
Gain (loss) on valuation of cash flow hedge derivatives, net	(109,729)	(21,540)	47,131	20,749
Changes in share of OCI of equity-accounted investees, net	572,756	659,078	86,078	258,731
Gain on foreign operations translation, net	2,119,260	2,432,443	125,115	589,995
	<u>2,569,562</u>	<u>3,040,417</u>	<u>260,594</u>	<u>868,463</u>
Total other comprehensive income	<u>2,413,082</u>	<u>2,853,900</u>	<u>365,381</u>	<u>1,186,505</u>
Total comprehensive income	<u>₩ 5,497,908</u>	<u>₩ 7,716,102</u>	<u>₩ 2,347,983</u>	<u>₩ 4,691,332</u>
Comprehensive income attributable to:				
Owners of the Company	4,858,898	6,812,882	2,101,806	4,172,695
Non-controlling interests	639,010	903,220	246,177	518,637
Total comprehensive income	<u>₩ 5,497,908</u>	<u>₩ 7,716,102</u>	<u>₩ 2,347,983</u>	<u>₩ 4,691,332</u>

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2021	₩ 1,488,993	₩ 4,190,093	₩ (1,700,592)	₩ (3,409,661)	₩ 68,911,800	₩ 69,480,633	₩ 6,860,337	₩ 76,340,970
Comprehensive income:								
Profit for the period	-	-	-	-	3,089,137	3,089,137	415,690	3,504,827
Gain on financial assets measured at FVOCI, net	-	-	-	158,754	86,766	245,520	2,186	247,706
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(17,931)	-	(17,931)	38,680	20,749
Changes in valuation of equity-accounted investees, net	-	-	-	285,792	16,099	301,891	12,065	313,956
Remeasurements of defined benefit plans	-	-	-	-	14,735	14,735	(636)	14,099
Gain on foreign operations translation, net	-	-	-	539,343	-	539,343	50,652	589,995
Total comprehensive income	-	-	-	965,958	3,206,737	4,172,695	518,637	4,691,332
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(785,516)	(785,516)	(140,854)	(926,370)
Increase in paid-in capital of subsidiaries by issuing stock	-	19,819	-	-	-	19,819	163,698	183,517
Acquisition of investment of subsidiaries	-	(164,567)	-	-	-	(164,567)	65,935	(98,632)
Disposals of investment of subsidiaries	-	-	-	-	-	-	(71,634)	(71,634)
Others	-	-	-	-	190	190	(10,444)	(10,254)
Total transactions with owners, recorded directly in equity	-	(144,748)	-	-	(785,326)	(930,074)	6,701	(923,373)
Balance at June 30, 2021	₩ 1,488,993	₩ 4,045,345	₩ (1,700,592)	₩ (2,443,703)	₩ 71,333,211	₩ 72,723,254	₩ 7,385,675	₩ 80,108,929

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

	Capital stock	Capital surplus	Other capital items	Accumulated other comprehensive income (loss)	Retained earnings	Total equity attributable to the owners of the Company	Non- controlling interests	Total equity
	(In millions of Korean Won)							
Balance at January 1, 2022	₩ 1,488,993	₩ 4,070,260	₩ (1,968,385)	₩ (1,772,601)	₩ 73,167,855	₩ 74,986,122	₩ 7,629,667	₩ 82,615,789
Comprehensive income:								
Profit for the period	-	-	-	-	4,388,379	4,388,379	473,823	4,862,202
Loss on financial assets measured at FVOCI, net	-	-	-	(239,494)	-	(239,494)	(5,648)	(245,142)
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(77,248)	-	(77,248)	55,708	(21,540)
Changes in valuation of equity-accounted investees, net	-	-	-	601,543	79,353	680,896	8,951	689,847
Remeasurements of defined benefit plans	-	-	-	-	4,345	4,345	(6,053)	(1,708)
Gain on foreign operations translation, net	-	-	-	2,056,004	-	2,056,004	376,439	2,432,443
Total comprehensive Income	-	-	-	2,340,805	4,472,077	6,812,882	903,220	7,716,102
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(1,040,399)	(1,040,399)	(56,800)	(1,097,199)
Increase in paid-in capital of subsidiaries by issuing stock	-	-	-	-	-	-	560	560
Disposals of investment of subsidiaries	-	-	-	-	-	-	(83,094)	(83,094)
Purchases of treasury stocks	-	-	(193,451)	-	-	(193,451)	-	(193,451)
Others	-	-	-	-	(4,407)	(4,407)	(7,048)	(11,455)
Total transactions with owners, recorded directly in equity	-	-	(193,451)	-	(1,044,806)	(1,238,257)	(146,382)	(1,384,639)
Balance at June 30, 2022	₩ 1,488,993	₩ 4,070,260	₩ (2,161,836)	₩ 568,204	₩ 76,595,126	₩ 80,560,747	₩ 8,386,505	₩ 88,947,252

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

	NOTES	Six-month period ended June 30,	
		2022	2021
		(In millions of Korean Won)	
Cash flows from operating activities:			
Cash generated from operations:	36		
Profit for the period		₩ 4,862,202	₩ 3,504,827
Adjustments		8,399,565	7,440,998
Changes in operating assets and liabilities		(7,111,983)	(10,760,245)
		<u>6,149,784</u>	<u>185,580</u>
Interest received		287,066	187,567
Interest paid		(1,156,658)	(953,555)
Dividend received		527,408	200,884
Income tax paid		(1,222,735)	(433,975)
Net cash provided by (used in) operating activities		<u>4,584,865</u>	<u>(813,499)</u>
Cash flows from investing activities:			
Changes in short-term financial instruments, net		(664,344)	(1,326,073)
Changes in other financial assets (current), net		2,197,488	318,118
Decrease in other financial assets (non-current)		12,517	190,304
Collection of other receivables		33,748	36,512
Disposals of long-term financial instruments		39,073	33,485
Proceeds from disposals of property, plant and equipment		85,400	54,840
Proceeds from disposals of intangible assets		5,971	8,642
Proceeds from disposals of investment in joint ventures and associates		10,805	64
Acquisitions of subsidiaries, net of cash acquired		-	(273,563)
Increases in other financial assets (non-current)		(167,665)	(181,966)
Increases in other receivables		(29,062)	(38,848)
Purchases of long-term financial instruments		(49,604)	(79,946)
Acquisitions of property, plant and equipment		(1,844,236)	(1,952,234)
Acquisitions of intangible assets		(625,964)	(569,016)
Acquisitions of investments in joint ventures and associates		(628,392)	(429,933)
Cash outflows from changes of consolidation scope		(197,188)	(125,611)
Others		481	129,040
Net cash used in investing activities		<u>(1,820,972)</u>	<u>(4,206,185)</u>

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

	NOTES	Six-month period ended June 30,	
		2022	2021
		(In millions of Korean Won)	
Cash flows from financing activities:			
Repayment of short-term borrowings, net	₩	(1,675,475)	₩ (1,628,865)
Proceeds from long-term debt and debentures		15,488,631	22,267,348
Proceeds from capital contribution from non-controlling interest		560	163,698
Acquisitions of subsidiaries		-	(300,670)
Repayment of long-term debt and debentures		(12,751,406)	(13,487,741)
Repayment of lease liabilities		(99,262)	(89,394)
Purchases of treasury stocks		(193,451)	-
Dividends paid		(1,043,123)	(926,204)
Others		(26,328)	(87,229)
Net cash provided by (used in) financing activities		<u>(299,854)</u>	<u>5,910,943</u>
Effect of exchange rate changes on cash and cash equivalents		869,788	273,949
Net increase in cash and cash equivalents		3,333,827	1,165,208
Cash and cash equivalents, beginning of the period		<u>12,795,554</u>	<u>9,862,136</u>
Cash and cash equivalents, end of the period	₩	<u><u>16,129,381</u></u>	₩ <u><u>11,027,344</u></u>
(Concluded)			

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021

1. GENERAL:

Hyundai Motor Company (the “Company” or “Parent Company”) was incorporated in December 1967, under the laws of the Republic of Korea. The Company and its subsidiaries (the “Group”) manufacture and distribute motor vehicles and parts, operate vehicle financing and credit card processing, and manufacture trains.

The shares of the Company have been listed on the Korea Exchange since June, 1974, and the Global Depositary Receipts issued by the Company have been listed on the London Stock Exchange and Luxembourg Stock Exchange.

As of June 30, 2022, the major shareholders of the Company are Hyundai MOBIS (45,782,023 shares, 21.43%) and Mr. Chung, Mong Koo (11,395,859 shares, 5.33%).

(1) The Group’s consolidated subsidiaries as of June 30, 2022 are as follows.

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HYUNDAI CAPITAL SERVICES, INC.	Financing	Korea	59.68%	
HYUNDAI CARD CO., LTD. (*1)	"	"	36.96%	
HYUNDAI ROTEM COMPANY (*2)	Manufacturing	"	33.77%	
HYUNDAI KEFICO CORPORATION	"	"	100.00%	
HYUNDAI PARTECS	"	"	56.00%	
Hyundai NGV	Engineering	"	53.66%	
MAINtrans company	Services	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Rotem SRS Co., Ltd.	"	"	100.00%	"
JEONBUK HYUNDAI MOTORS FC CO., LTD	Football club	"	100.00%	
AirPlug Inc.	R&D and Sales	"	99.32%	
Hyundai Motor America (HMA)	Sales	USA	100.00%	
Hyundai Capital America (HCA)	Financing	"	80.00%	HMA 80.00%
Hyundai Motor Manufacturing Alabama, LLC (HMMA)	Manufacturing	"	100.00%	HMA 100.00%
Hyundai Motor Group Metaplant America, LLC (HMGMA)	"	"	100.00%	
Hyundai Translead (HT)	"	"	100.00%	
Stamped Metal American Research Technology, Inc. (SMARTI)	Holding company	"	72.45%	HMA 72.45%
SMART Alabama, LLC (SMART)	Manufacturing	"	100.00%	SMARTI 100.00%
Hyundai America Technical Center, Inc. (HATCI)	R&D	"	100.00%	
Genesis Motor America LLC	Sales	"	100.00%	HMA 100.00%
Hyundai Rotem USA Corporation	Manufacturing	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
MoceanLab, Inc.	Mobility service	"	100.00%	
Hyundai Motor Investment, Inc.	Investment	"	100.00%	
HYUNDAI AUTO CANADA CORP. (HACC)	Sales	Canada	100.00%	HMA 100.00%
HYUNDAI AUTO CANADA CAPTIVE INSURANCE INC. (HACCI)	Insurance	"	100.00%	"
Hyundai Capital Canada Inc. (HCCA)	Financing	"	70.00%	HYUNDAI CAPITAL SERVICES, INC. 20.00%
Hyundai Capital Lease Inc. (HCLI)	"	"	100.00%	HCCA 100.00%
HK Lease Funding LP	"	"	100.00%	HCLI 99.99%, HCCA Funding Inc. 0.01%
HCCA Funding Inc.	"	"	100.00%	HCLI 100.00%
HCCA Funding Two Inc.	"	"	100.00%	HCCA 100.00%
HK Retail Funding LP	"	"	100.00%	HCCA 99.99%, HCCA Funding Two Inc 0.01%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HYUNDAI MOTOR INDIA LIMITED (HMI)	Manufacturing	India	100.00%	
HYUNDAI MOTOR INDIA ENGINEERING PRIVATE LIMITED (HMIE)	R&D	"	100.00%	HMI 100.00%
HYUNDAI INDIA INSURANCE BROKING PRIVATE LIMITED (HIIB)	Insurance	"	100.00%	"
HYUNDAI CAPITAL INDIA PRIVATE LIMITED (HCI)	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Mobility Japan Co., Ltd. (HMJ) (*3)	Sales	Japan	100.00%	
Hyundai Mobility Japan R&D Center Co., Ltd. (HMJ R&D) (*3)	R&D	"	100.00%	
Beijing Jingxian Motor Safeguard Service Co., Ltd. (BJMSS)	Sales	China	100.00%	
Beijing Jingxianronghua Motor Sale Co., Ltd.	"	"	100.00%	BJMSS 100.00%
Genesis Motor Sales (Shanghai) Co., LTD.	"	"	100.00%	
Hyundai Millennium (Beijing) Real Estate Development Co., Ltd.	Real estate development	"	99.00%	CMEs 99.00%
Rotem Equipments (Beijing) Co., Ltd.	Sales	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
KEFICO Automotive Systems(Beijing) Co., Ltd.	Manufacturing	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
KEFICO Automotive Systems(Chongqing) Co., Ltd.	"	"	90.00%	HYUNDAI KEFICO CORPORATION 90.00%
Hyundai Truck & Bus (China) Co., Ltd. (HTBC)	"	"	100.00%	
HYUNDAI THANH CONG VIETNAM AUTO MANUFACTURING CORPORATION (HTMV)(*1)	"	Vietnam	50.00%	
HYUNDAI THANH CONG COMMERCIAL VEHICLE JOINT STOCK COMPANY (HTCV)(*1)	"	"	50.00%	
HYUNDAI THANH CONG VIET NAM AUTO JOINT VENTURE JOINT STOCK COMPANY (HTV)(*1)	"	"	50.00%	
HYUNDAI KEFICO VIETNAM COMPANY LIMITED	Manufacturing	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
HYUNDAI MOTOR COMPANY AUSTRALIA PTY LIMITED (HMCA)	Sales	Australia	100.00%	
HYUNDAI MOTOR PHILIPPINES, INC. (HMPH)	"	Philippines	99.99%	
PT HYUNDAI MOTOR MANUFACTURING INDONESIA (HMMI)	Manufacturing	Indonesia	99.99%	
PT HYUNDAI MOTORS INDONESIA (HMID)	Sales	"	100.00%	HMMI 0.01%
PT. HYUNDAI CAPITAL INDONESIA (HCID)	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Capital Australia Pty Limited	"	Australia	100.00%	"
HR MECHANICAL SERVICES LIMITED	Services	New Zealand	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Hyundai Motor Manufacturing Czech s.r.o. (HMMC)	Manufacturing	Czech	100.00%	
Hyundai Motor Czech s.r.o. (HMCZ)	Sales	"	100.00%	
Hyundai Motor Europe GmbH (HME)	Marketing and Sales	Germany	100.00%	
Hyundai Motor Deutschland GmbH (HMD)	Sales	"	100.00%	
Hyundai Motor Europe Technical Center GmbH (HMETC)	R&D	"	100.00%	
Hyundai Motorsport GmbH (HMSG)	Marketing	"	100.00%	HME 100.00%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Hyundai Capital Europe GmbH.	Financing	Germany	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
HMCIS B.V.	Holding company	Netherlands	100.00%	HMMR 1.65%
Hyundai Motor Netherlands B.V. (HMNL)	Sales	"	100.00%	
Hyundai Motor Manufacturing Rus LLC (HMMR)	Manufacturing	Russia	70.00%	
Hyundai Motor CIS Limited Liability Company (HMCIS)	Sales	"	100.00%	HMCIS B.V. 100.00%
Hyundai Mobility Lab Limited Liability Company. (HML)	R&D	"	100.00%	HMCIS 99.00%, HMMR 1.00%
HYUNDAI CAPITAL SERVICES LIMITED LIABILITY COMPANY	Financing	"	100.00%	Hyundai Capital Europe 100.00%
Limited liability company Hyundai Truck & Bus Rus (HTBR)	Sales	"	100.00%	
Hyundai Assan Otomotiv Sanayi Ve Ticaret Anonim Sirketi (HAOSVT)	Manufacturing	Turkiye	97.00%	
Hyundai EURotem Demiryolu Araclari Sanayi ve Ticaret A.S	Manufacturing	"	50.50%	HYUNDAI ROTEM COMPANY 50.50%
Hyundai Rotem Company - Hyundai EUROTEM Demiryolu Araclari SAN. VE TIC. A.S ORTAK GIRISIMI	Sales	"	100.00%	HYUNDAI ROTEM COMPANY 65.00%, Hyundai EURotem A.S. 35.00%
Hyundai Rotem Company - Hyundai EUROTEM Mahmutbey Projesi ORTAK GIRISIMI	"	"	100.00%	HYUNDAI ROTEM COMPANY 85.00%, Hyundai EURotem A.S. 15.00%
HYUNDAI ROTEM MALAYSIA SDN BHD	"	Malaysia	100.00%	HYUNDAI ROTEM COMPANY 100.00%
Rotem SRS Ukraine LLC.	Services	Ukraine	100.00%	Rotem SRS Co., Ltd. 100.00%
Rotem SRS Egypt LLC.	"	Egypt	98.00%	Rotem SRS Co., Ltd. 98.00%
HYUNDAI MOTOR UK LIMITED (HMUK)	Sales	UK	100.00%	
HYUNDAI MOTOR COMPANY ITALY S.R.L. (HMCi)	"	Italy	100.00%	
HYUNDAI MOTOR ESPANA, S.L.U. (HMES)	"	Spain	100.00%	
HYUNDAI MOTOR FRANCE (HMF)	"	France	100.00%	
Hyundai Motor Poland sp. z o.o. (HMP)	"	Poland	100.00%	
GENESIS MOTOR EUROPE GmbH (GME)	"	Germany	100.00%	
GENESIS MOTOR UK LIMITED (GMUK)	"	UK	100.00%	GME 100.00%
GENESIS MOTOR SWITZERLAND AG (GMCH)	"	Switzerland	100.00%	"
GENESIS MOTOR DEUTSCHLAND GmbH (GMD)	"	Germany	100.00%	"
Hyundai Hydrogen Mobility AG (HHM)	"	Switzerland	75.00%	
Hyundai Hydrogen Mobility Germany GmbH (HHMG)	"	Germany	100.00%	HHM 100%
HYUNDAI MOTOR DE MEXICO S DE RL DE CV (HMM)	"	Mexico	100.00%	HT 0.01%
Hyundai de Mexico, SA DE C.V., (HYMEX)	Manufacturing	"	99.99%	HT 99.99%
HYUNDAI KEFICO MEXICO, S. DE R.L. DE C.V.	"	"	100.00%	HYUNDAI KEFICO CORPORATION 100.00%
Hyundai Rio Vista, Inc.	Real estate development	USA	100.00%	HT 100.00%
HYUNDAI MOTOR BRASIL MONTADORA DE AUTOMOVEIS LTDA (HMB)	Manufacturing	Brazil	100.00%	
Hyundai Capital Brasil Servicos De Assistencia Financeira Ltda.	Financing	"	100.00%	HYUNDAI CAPITAL SERVICES, INC. 100.00%
Hyundai Rotem Brasil Industria E Comercio De Trens Ltda.	Manufacturing	"	100.00%	HYUNDAI ROTEM COMPANY 100.00%
HMS SERVICOS DE MOBILIDADE LTDA. (*4)	Holding company	"	99.99%	HMB 99.99%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
China Millennium Corporations (CMEs)	Holding company	Cayman Islands	59.60%	
China Mobility Fund, L.P.	Investment	"	72.00%	
KyoboAXA Private Tomorrow Securities Investment Trust No.12	"	Korea	100.00%	
Shinhan BNPP Private Corporate Security Investment Trust No.34	"	"	100.00%	
KB Leaders Private Securities Fund1(Bond Mixed)	"	"	100.00%	
Samsung ETF rotation Private Investment Trust 1	"	"	100.00%	
ZER01NE Accelerator Investment Fund No.1	"	"	99.00%	
Autopia Sixty-Fourth ~ Seventy-Third Asset Securitization Specialty Company (*1)	Financing	"	0.50%	HYUNDAI CAPITAL SERVICES, INC. 0.50%
Zavurov First Co., Ltd. (*1)	"	"	0.00%	HYUNDAI CAPITAL SERVICES, INC. 0.00%
Super Series Sixth ~ Thirteenth Securitization Specialty Co., Ltd. (*1)	"	"	0.50%	HYUNDAI CARD CO., LTD. 0.50%
Bluewalnut Co., Ltd.	"	"	100.00%	HYUNDAI CARD CO., LTD. 100.00%
MOCEAN Co.,Ltd	Mobility Service	"	80.00%	
Hyundai Cha Funding, LLC	Financing	USA	100.00%	HCA 100.00%
Hyundai Lease Titling Trust	"	"	100.00%	"
Hyundai HK Funding, LLC	"	"	100.00%	"
Hyundai HK Funding Two, LLC	"	"	100.00%	"
Hyundai HK Funding Six, LLC	"	"	100.00%	"
Hyundai HK Funding Four, LLC	"	"	100.00%	"
Hyundai ABS Funding, LLC	"	"	100.00%	"
HK Real Properties, LLC	"	"	100.00%	"
Hyundai Auto Lease Offering, LLC	"	"	100.00%	"
Hyundai HK Lease, LLC	"	"	100.00%	"
Extended Term Amortizing Program, LLC	"	"	100.00%	"
Hyundai Asset Backed Lease, LLC	"	"	100.00%	"
HCA Exchange, LLC	"	"	100.00%	"
Hyundai Protection Plan, Inc.	Insurance	"	100.00%	"
Hyundai Protection Plan Florida, Inc.	"	"	100.00%	"
Hyundai Capital Insurance Services, LLC	"	"	100.00%	"
Hyundai Capital Insurance Company	"	"	100.00%	"
Power Protect Extended Services, Inc.	"	"	100.00%	"
Power Protect Extended Services Florida, Inc.	"	"	100.00%	"

(*1) The Group is considered to have substantive control over the entities by virtue of an agreement or relationship with other investors, or relationship with structured entities.

(*2) Even though the shareholding ratio of ownership is less than half, the Group has de facto control over the entity due to the relative size of the voting rights held and the degree of share dispersion of other voting rights holders.

(*3) During the six-month period ended June 30, 2022, the names of companies were changed from Hyundai Motor Japan Co., Ltd. and Hyundai Motor Japan R&D Center Inc. to Hyundai Mobility Japan Co., Ltd. and Hyundai Mobility Japan R&D Center Co., Ltd., respectively.

(*4) The name of company was changed from HMB Holding Participacoes Financeiras Ltda. to HMS SERVICOS DE MOBILIDADE LTDA.

- (2) Summarized financial position and results of operations of major consolidated subsidiaries as of and for the six-month period ended June 30, 2022 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
		(In millions of Korean Won)		
HYUNDAI CAPITAL SERVICES, INC. (*)	₩ 37,008,646	₩ 31,495,005	₩ 2,222,632	₩ 244,584
HYUNDAI CARD CO., LTD. (*)	23,671,999	19,928,256	1,495,223	155,695
HYUNDAI ROTEM COMPANY (*)	4,400,623	3,089,926	1,463,226	38,682
HYUNDAI KEFICO CORPORATION (*)	2,213,144	1,322,323	1,027,953	23,064
HCA (*)	65,392,888	57,638,476	6,021,769	599,532
HMA	11,464,248	7,413,433	14,899,905	1,383,770
HMMA	4,922,208	2,923,508	5,376,184	53,494
HMI (*)	4,857,993	1,967,006	4,169,961	288,787
HMMC	4,434,598	1,922,275	4,478,173	360,124
HME (*)	2,759,387	2,602,226	6,836,825	93,601
HMMR	2,618,954	827,168	767,633	177,826
HACC (*)	2,053,677	1,220,937	2,135,203	67,406
HMB	1,845,814	1,212,393	1,435,425	76,191
HAOSVT	1,750,516	966,964	1,910,151	206,755
HMCA	1,228,049	1,043,102	1,156,223	22,943

(*) Based on the subsidiary's consolidated financial statements

Summarized financial position and results of operations of major consolidated subsidiaries as of and for the six-month period ended June 30, 2021 are as follows.

Name of subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the period
		(In millions of Korean Won)		
HYUNDAI CAPITAL SERVICES, INC. (*)	₩ 33,749,650	₩ 28,787,746	₩ 1,652,741	₩ 227,472
HYUNDAI CARD CO., LTD. (*)	20,452,832	16,960,435	1,356,215	182,325
HYUNDAI ROTEM COMPANY (*)	4,127,415	2,756,175	1,364,126	19,524
HYUNDAI KEFICO CORPORATION (*)	2,077,675	1,266,570	1,009,397	39,669
HCA (*)	53,613,307	47,868,850	5,408,548	519,418
HMA	6,942,776	5,110,522	11,164,394	317,037
HMMA	4,534,247	2,981,930	4,145,700	87,482
HMMC	4,041,852	1,767,432	3,679,228	131,787
HMI (*)	3,854,123	1,433,478	3,649,762	231,265
HME (*)	2,330,888	2,273,876	5,838,130	5,282
HMMR	1,902,688	1,011,067	1,545,782	107,410
HACC (*)	1,669,674	898,718	1,949,348	77,031
HMB	1,565,211	1,098,939	980,178	(4,978)
HAOSVT	1,401,744	895,533	1,426,041	118,022
HMCA	838,687	642,741	948,538	31,462

(*) Based on the subsidiary's consolidated financial statements

- (3) The financial statements of all subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting periods as the Company's.

- (4) Summarized cash flows of non-wholly owned subsidiaries that have material non-controlling interests to the Group and subsidiaries of finance segment for the six-month period ended June 30, 2022 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)			
Provided by (used in) operating activities	₩ (574,186)	₩ (1,000,971)	₩ 184,175
Used in investing activities	(147,371)	(33,675)	(16,009)
Provided by financing activities	1,010,138	1,652,033	106,027
Effect of exchange rate changes on cash and cash equivalents	-	-	2,937
Net increase in cash and cash equivalents	₩ 288,581	₩ 617,387	₩ 277,130

Summarized cash flows of non-wholly owned subsidiaries that had material non-controlling interests to the Group and subsidiaries of finance segment for the six-month period ended June 30, 2021 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)			
Provided by (used in) operating activities	₩ 282,404	₩ (528,928)	₩ (52,246)
Provided by (used in) investing activities	(15,954)	(30,711)	172,396
Provided by (used in) financing activities	(273,994)	485,238	(185,390)
Effect of exchange rate changes on cash and cash equivalents	-	-	(2,753)
Net decrease in cash and cash equivalents	₩ (7,544)	₩ (74,401)	₩ (67,993)

- (5) Details of non-wholly owned subsidiaries of the Company that have material non-controlling interests as of and for the six-month period ended June 30, 2022 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)			
Ownership percentage of non-controlling interests	40.32%	63.04%	66.23%
Accumulated non-controlling interests	₩ 2,216,090	₩ 2,450,011	₩ 728,057
Profit attributable to non-controlling interests	96,034	98,156	24,852
Dividends paid to non-controlling interests	-	56,753	-

Details of non-wholly owned subsidiaries of the Company that had material non-controlling interests as of and for the year ended December 31, 2021 are as follows.

Description	HYUNDAI CAPITAL SERVICES, INC.	HYUNDAI CARD CO., LTD.	HYUNDAI ROTEM COMPANY
(In millions of Korean Won)			
Ownership percentage of non-controlling interests	40.32%	63.04%	66.23%
Accumulated non-controlling interests	₩ 2,097,956	₩ 2,379,871	₩ 702,366
Profit attributable to non-controlling interests	170,930	198,059	28,968
Dividends paid to non-controlling interests	37,002	92,463	-

(6) Changes in consolidated subsidiaries

Subsidiaries newly included in or excluded from consolidation for the six-month period ended June 30, 2022 are as follows.

Changes	Name of subsidiaries	Description
Included	Autopia Seventy-Third Asset Securitization Specialty Company	Establishment
"	Super Series Twelfth Securitization Specialty Co., Ltd.	"
"	Super Series Thirteenth Securitization Specialty Co., Ltd.	"
"	Hyundai Motor Group Metaplant America, LLC (HMGMA)	"
"	Hyundai Hydrogen Mobility Germany GmbH (HHMG)	"
Excluded	supernal, LLC	Changed to equity method
"	Super Series Fifth Securitization Specialty Co., Ltd.	Liquidation

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of consolidated financial statements preparation

The Group's condensed consolidated interim financial statements as of June 30, 2022 and for the three-month and six-month periods ended June 30, 2022 and 2021, are prepared in accordance with K-IFRS 1034, *Interim Financial Reporting*. The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements as of and for the year ended December 31, 2021, which have been prepared in accordance with K-IFRS.

There are new or amended accounting standards effective from January 1, 2022, but those standards did not have a material impact on the Group's consolidated financial statements. Except for these standards, the significant accounting policies used for the preparation of the condensed consolidated interim financial statements are consistent with those applied to the annual consolidated financial statements as of and for the year ended December 31, 2021.

(2) Significant accounting estimates and key sources of estimation uncertainties

In the application of the Group's accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that cannot be identified from other sources. The estimation and assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may be different from those estimations.

Management expects that the COVID-19 outbreak from early 2020 will have an impact on most of the regional and operating sectors in which the Group operates. However, as the extent and duration of the impacts of COVID-19 pandemic remain uncertain, the financial impact cannot be reasonably estimated.

Significant judgments made by management on the Group's application of accounting policies and the major sources of estimation uncertainty for the preparation of financial statements to be the same as the annual consolidated financial statements as of and for the year ended December 31, 2021.

3. TRADE NOTES AND ACCOUNTS RECEIVABLE:

(1) Trade notes and accounts receivable as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Trade notes and accounts receivable	₩ 4,130,410	₩ 169,439	₩ 3,190,030	₩ 145,648
Loss allowance	(43,327)	(773)	(42,734)	(773)
Present value discount accounts	-	(10,355)	-	(7,718)
	₩ 4,087,083	₩ 158,311	₩ 3,147,296	₩ 137,157

(2) Aging analysis of trade notes and accounts receivable

As of June 30, 2022, aging analysis of total trade notes and accounts receivable that are past due, but not impaired are as follows.

Description	Not due	Overdue Within 90days	Overdue Within 180days More than 91days	Overdue More than 181 days	Total amounts	Amount of impaired receivables
(In millions of Korean Won)						
Total trade note and accounts receivable	₩ 4,011,872	₩ 164,016	₩ 32,149	₩ 91,812	₩ 4,299,849	₩ 44,100

As of December 31, 2021, aging analysis of total trade notes and accounts receivable that are past due, but not impaired are as follows.

Description	Not due	Overdue Within 90days	Overdue Within 180days More than 91days	Overdue More than 181 days	Total amounts	Amount of impaired receivables
(In millions of Korean Won)						
Total trade note and accounts receivable	₩ 2,998,927	₩ 249,201	₩ 5,437	₩ 82,113	₩ 3,335,678	₩ 43,507

(3) The changes in loss allowance for the six-month periods ended June 30, 2022 and 2021 are as follows

Description	Six-month period ended June 30,	
	2022	2021
(In millions of Korean Won)		
Beginning of the period	₩ 43,507	₩ 55,210
Impairment loss	379	610
Write-off	(143)	(10,779)
Effect of foreign exchange differences and others	357	266
End of the period	₩ 44,100	₩ 45,307

4. OTHER RECEIVABLES:

(1) Other receivables as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
(In millions of Korean Won)				
Accounts receivable – others (*)	₩ 2,847,374	₩ 428,838	₩ 2,785,799	₩ 373,569
Due from customers for contract work	1,431,534	-	1,421,108	-
Lease and rental deposits	10,317	321,511	24,105	310,536
Deposits	8,619	36,234	7,289	33,469
Others	8,906	-	3,546	23,594
Loss allowance	(19,061)	-	(20,877)	-
	<u>₩ 4,287,689</u>	<u>₩ 786,583</u>	<u>₩ 4,220,970</u>	<u>₩ 741,168</u>

(*) As of June 30, 2022 and December 31, 2021, the Group recognized the reimbursement related to the warranty provisions as a separate asset in the amount of ₩1,139,231 million and ₩1,091,859 million, respectively.

(2) The changes in other allowance for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
(In millions of Korean Won)		
Beginning of the period	₩ 20,877	₩ 18,169
Impairment loss	40	30
Write-off	(2,072)	(409)
Effect of foreign exchange differences and others	216	66
End of the period	<u>₩ 19,061</u>	<u>₩ 17,856</u>

5. OTHER FINANCIAL ASSETS:

(1) Other financial assets as of June 30, 2022 are as follows.

Description	June 30, 2022	
	Current	Non-current
(In millions of Korean Won)		
Financial assets measured at FVPL	₩ 10,214,310	₩ 266,034
Financial assets measured at FVOCI	46,533	2,676,592
Financial assets measured at amortized cost	17,556	8,540
Derivative assets that are effective hedging instruments	427,908	955,304
	<u>₩ 10,706,307</u>	<u>₩ 3,906,470</u>

Other financial assets as of December 31, 2021 are as follows.

Description	December 31, 2021	
	Current	Non-current
(In millions of Korean Won)		
Financial assets measured at FVPL	₩ 12,249,980	₩ 222,120
Financial assets measured at FVOCI	25,150	2,886,373
Financial assets measured at amortized cost	18,466	8,729
Derivative assets that are effective hedging instruments	103,050	422,064
	<u>₩ 12,396,646</u>	<u>₩ 3,539,286</u>

(2) Financial assets measured at FVOCI as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Acquisition cost	Book value	Book value	
		(In millions of Korean Won)		
Debt instruments	₩ 536,211	₩ 509,740	₩	450,711
Equity instruments (*)	2,381,446	2,213,385		2,460,812
	₩ 2,917,657	₩ 2,723,125	₩	2,911,523

(*) The Group makes an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is not held for trading at the date of initial recognition.

(3) Equity instruments classified into financial assets measured at FVOCI as of June 30, 2022 and December 31, 2021 are as follows.

Name of the company	Ownership percentage (%)	June 30, 2022		December 31, 2021	
		Acquisition cost	Book value	Book value	
		(In millions of Korean Won)			
Hyundai Steel Company (*1)	6.87	₩ 835,375	₩ 338,357	₩	434,277
Hyundai Glovis Co., Ltd.	4.88	210,688	328,654		314,922
ANI Technologies Private Limited (OLA)	3.38	278,955	290,116		290,116
Korea Aerospace Industries, Ltd. (*2)	-	73,331	254,529		153,522
Hyundai Oilbank Co., Ltd.	4.35	53,734	230,812		230,812
Grab Holdings Limited	1.11	442,922	140,285		362,508
HD Hyundai (*3)	2.20	9,018	103,045		94,892
NICE Information Service Co., Ltd.	2.25	3,312	19,669		24,587
Hyundai Green Food Co., Ltd.	2.36	15,005	17,977		20,077
Hyundai M Partners Co., Ltd.	9.29	9,888	17,425		13,954
KT Corporation	0.09	8,655	8,751		7,443
NICE Holdings Co., Ltd.	1.30	3,491	7,276		7,866
Hyundai Asan Corporation	1.40	22,500	2,117		2,117
Others		414,572	454,372		503,719
		₩ 2,381,446	₩ 2,213,385	₩	2,460,812

(*1) The Group entered into a total return swap agreement to transfer 1,367,114 shares out of total 10,540,709 shares with a third party.

(*2) The Group entered into a total return swap agreement to transfer total shares with a third party.

(*3) During the six-month period ended June 30, 2022, the name of company has been changed from Hyundai Heavy Industries Holdings Co., Ltd. to HD Hyundai.

6. INVENTORIES:

Inventories as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
		(In millions of Korean Won)		
Finished goods	₩	6,940,112	₩	5,987,233
Merchandise		87,278		59,518
Semifinished goods		652,446		711,155
Work in progress		603,739		692,832
Raw materials		3,841,880		2,536,671
Supplies		343,488		315,871
Materials in transit		463,677		730,970
Others (*1)		725,450		611,391
Total (*2)	₩	13,658,070	₩	11,645,641

(*1) As of June 30, 2022 and December 31, 2021, others include inventories provided by operating lease with repurchase agreement in the amount of ₩192,201 million and ₩143,641 million, respectively.

(*2) As of June 30, 2022 and December 31, 2021, the Group recognized a valuation allowance in the amount of ₩158,899 million and ₩167,888 million, respectively.

7. OTHER ASSETS:

Other assets as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accrued income	₩ 404,556	₩ 596	₩ 353,643	₩ 716
Advanced payments	805,893	-	662,919	-
Prepaid expenses	698,529	1,301,980	558,336	1,108,621
Prepaid value-added tax and others	449,828	76,637	506,955	81,947
	₩ 2,358,806	₩ 1,379,213	₩ 2,081,853	₩ 1,191,284

8. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE:

Non-current assets classified as held for sale and non-current liabilities classified as held for sale as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Building and others	₩	28,885	₩	28,121
Associates (*)		412,359		-
	₩	441,244	₩	28,121
Non-current liabilities classified as held for sale (*)		57,953		-

(*) During the six-month period ended June 30, 2022, the Group decided to contribute all shares of Boston Dynamics, Inc. to HMG Global LLC (to be established). Accordingly, investment in Boston Dynamics, Inc. and the related put option liability have been reclassified separately as non-current asset held for sale and non-current liability held for sale. In addition, the cumulative other comprehensive income related to Boston Dynamics, Inc. is ₩53,970 million as of June 30, 2022.

9. PROPERTY, PLANT AND EQUIPMENT:

The changes in property, plant and equipment ("PP&E") for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 35,543,083	₩ 34,092,229
Acquisitions	1,449,936	1,599,079
Disposals	(193,777)	(54,940)
Depreciation	(1,552,527)	(1,400,783)
Transfer to assets classified as held for sale	-	(28,532)
Others (*)	640,300	148,464
End of the period	₩ 35,887,015	₩ 34,355,517

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

10. INVESTMENT PROPERTY:

(1) The changes in investment property for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 156,656	₩ 160,967
Depreciation	(2,701)	(2,700)
Effect of foreign exchange differences	441	537
Others (*)	201	1,537
End of the period	₩ 154,597	₩ 160,341

(*) Others include transfers from or to other accounts and others.

(2) Income and expenses related to investment property for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Rental income	₩ 10,968	₩ 21,167	₩ 12,387	₩ 24,276
Operating and maintenance expenses	3,218	6,447	3,475	6,671

11. INTANGIBLE ASSETS:

(1) The changes in intangible assets for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 5,846,986	₩ 5,677,567
Internal developments and external acquisitions	631,070	569,403
Disposals	(30,503)	(10,768)
Amortization	(883,978)	(761,076)
Impairment loss	(19,303)	(7,612)
Others (*)	143,442	536,175
End of the period	₩ 5,687,714	₩ 6,003,689

(*) Others include the effect of foreign exchange differences, transfers from or to other accounts, changes in the scope of consolidation and others.

(2) Research and development expenditures for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Development costs (intangible assets)	₩ 280,025	₩ 509,182	₩ 255,336	₩ 487,953
Research and development (*1)	475,396	895,045	371,963	718,638
Total (*2)	₩ 755,421	₩ 1,404,227	₩ 627,299	₩ 1,206,591

(*1) Presented in manufacturing costs, administrative expenses.

(*2) Amortization of development costs is not included.

12. LEASES (AS A LESSEE):

(1) The changes in right-of-use assets for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 940,826	₩ 836,324
Acquisitions	135,240	221,115
Disposals	(56,927)	(89,963)
Depreciation	(100,027)	(98,528)
Others (*)	(19,975)	5,628
End of the period	₩ 899,137	₩ 874,576

(*) Others include the effect of foreign exchange differences, changes in the scope of consolidation and others.

(2) Lease liabilities as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Undiscounted lease liabilities	₩ 1,091,284	₩ 1,150,757
Discounted lease liabilities	889,719	950,572
Current	156,268	167,266
Non-current	733,451	783,306

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

(1) Investments in joint ventures and associates as of June 30, 2022 and December 31, 2021 are as follows.

Name of the company	Nature of business	Location	Ownership percentage (%)	June 30, 2022		December 31, 2021	
					Book value (In millions of Korean Won)		Book value
Beijing Hyundai Qiche Financing Company (BHAF) (*1,3)	Financing	China	53.00	₩	784,638	₩	736,704
Beijing-Hyundai Motor Company (BHMC) (*1)	Manufacturing	China	50.00		480,751		345,950
Hyundai WIA Automotive Engine (Shandong) Company (WAE)	Manufacturing	China	31.40		241,136		245,868
Motional AD LLC (*1)	R&D	USA	25.95		1,026,387		1,025,263
supernal, LLC (*1,6)	R&D	USA	44.44		242,902		-
Boston Dynamics, Inc. (*5)	R&D	USA	30.00		-		414,634
Hyundai Capital Bank Europe GmbH (HCBE)	Financing	Germany	49.00		495,427		498,050
Kia Corporation	Manufacturing	Korea	33.88		12,660,568		11,620,132
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95		3,017,534		2,935,786
Hyundai Transys Inc.	Manufacturing	Korea	41.13		1,137,174		1,085,858
Hyundai WIA Corporation	Manufacturing	Korea	25.35		823,658		729,053
Hyundai Autoever Corp. (*4)	IT service	Korea	31.59		420,640		410,935
Hyundai Motor Securities Co., Ltd.	Securities Brokerage	Korea	25.43		330,055		314,532
Hyundai Commercial Inc.	Financing	Korea	37.50		326,472		339,300
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00		229,783		186,489
Haevichi Hotels & Resorts Co., Ltd.	Hotelkeeping	Korea	41.90		97,429		98,894
Others					1,622,146		1,441,669
				₩	23,936,700	₩	22,429,117

- (*1) Each of the joint arrangements in which the Group retains joint control is structured through a separate entity and there are no contractual terms stating that the parties retain rights to the assets and obligations for the liabilities relating to the joint arrangement or other relevant facts and circumstances. As a result, the Group considers that the parties that retain joint control in the arrangement have rights to the net assets and classifies the joint arrangements as joint ventures. Also, there are restrictions, which require consent from the director who is designated by the other investors, for certain transactions, such as payment of dividend.
- (*2) As the Group is considered to be able to exercise significant influence by representation on the board of directors of the investee and other reasons, although the total ownership percentage is less than 20%, the investment is accounted for using the equity method.
- (*3) The entity is categorized as a joint venture although the Group's total ownership percentage is a majority share of 53%, because the Group does not have control over the entity by virtue of an agreement with the other investors.
- (*4) During the year ended December 31, 2021, as the merger with Hyundai Autron Company Ltd., the subsidiary of the Company, and HYUNDAI MNSOFT, Inc., the associate of the Company, was completed, the Group's ownership percentage was changed from 28.48% to 31.59%.
- (*5) Share acquisition was completed during the year ended December 31, 2021, and the acquisition cost is measured as the cash paid and the value of put option owned by other investors. During the six-month period ended June 30, 2022, the Group decided to contribute all shares of Boston Dynamics, Inc. to HMG Global LLC (to be established). Accordingly, investment in Boston Dynamics, Inc. has been reclassified as non-current asset held for sale. In addition, the cumulative other comprehensive income related to Boston Dynamics, Inc. is ₩53,970 million.
- (*6) During the six-month ended June 30, 2022, the classification of supernal, LLC was changed from a subsidiary to investment in an associate due to loss of control. In addition, the name of company was changed from Genesis Air Mobility LLC to supernal, LLC, during the year ended December 31, 2021.

- (2) The changes in investments in joint ventures and associates for the six-month period ended June 30, 2022 are as follows.

Name of the company	Beginning of the period	Acquisitions (disposals)	Share of profits (losses) for the period	Dividends	Others (*)	End of the period
(In millions of Korean Won)						
BHAF	₩ 736,704	₩ -	₩ 21,951	₩ -	₩ 25,983	₩ 784,638
BHMC	345,950	287,695	(164,515)	-	11,621	480,751
WAE	245,868	-	(12,712)	-	7,980	241,136
Motional AD LLC	1,025,263	-	(87,124)	-	88,248	1,026,387
supernal, LLC	-	194,596	(26,014)	-	74,320	242,902
Boston Dynamics, Inc.	414,634	-	(37,483)	-	(377,151)	-
HCBE	498,050	-	6,174	-	(8,797)	495,427
Kia Corporation	11,620,132	-	1,013,904	(411,955)	438,487	12,660,568
Hyundai Engineering & Construction Co., Ltd.	2,935,786	-	73,551	(13,996)	22,193	3,017,534
Hyundai Transys Inc.	1,085,858	-	35,687	-	15,629	1,137,174
Hyundai WIA Corporation	729,053	-	65,247	(4,826)	34,184	823,658
Hyundai Autoever Corp.	410,935	-	14,205	(6,065)	1,565	420,640
Hyundai Motor Securities Co., Ltd.	314,532	-	17,069	(6,453)	4,907	330,055
Hyundai Commercial Inc.	339,300	-	44,934	(20,000)	(37,762)	326,472
Eukor Car Carriers Inc.	186,489	-	28,291	(7,392)	22,395	229,783
Haevichi Hotels & Resorts Co., Ltd.	98,894	-	(1,484)	-	19	97,429
Others	1,441,669	88,244	33,911	(15,544)	73,866	1,622,146
	<u>₩ 22,429,117</u>	<u>₩ 570,535</u>	<u>₩ 1,025,592</u>	<u>₩ (486,231)</u>	<u>₩ 397,687</u>	<u>₩ 23,936,700</u>

(*) Others consist of changes in accumulated other comprehensive income (loss) and others.

The changes in investments in joint ventures and associates for the six-month period ended June 30, 2021 are as follows.

Name of the company	Beginning of the period	Acquisitions (disposals)	Share of profits (losses) for the period	Dividends	Others (*)	End of the period
(In millions of Korean Won)						
BHAF	₩ 627,895	₩ -	₩ 39,140	₩ (15,880)	₩ 30,010	₩ 681,165
BHMC	779,958	-	(212,928)	-	35,555	602,585
WAE	224,979	-	(2,880)	-	9,997	232,096
Motional AD LLC	1,053,282	-	(56,109)	-	43,026	1,040,199
Boston Dynamics, Inc.	-	426,001	-	-	-	426,001
HCBE	495,999	-	(466)	-	2,460	497,993
Kia Corporation	9,972,824	-	813,226	(137,318)	125,011	10,773,743
Hyundai Engineering & Construction Co., Ltd.	2,835,399	-	32,715	(13,996)	6,627	2,860,745
Hyundai Transys Inc.	1,017,906	-	40,765	-	7,975	1,066,646
Hyundai WIA Corporation	694,991	-	21,812	(4,826)	7,860	719,837
Hyundai Autoever Corp.	158,073	-	9,604	(4,485)	228,924	392,116
Hyundai Motor Securities Co., Ltd.	310,472	-	12,552	(5,444)	(11,538)	306,042
Hyundai Commercial Inc.	261,601	-	27,350	(3,750)	(12,408)	272,793
Eukor Car Carriers Inc.	150,503	-	913	-	5,902	157,318
Haevichi Hotels & Resorts Co., Ltd.	97,655	-	871	-	1	98,527
Others	1,243,723	95,191	11,330	(3,045)	(28,300)	1,318,899
	<u>₩ 19,925,260</u>	<u>₩ 521,192</u>	<u>₩ 737,895</u>	<u>₩ (188,744)</u>	<u>₩ 451,102</u>	<u>₩ 21,446,705</u>

(*) Others consist of changes in accumulated other comprehensive income (loss) and others.

(3) Summarized financial information of the Group's major joint ventures and associates as of and for the six-month period ended June 30, 2022 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	(In millions of Korean Won)			
BHAF (*)	₩ 5,247,224	₩ -	₩ 3,766,775	₩ -
BHMC	1,885,748	3,844,673	3,844,111	874,737
WAE	563,577	515,947	158,406	189,864
Motional AD LLC	700,021	3,558,543	129,193	99,565
supernal, LLC	561,874	140,041	45,998	109,325
HCBE (*)	8,142,944	-	7,126,433	-
Kia Corporation	34,096,074	38,639,829	24,884,224	9,916,901
Hyundai Engineering & Construction Co., Ltd.	15,175,228	5,350,605	8,156,103	2,515,189
Hyundai Transys Inc.	4,237,098	3,181,794	2,899,165	1,700,035
Hyundai WIA Corporation	4,317,937	3,635,592	1,993,230	1,922,545
Hyundai Autoever Corp.	1,415,291	871,918	662,624	221,337
Hyundai Motor Securities Co., Ltd. (*)	9,311,617	-	8,094,130	-
Hyundai Commercial Inc. (*)	11,208,518	-	9,942,134	-
Eukor Car Carriers Inc.	849,130	3,336,832	725,114	1,548,171
Haevichi Hotels & Resorts Co., Ltd.	46,856	410,867	245,979	41,422

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
	(In millions of Korean Won)			
BHAF (*)	₩ 200,216	₩ 41,418	₩ -	₩ 41,418
BHMC	1,876,032	(306,194)	-	(306,194)
WAE	167,732	(31,837)	-	(31,837)
Motional AD LLC	157	(345,499)	(16,563)	(362,062)
supernal, LLC	-	(58,534)	-	(58,534)
HCBE (*)	448,467	13,097	9,136	22,233
Kia Corporation	40,233,220	2,913,549	1,308,026	4,221,575
Hyundai Engineering & Construction Co., Ltd.	9,724,751	408,053	132,201	540,254
Hyundai Transys Inc.	4,790,208	86,833	46,842	133,675
Hyundai WIA Corporation	3,878,590	212,930	148,153	361,083
Hyundai Autoever Corp.	1,189,788	40,026	6,597	46,623
Hyundai Motor Securities Co., Ltd. (*)	588,133	67,114	17,978	85,092
Hyundai Commercial Inc. (*)	289,565	118,365	(93,469)	24,896
Eukor Car Carriers Inc.	1,250,450	236,568	156,730	393,298
Haevichi Hotels & Resorts Co., Ltd.	66,942	(3,411)	36	(3,375)

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

Summarized financial information of the Group's major joint ventures and associates as of and for the six-month period ended June 30, 2021 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	(In millions of Korean Won)			
BHAF (*)	₩ 5,180,258	₩ -	₩ 3,895,041	₩ -
BHMC	2,713,452	4,121,983	4,679,743	902,191
WAE	593,605	562,373	170,077	285,068
Motional AD LLC	829,829	3,433,549	72,393	95,757
Boston Dynamics, Inc.	244,931	248,850	86,614	80,013
HCBE (*)	6,225,002	-	5,233,981	-
Kia Corporation	28,836,861	35,068,871	21,270,553	10,320,165
Hyundai Engineering & Construction Co., Ltd.	13,699,348	4,678,290	6,820,458	2,597,555
Hyundai Transys Inc.	3,657,815	2,808,483	2,289,144	1,539,681
Hyundai WIA Corporation	4,065,652	3,612,528	2,072,985	1,988,170
Hyundai Autoever Corp.	1,278,566	814,309	526,202	241,446
Hyundai Motor Securities Co., Ltd. (*)	9,874,245	-	8,755,567	-
Hyundai Commercial Inc. (*)	9,503,716	-	8,179,957	-
Eukor Car Carriers Inc.	295,388	2,966,838	542,653	1,410,776
Haevichi Hotels & Resorts Co., Ltd.	44,664	408,832	225,318	54,655

Name of the company	Sales	Profit (loss) for the period from continuing operations	Other comprehensive income (loss)	Total comprehensive income (loss)
	(In millions of Korean Won)			
BHAF (*)	₩ 215,126	₩ 73,847	₩ -	₩ 73,847
BHMC	3,165,611	(436,264)	-	(436,264)
WAE	436,060	4,022	-	4,022
Motional AD LLC	384	(223,478)	(502)	(223,980)
Boston Dynamics, Inc.	22,680	(87,207)	-	(87,207)
HCBE (*)	344,424	(1,125)	4,798	3,673
Kia Corporation	34,921,226	2,377,944	446,329	2,824,273
Hyundai Engineering & Construction Co., Ltd.	8,533,102	279,368	45,512	324,880
Hyundai Transys Inc.	4,148,877	97,250	11,239	108,489
Hyundai WIA Corporation	3,834,854	60,833	48,925	109,758
Hyundai Autoever Corp.	514,662	23,079	370	23,449
Hyundai Motor Securities Co., Ltd. (*)	430,235	72,498	4,133	76,631
Hyundai Commercial Inc. (*)	228,242	78,231	(25,644)	52,587
Eukor Car Carriers Inc.	793,694	8,626	49,091	57,717
Haevichi Hotels & Resorts Co., Ltd.	53,650	1,904	1	1,905

(*) The companies operate financial business and their total assets (liabilities) are included in current assets (liabilities) as the companies do not distinguish current and non-current portion in their separate financial statements.

- (4) Summarized additional financial information of the Group's major joint ventures as of and for the six-month period ended June 30, 2022 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHAF (*)	₩ 1,071,803	₩ 3,595,935	₩ -	₩ 7,541	₩ 198,835	₩ 76,052	₩ 15,607
BHMC	917,693	389,456	616,912	307,219	5,204	21,342	1,428
Motional AD LLC	80,358	15,901	70,350	37,180	2,403	-	5,092
supernal, LLC	559,831	-	-	3,901	261	1,765	-

- (*) Operating finance business of which total assets (liabilities) are included in current financial liabilities as BHAF does not distinguish current and non-current portion in its separate financial statements.

Summarized additional financial information of the Group's major joint ventures as of and for the six-month period ended June 30, 2021 is as follows.

Name of the company	Cash and cash equivalents	Current financial liabilities	Non-current financial liabilities	Depreciation and amortization	Interest income	Interest expenses	Income tax expense
(In millions of Korean Won)							
BHAF (*)	₩ 663,306	₩ 3,796,771	₩ -	₩ 3,900	₩ 209,881	₩ 89,083	₩ 25,227
BHMC	705,475	511,932	621,896	238,930	4,880	41,753	1,298
Motional AD LLC	84,269	9,740	59,606	39,462	1,755	-	(14,154)

- (*) Operating finance business of which total assets (liabilities) are included in current financial liabilities as BHAF does not distinguish current and non-current portion in its separate financial statements.

- (5) Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of June 30, 2022 is as follows.

Name of the company	Group's share of net assets	Goodwill	Unrealized profit (loss) and others	Carrying amounts
(In millions of Korean Won)				
BHAF	₩ 784,638	₩ -	₩ -	₩ 784,638
BHMC	505,787	-	(25,036)	480,751
WAE (*)	233,288	7,809	39	241,136
Motional AD LLC	1,045,614	-	(19,227)	1,026,387
supernal, LLC	242,908	-	(6)	242,902
HCBE	485,218	22,341	(12,132)	495,427
Kia Corporation	12,526,850	197,089	(63,371)	12,660,568
Hyundai Engineering & Construction Co., Ltd. (*)	2,286,040	731,362	132	3,017,534
Hyundai Transys Inc.	1,122,478	-	14,696	1,137,174
Hyundai WIA Corporation	918,453	-	(94,795)	823,658
Hyundai Autoever Corp. (*)	361,719	58,822	99	420,640
Hyundai Motor Securities Co., Ltd.	290,003	40,052	-	330,055
Hyundai Commercial Inc.	326,472	-	-	326,472
Eukor Car Carriers Inc.	229,521	-	262	229,783
Haevichi Hotels & Resorts Co., Ltd. (*)	93,853	3,576	-	97,429

- (*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

Reconciliation of the Group's share of net assets of the Group's major joint ventures and associates to their carrying amounts as of December 31, 2021 is as follows.

Name of the company	Group's share of net assets	Goodwill	Unrealized profit (loss) and others	Carrying amounts
		(In millions of Korean Won)		
BHAF	₩ 736,704	₩ -	₩ -	₩ 736,704
BHMC	371,198	-	(25,248)	345,950
WAE (*)	238,021	7,809	38	245,868
Motional AD LLC	1,047,834	-	(22,571)	1,025,263
Boston Dynamics, Inc. (*)	199,325	209,428	5,881	414,634
HCBE	474,523	22,341	1,186	498,050
Kia Corporation	11,505,153	197,089	(82,110)	11,620,132
Hyundai Engineering & Construction Co., Ltd. (*)	2,204,424	731,362	-	2,935,786
Hyundai Transys Inc.	1,070,931	-	14,927	1,085,858
Hyundai WIA Corporation	823,381	-	(94,328)	729,053
Hyundai Autoever Corp. (*)	352,013	58,822	100	410,935
Hyundai Commercial Inc.	339,300	-	-	339,300
Hyundai Motor Securities Co., Ltd.	275,563	40,052	(1,083)	314,532
Eukor Car Carriers Inc.	186,227	-	262	186,489
Haevichi Hotels & Resorts Co., Ltd. (*)	95,318	3,576	-	98,894

(*) The difference between the carrying amount and the fair value of the investee's identifiable assets and liabilities as of the acquisition date is included in the amount of net assets.

(6) The market price of major listed equity securities as of June 30, 2022 is as follows.

Name of the company	Price per share	Total number of shares	Market value
	(In millions of Korean Won, except price per share)		
Kia Corporation	₩ 77,300	137,318,251	₩ 10,614,701
Hyundai Autoever Corp.	112,500	8,664,334	974,738
Hyundai Engineering & Construction Co., Ltd.	41,350	23,327,400	964,588
Hyundai WIA Corporation	55,800	6,893,596	384,663
Hyundai Motor Securities Co., Ltd.	9,760	8,065,595	78,720

14. FINANCIAL SERVICES RECEIVABLES:

(1) Financial services receivables as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Loans	₩ 67,819,082	₩ 61,959,509
Card receivables	19,755,633	18,728,408
Financial lease receivables	2,096,708	2,123,472
Others	20,403	35,291
	89,691,826	82,846,680
Loss allowance	(1,585,091)	(1,551,987)
Loan origination fee	(123,443)	(231,762)
Present value discount accounts	(42,079)	(33,799)
	₩ 87,941,213	₩ 81,029,132

- (2) The changes in loss allowance of financial services receivables for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 1,551,987	₩ 1,685,229
Impairment loss	299,694	331,341
Write-off	(286,811)	(370,551)
Disposals and others	(16,985)	(39,169)
Effect of foreign exchange differences	37,206	16,850
End of the period	₩ 1,585,091	₩ 1,623,700

- (3) Gross investments in financial leases and their present value of minimum lease receipts as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Gross investments in financial leases	Present value of minimum lease payment receivable	Gross investments in financial leases	Present value of minimum lease payment receivable
	(In millions of Korean Won)			
Not later than one year	₩ 879,803	₩ 777,936	₩ 888,358	₩ 788,739
Later than one year and not later than five years	1,415,337	1,309,469	1,421,468	1,324,645
Later than five years	5,494	5,292	6,475	6,236
	₩ 2,300,634	₩ 2,092,697	₩ 2,316,301	₩ 2,119,620

- (4) Unearned interest income of financial leases as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Gross investments in financial lease	₩	2,300,634	₩	2,316,301
Net lease investments:				
Present value of minimum lease payment receivable		2,092,697		2,119,620
Present value of unguaranteed residual value		4,011		3,852
		2,096,708		2,123,472
Unearned interest income	₩	203,926	₩	192,829

15. **INVESTMENTS IN OPERATING LEASES (AS A LESSOR):**

- (1) Investments in operating leases as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Acquisition cost	₩	33,108,882	₩	29,980,884
Accumulated depreciation		(4,172,700)		(3,477,632)
Accumulated impairment loss		(195,683)		(175,256)
	₩	28,740,499	₩	26,327,996

- (2) Future minimum lease payment receivable related to investments in operating leases as of June 30, 2022 and December 31, 2021 is as follows.

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Not later than one year	₩ 4,977,900	₩ 5,323,499
Later than one year and not later than five years	6,160,654	5,744,918
Later than five years	215	77
	₩ 11,138,769	₩ 11,068,494

16. **BORROWINGS AND DEBENTURES:**

- (1) Short-term borrowings as of June 30, 2022 and December 31, 2021 are as follows.

Description	Lender	Annual interest rate (%)	June 30, 2022	December 31, 2021
			(In millions of Korean Won)	
Overdrafts	Citi Bank and others	0.12~2.38	₩ 104,783	₩ 456,044
General borrowings	Korea Development Bank and others	0.12~14.10	3,594,849	3,994,073
Borrowings collateralized by trade receivables	Hana Bank and others	0.00001~12.46	3,539,725	3,059,551
Banker's Usance	Hana Bank and others	0.11~5.57	760,733	786,755
Commercial paper	Shinhan Bank and others	0.39~4.20	4,200,753	4,791,413
			₩ 12,200,843	₩ 13,087,836

- (2) Long-term debt as of June 30, 2022 and December 31, 2021 are as follows.

Description	Lender	Annual interest rate (%)	June 30, 2022	December 31, 2021
			(In millions of Korean Won)	
General borrowings	Mizuho Bank and others	0.37~14.45	₩ 10,100,365	₩ 9,738,949
Credit facilities	Korea Development Bank and others	1.57~9.13	546,950	540,600
Commercial paper	BNK Investment & Securities and others	1.27~3.78	2,350,000	1,650,000
Asset-backed securities	HSBC and others	1.65~2.37	5,002,635	4,136,643
Others (*)	NH Investment & Securities and others		392,032	392,032
			18,391,982	16,458,224
Less: present value discounts			(84,793)	(88,059)
Less: current maturities			(5,659,829)	(5,702,434)
			₩ 12,647,360	₩ 10,667,731

- (*) The Group transferred a portion of its voting shares to a third party with the total revenue swap agreement. However, the Group still recognizes it as the financial asset because the Group still owns the majority of the risks and rewards of ownership of the transferred shares. Also, the Group recognized the amount received from disposal as borrowings.

(3) Debentures as of June 30, 2022 and December 31, 2021 are as follows.

Description	Latest maturity date	Annual interest rate	June 30, 2022	December 31, 2021
		(%)	(In millions of Korean Won)	
Non-guaranteed public debentures	March 29, 2032	0.96~3.75	₩ 34,076,678	₩ 31,533,051
Non-guaranteed private debentures	April 8, 2030	0.80~6.38	28,524,925	27,604,469
Asset-backed securities	June 15, 2028	0.19~3.82	21,832,543	19,359,999
			84,434,146	78,497,519
Less: discount on debentures			(169,782)	(162,242)
Less: current maturities			(20,281,847)	(14,876,468)
			₩ 63,982,517	₩ 63,458,809

17. PROVISIONS:

The changes in provisions for the six-month period ended June 30, 2022 are as follows.

Description	Warranty	Other long-term employee benefits	Others
	(In millions of Korean Won)		
Beginning of the period	₩ 9,048,185	₩ 676,432	₩ 1,154,167
Charged	1,951,704	37,142	342,115
Utilized	(1,482,489)	(45,410)	(352,963)
Effect of foreign exchange differences and others	212,943	43	29,369
End of the period	₩ 9,730,343	₩ 668,207	₩ 1,172,688

The changes in provisions for the six-month period ended June 30, 2021 are as follows.

Description	Warranty	Other long-term employee benefits	Others
	(In millions of Korean Won)		
Beginning of the period	₩ 8,514,173	₩ 729,996	₩ 1,126,719
Charged	1,569,722	33,589	324,134
Utilized	(1,162,329)	(44,985)	(377,649)
Effect of foreign exchange differences and others	95,093	(70)	19,530
End of the period	₩ 9,016,659	₩ 718,530	₩ 1,092,734

18. OTHER FINANCIAL LIABILITIES:

(1) Other financial liabilities as of June 30, 2022 are as follows.

Description	June 30, 2022	
	Current	Non-current
	(In millions of Korean Won)	
Financial liabilities measured at FVPL	₩ 12,828	₩ 1,952
Derivative liabilities that are effective hedging instruments	243,258	21,470
Financial Liabilities measured at amortized cost	138	979
	₩ 256,224	₩ 24,401

(2) Other financial liabilities as of December 31, 2021 are as follows.

Description	December 31, 2021	
	Current	Non-current
	(In millions of Korean Won)	
Financial liabilities measured at FVPL	₩ 674	₩ 53,427
Derivative liabilities that are effective hedging instruments	54,365	32,705
Financial Liabilities measured at amortized cost	148	1,126
	₩ 55,187	₩ 87,258

19. OTHER LIABILITIES:

Other liabilities as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Advances received	₩ 1,418,457	₩ 57,075	₩ 1,235,937	₩ 42,482
Withholdings	1,117,447	206,631	968,318	197,714
Accrued expenses	4,267,284	-	2,851,174	-
Unearned income	1,041,905	2,827,494	864,536	2,356,667
Due to customers for contract work	977,637	-	902,124	-
Others	672,123	738,908	618,031	747,755
	₩ 9,494,853	₩ 3,830,108	₩ 7,440,120	₩ 3,344,618

20. FINANCIAL INSTRUMENTS:

(1) Financial assets by categories as of June 30, 2022 are as follows.

Description	Financial assets measured at FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Derivative assets that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)						
Cash and cash equivalents	₩ -	₩ 16,129,381	₩ -	₩ -	₩ 16,129,381	₩ 16,129,381
Short-term and long-term financial instruments	-	7,461,313	-	-	7,461,313	7,461,313
Trade notes and accounts receivable	-	4,245,394	-	-	4,245,394	4,245,394
Other receivables	-	2,027,024	-	-	2,027,024	2,027,024
Other financial assets	10,480,344	26,096	2,723,125	1,383,212	14,612,777	14,612,777
Other assets	21,024	386,521	-	-	407,545	407,545
Financial services receivables	-	87,941,213	-	-	87,941,213	84,159,418
	<u>₩ 10,501,368</u>	<u>₩ 118,216,942</u>	<u>₩ 2,723,125</u>	<u>₩ 1,383,212</u>	<u>₩ 132,824,647</u>	<u>₩ 129,042,852</u>

Financial assets by categories as of December 31, 2021 are as follows.

Description	Financial assets measured at FVPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Derivative assets that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)						
Cash and cash equivalents	₩ -	₩ 12,795,554	₩ -	₩ -	₩ 12,795,554	₩ 12,795,554
Short-term and long-term financial instruments	-	7,255,743	-	-	7,255,743	7,255,743
Trade notes and accounts receivable	-	3,284,453	-	-	3,284,453	3,284,453
Other receivables	-	2,076,803	-	-	2,076,803	2,076,803
Other financial assets	12,472,100	27,195	2,911,523	525,114	15,935,932	15,935,932
Other assets	23,568	331,353	-	-	354,921	354,921
Financial services receivables	-	81,029,132	-	-	81,029,132	81,059,639
	<u>₩ 12,495,668</u>	<u>₩ 106,800,233</u>	<u>₩ 2,911,523</u>	<u>₩ 525,114</u>	<u>₩ 122,732,538</u>	<u>₩ 122,763,045</u>

(2) Financial liabilities by categories as of June 30, 2022 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortized cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 10,178,321	₩ -	₩ 10,178,321	₩ 10,178,321
Other payables	-	4,883,279	-	4,883,279	4,883,279
Borrowings and debentures	28,861	114,743,535	-	114,772,396	111,505,367
Other financial liabilities	14,780	1,117	264,728	280,625	280,625
Lease liabilities	-	889,719	-	889,719	889,719
Other liabilities	-	2,909,950	-	2,909,950	2,909,950
	₩ 43,641	₩ 133,605,921	₩ 264,728	₩ 133,914,290	₩ 130,647,261

Financial liabilities by categories as of December 31, 2021 are as follows.

Description	Financial liabilities measured at FVPL	Financial liabilities measured at amortized cost	Derivative liabilities that are effective hedging instruments	Book value	Fair value
(In millions of Korean Won)					
Trade notes and accounts payable	₩ -	₩ 9,155,255	₩ -	₩ 9,155,255	₩ 9,155,255
Other payables	-	5,422,320	-	5,422,320	5,422,320
Borrowings and debentures	-	107,793,278	-	107,793,278	108,112,411
Other financial liabilities	54,101	1,274	87,070	142,445	142,445
Lease liabilities	-	950,572	-	950,572	950,572
Other liabilities	-	2,415,891	-	2,415,891	2,415,891
	₩ 54,101	₩ 125,738,590	₩ 87,070	₩ 125,879,761	₩ 126,198,894

(3) Fair value estimation

The Group categorizes the assets and liabilities measured at fair value into the following three-level fair value hierarchy in accordance with the inputs used for fair value measurement.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements of financial instruments by fair value hierarchy levels as of June 30, 2022 are as follows.

Description	June 30, 2022			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 105,818	₩ 10,200,523	₩ 195,027	₩ 10,501,368
Derivative assets that are effective hedging instruments	-	1,383,212	-	1,383,212
Financial assets measured at FVOCI	1,410,119	486,102	826,904	2,723,125
	<u>₩ 1,515,937</u>	<u>₩ 12,069,837</u>	<u>₩ 1,021,931</u>	<u>₩ 14,607,705</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 14,780	₩ 28,861	₩ 43,641
Derivative liabilities that are effective hedging instruments	-	262,996	1,732	264,728
	<u>₩ -</u>	<u>₩ 277,776</u>	<u>₩ 30,593</u>	<u>₩ 308,369</u>

Fair value measurements of financial instruments by fair value hierarchy levels as of December 31, 2021 are as follows.

Description	December 31, 2021			
	Level 1	Level 2	Level 3	Total
	(In millions of Korean Won)			
Financial assets:				
Financial assets measured at FVPL	₩ 107,290	₩ 12,226,048	₩ 162,330	₩ 12,495,668
Derivative assets that are effective hedging instruments	-	525,114	-	525,114
Financial assets measured at FVOCI	1,561,959	435,797	913,767	2,911,523
	<u>₩ 1,669,249</u>	<u>₩ 13,186,959</u>	<u>₩ 1,076,097</u>	<u>₩ 15,932,305</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 962	₩ 53,139	₩ 54,101
Derivative liabilities that are effective hedging instruments	-	87,070	-	87,070
	<u>₩ -</u>	<u>₩ 88,032</u>	<u>₩ 53,139</u>	<u>₩ 141,171</u>

The changes in financial instruments classified as Level 3 for the six-month period ended June 30, 2022 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	Others	End of the period
	(In millions of Korean Won)					
Financial assets measured at FVPL	₩ 162,330	₩ 37,679	₩ (5,150)	₩ 168	₩ -	₩ 195,027
Financial assets measured at FVOCI	913,767	4,428	-	17,178	(108,469)	826,904
Financial liabilities measured at FVPL	53,139	28,861	-	-	(53,139)	28,861
Derivative liabilities that are effective hedging instruments	-	1,732	-	-	-	1,732

The changes in financial instruments classified as Level 3 for the six-month period ended June 30, 2021 are as follows.

Description	Beginning of the period	Purchases	Disposals	Valuation	Others	End of the period
(In millions of Korean Won)						
Financial assets measured at FVPL	₩ 515,020	₩ 19,503	₩ (726)	₩ 17,122	₩ 3,667	₩ 554,586
Financial assets measured at FVOCI	739,669	45,019	(2,579)	16,232	34,314	832,655
Financial liabilities measured at FVPL	-	52,323	-	-	-	52,323

(4) Interest income, dividend income and interest expenses by categories of financial instruments for the six-month period ended June 30, 2022 are as follows.

Description	Six-month period ended June 30, 2022		
	Interest income	Dividend income	Interest expenses
(In millions of Korean Won)			
Non-financial services:			
Financial assets measured at amortized cost	₩ 185,663	₩ -	₩ -
Financial assets measured at FVPL	59,161	-	-
Financial assets measured at FVOCI	-	38,186	-
Financial liabilities measured at amortized cost	-	-	173,230
	<u>₩ 244,824</u>	<u>₩ 38,186</u>	<u>₩ 173,230</u>
Financial services:			
Financial assets measured at amortized cost	₩ 1,631,633	₩ -	₩ -
Financial assets measured at FVPL	3,357	1,239	-
Financial assets measured at FVOCI	211	-	-
Financial liabilities measured at amortized cost	-	-	960,221
	<u>₩ 1,635,201</u>	<u>₩ 1,239</u>	<u>₩ 960,221</u>

Interest income, dividend income and interest expenses by categories of financial instruments for the six-month period ended June 30, 2021 are as follows.

Description	Six-month period ended June 30, 2021		
	Interest income	Dividend income	Interest expenses
	(In millions of Korean Won)		
Non-financial services:			
Financial assets measured at amortized cost	₩ 112,603	₩ -	₩ -
Financial assets measured at FVPL	47,709	-	-
Financial assets measured at FVOCI	-	24,445	-
Financial liabilities measured at amortized cost	-	-	131,076
	<u>₩ 160,312</u>	<u>₩ 24,445</u>	<u>₩ 131,076</u>
Financial services:			
Financial assets measured at amortized cost	₩ 2,021,352	₩ -	₩ -
Financial assets(liabilities) measured at FVPL	1,812	1,547	-
Financial assets measured at FVOCI	80	-	-
Financial liabilities measured at amortized cost	-	-	854,513
	<u>₩ 2,023,244</u>	<u>₩ 1,547</u>	<u>₩ 854,513</u>

- (5) The commission income (financial services revenue) arising from financial assets or liabilities other than financial assets or liabilities measured at FVPL for the six-month periods ended June 30, 2022 and 2021 are ₩496,621 million and ₩442,501 million, respectively. In addition, the fee expenses (cost of sales from financial services) related to financial assets or liabilities other than financial assets or liabilities measured at FVPL for the six-month periods ended June 30, 2022 and 2021 are ₩201,782 million and ₩167,465 million, respectively.
- (6) The Group recognizes transfers between levels of the fair value hierarchy at the date of the event or change in circumstances that caused the transfer. There are no significant transfers between Level 1 and Level 2 for the six-month period ended June 30, 2022.
- (7) Descriptions of the valuation techniques and the inputs used in the fair value measurements categorized within Level 2 and Level 3 of the fair value hierarchy are as follows.

- Currency forwards, options and swap

Fair value of currency forwards, options and swap is measured based on forward exchange rate quoted in the current market at the end of the reporting period, which has the same remaining period of derivatives to be measured. If the forward exchange rate, which has the same remaining period of currency forwards, options and swap, is not quoted in the current market, fair value is measured using estimates of similar period of forward exchange rate by applying interpolation method with quoted forward exchange rates.

As the inputs used to measure fair value of currency forwards, options and swap are supported by observable market data, such as forward exchange rates, the Group classifies the estimates of fair value measurements of the currency forwards, options and swap as Level 2 of the fair value hierarchy.

- Interest rate swap

The discount rate and forward interest rate used to measure the fair value of interest rate swap are determined based on an applicable yield curve derived from interest quoted in the current market at the end of the reporting period. The fair value of interest rate swap was measured as a discount on the estimated future cash flows of interest rate swap based on forward interest rates derived from the above method at an appropriate discount rate.

As the inputs used to measure fair value of interest rate swap are supported by observable market data, such as yield curves, the Group classifies the estimates of fair value measurements of the interest rate swap as Level 2 of the fair value hierarchy.

- Debt instruments including corporate bonds

Fair value of debt instruments including corporate bonds is measured applying discounted cash flow method. The rate used to discount cash flows is determined based on swap rate and credit spreads of debt instruments, which have the similar credit rating and period quoted in the current market with those of debt instruments including corporate bonds that should be measured. The Group classifies fair value measurements of debt instruments including corporate bonds as Level 2 of the fair-value hierarchy since the rate, which has significant effects on fair value of debt instruments including corporate bonds, is based on observable market data.

- Unlisted equity securities

Fair value of unlisted equity securities is measured using discounted cash flow projection and others, and certain assumptions not based on observable market prices or rate, such as sales growth rate, pre-tax operating income ratio and discount rate based on business plan and circumstance of industry are used to estimate the future cash flow. The discount rate used to discount the future cash flows, is calculated by applying the Capital Asset Pricing Model (CAPM), using the data of similar listed companies. The Group determines that the effect of estimation and assumptions referred above affecting fair value of unlisted equity securities is significant and classifies fair value measurements of unlisted securities as Level 3 of the fair value hierarchy.

- (8) The quantitative information about significant unobservable inputs used in the fair value measurements categorized within Level 3 of the fair value hierarchy and the description of relationships of significant unobservable inputs to the fair value are as follows.

Description	Fair value at June 30, 2022		Valuation techniques	Unobservable inputs	Description of relationship
	Financial assets	Financial liabilities			
	(In millions of Korean Won)				
Unlisted equity securities and others	₩ 1,021,931	₩ 30,593	Discounted cash flow and others	Sales growth rate Pre-tax operating profit margin ratio Discount rate	If the sales growth rate and the pre-tax operating profit margin ratio increases or the discount rate declines, the fair value increases.

The Group does not expect changes in significant unobservable inputs that are used for reflecting alternative assumptions would have significant impact on the fair value.

21. CAPITAL STOCK:

The Company's number of shares authorized is 600,000,000 shares. Common stock and preferred stock as of June 30, 2022 and December 31, 2021 are as follows.

(1) Common stock

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won, except par value)			
Issued		213,668,187 shares		213,668,187 shares
Par value	₩	5,000	₩	5,000
Capital stock		1,157,982		1,157,982

The Company completed stock retirement of 10,000,000 common shares, 1,320,000 common shares and 6,608,292 common shares as of March 5, 2001, May 4, 2004 and July 27, 2018 respectively. Due to these stock retirements, the total face value of outstanding stock differs from the capital stock amount.

(2) Preferred stock

Description	Par value	Issued	Korean Won	Dividend rate
			(In millions of Korean Won)	
1 st preferred stock	₩ 5,000	24,356,685 shares	₩ 125,550	Dividend rate of common stock + 1%
2 nd preferred stock	"	36,485,451 shares	193,069	The lowest stimulated dividend rate: 2%
3 rd preferred stock	"	2,428,735 shares	12,392	The lowest stimulated dividend rate: 1%
		63,270,871 shares	₩ 331,011	

As of March 5, 2001, the Company retired 1,000,000 second preferred shares and as of July 27, 2018, the Company retired 753,297 first preferred shares, 1,128,414 second preferred shares and 49,564 third preferred shares. Due to the stock retirement, the total face value of outstanding stock differs from the capital stock amount.

22. CAPITAL SURPLUS:

Capital surplus as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Paid-in capital in excess of par value	₩	3,321,334	₩	3,321,334
Others		748,926		748,926
	₩	4,070,260	₩	4,070,260

23. OTHER CAPITAL ITEMS:

Other capital items consist of treasury stocks purchased for the stabilization of stock price. Number of treasury stocks as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022	December 31, 2021
	(Number of shares)	
Common stock	14,902,914	14,048,242
1 st preferred stock	2,430,559	2,333,133
2 nd preferred stock	1,718,424	1,572,482
3 rd preferred stock	72,861	63,146

24. ACCUMULATED OTHER COMPREHENSIVE INCOME(LOSS):

(1) Accumulated other comprehensive income as of June 30, 2022 is as follows.

Description	June 30, 2022	
	(In millions of Korean Won)	
Gain on valuation of financial assets measured at FVOCI	₩	534,664
Loss on valuation of financial assets measured at FVOCI		(693,277)
Gain on valuation of cash flow hedge derivatives		137,062
Loss on valuation of cash flow hedge derivatives		(200,330)
Gain on share of the other comprehensive income of equity-accounted investees		449,595
Loss on share of the other comprehensive income of equity-accounted investees		(207,373)
Gain on foreign operations translation, net		547,863
	₩	<u>568,204</u>

(2) Accumulated other comprehensive loss as of December 31, 2021 is as follows.

Description	December 31, 2021	
	(In millions of Korean Won)	
Gain on valuation of financial assets measured at FVOCI	₩	451,693
Loss on valuation of financial assets measured at FVOCI		(370,812)
Gain on valuation of cash flow hedge derivatives		56,048
Loss on valuation of cash flow hedge derivatives		(42,068)
Gain on share of the other comprehensive income of equity-accounted investees		228,299
Loss on share of the other comprehensive income of equity-accounted investees		(587,620)
Loss on foreign operations translation, net		(1,508,141)
	₩	<u>(1,772,601)</u>

25. RETAINED EARNINGS:

Retained earnings as of June 30, 2022 and December 31, 2021 are as follows

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Legal reserve (*)	₩ 744,836	₩ 744,836
Discretionary reserve	47,307,996	47,701,296
Unappropriated	28,542,294	24,721,723
	₩ 76,595,126	₩ 73,167,855

(*) The Commercial Code of the Republic of Korea requires the Company to appropriate as a legal reserve, a minimum of 10% of annual cash dividends declared, until such reserve equals 50% of its capital stock issued. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any.

Appraisal gains, amounting to ₩1,852,871 million, derived from asset revaluation pursuant to the Asset Revaluation Law of Korea are included in retained earnings. It may be only transferred to capital stock or used to reduce accumulated deficit, if any.

26. HYBRID BOND:

(1) HYUNDAI CARD CO., LTD., a subsidiary of the Company, issued hybrid bond and the Group classified it as equity (non-controlling interests). As of June 30, 2022, hybrid bond is as follows.

Description	Issue date	Maturity date	Annual interest rate	June 30, 2022
			(%)	(In millions of Korean Won)
The 731st Hybrid Tier 1 (Private)	July 5, 2018	July 5, 2048	4.70	₩ 300,000
Issue cost				(760)
				₩ 299,240

(2) As of June 30, 2022, the conditions of hybrid bond that HYUNDAI CARD CO., LTD., a subsidiary of the Company issued are as follows.

	Description
Maturity	Thirty years (Maturity extension is possible according to the issuer's decision upon maturity)
Interest rate	Issue date ~ July 5, 2023: An annual fixed interest rate of 4.7% Increase of 2% thereafter which is limited to one time only in accordance with Step-up clause
Interest payment condition	Three months, optional postponement of payment
Others	Repayment before maturity by issuer is permitted after five years from issue date

27. SALES:

(1) Sales for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Sales of goods	₩ 30,439,487	₩ 56,071,613	₩ 26,155,747	₩ 49,272,476
Rendering of services	902,057	1,623,561	666,711	1,272,853
Royalties	60,893	98,064	35,120	56,585
Financial services revenue	3,657,573	6,741,485	2,637,144	5,528,025
Revenue related to construction contracts	772,278	1,434,787	695,301	1,336,328
Others	167,608	328,954	136,043	250,670
	<u>₩ 35,999,896</u>	<u>₩ 66,298,464</u>	<u>₩ 30,326,066</u>	<u>₩ 57,716,937</u>

(2) As of June 30, 2022, the aggregate transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation that is expected to be recognized as revenue in future periods is as follows.

Description	Within a year	After a year
	(In millions of Korean Won)	
Deferred revenue and others	₩ 1,749,493	₩ 2,753,804

28. SELLING AND ADMINISTRATIVE EXPENSES:

Selling and administrative expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Selling expenses:				
Export expenses	₩ 16,819	₩ 28,854	₩ 10,866	₩ 22,388
Overseas market expenses	113,118	240,816	66,436	168,201
Advertisements and sales promotion	684,988	1,310,682	631,273	1,181,983
Sales commissions	236,027	433,743	276,206	516,354
Expenses for warranties	1,105,245	1,889,396	886,751	1,535,041
Transportation expenses	27,044	52,152	29,661	55,737
	<u>2,183,241</u>	<u>3,955,643</u>	<u>1,901,193</u>	<u>3,479,704</u>
Administrative expenses:				
Payroll	804,595	1,606,169	673,862	1,339,394
Post-employment benefits	43,724	85,551	43,491	88,315
Welfare expenses	132,539	259,538	115,029	238,500
Service charges	395,048	760,026	367,189	700,387
Research	390,600	738,276	336,694	631,828
Others	470,763	859,583	407,810	747,095
	<u>2,237,269</u>	<u>4,309,143</u>	<u>1,944,075</u>	<u>3,745,519</u>
	<u>₩ 4,420,510</u>	<u>₩ 8,264,786</u>	<u>₩ 3,845,268</u>	<u>₩ 7,225,223</u>

29. GAIN(LOSS) ON INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

Gain (loss) on investments in joint ventures and associates for the three-month and six-month periods ended June 30, 2022 and 2021 is as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Gain on share of earnings of equity-accounted investees, net	₩ 674,907	₩ 1,025,592	₩ 370,638	₩ 737,895
Gain (loss) on disposals of investments in associates	46,918	57,136	3,209	(3,441)
Impairment loss on investments in associates	(15,819)	(15,819)	-	-
	<u>₩ 706,006</u>	<u>₩ 1,066,909</u>	<u>₩ 373,847</u>	<u>₩ 734,454</u>

30. FINANCE INCOME AND EXPENSES:

(1) Finance income for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Interest income	₩ 138,397	₩ 244,824	₩ 80,914	₩ 160,312
Gain on foreign exchange transactions	55,794	86,391	2,654	27,317
Gain on foreign currency translation	208,431	239,001	56,806	72,360
Dividend income	202	38,186	165	24,445
Gain on derivatives	27,986	23,898	20,842	21,024
Others	1,345	2,256	1,106	2,184
	<u>₩ 432,155</u>	<u>₩ 634,556</u>	<u>₩ 162,487</u>	<u>₩ 307,642</u>

(2) Finance expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
	(In millions of Korean Won)			
Interest expenses	₩ 120,142	₩ 211,392	₩ 73,392	₩ 144,667
Loss on foreign exchange transactions	16,787	31,409	9,313	17,142
Loss on foreign currency translation	149,721	194,219	17,962	70,839
Loss on derivatives and others	9,979	28,542	18,799	7,159
	<u>₩ 296,629</u>	<u>₩ 465,562</u>	<u>₩ 119,466</u>	<u>₩ 239,807</u>

31. OTHER INCOME AND EXPENSES:

(1) Other income for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
(In millions of Korean Won)				
Gain on foreign exchange transactions	₩ 310,531	₩ 478,914	₩ 129,307	₩ 303,223
Gain on foreign currency translation	286,862	426,785	78,856	135,985
Gain on disposals of PP&E	11,978	18,457	5,628	9,053
Commission income	5,702	8,491	15,495	20,886
Rental income	24,232	46,085	22,647	46,742
Others	102,618	204,743	135,205	238,166
	<u>₩ 741,923</u>	<u>₩ 1,183,475</u>	<u>₩ 387,138</u>	<u>₩ 754,055</u>

(2) Other expenses for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
(In millions of Korean Won)				
Loss on foreign exchange transactions	₩ 321,653	₩ 501,714	₩ 87,417	₩ 244,598
Loss on foreign currency translation	183,111	277,191	25,398	105,908
Loss on disposals of PP&E	47,822	126,834	2,853	9,157
Donations	8,509	24,022	8,219	19,532
Others	113,396	230,957	64,167	171,535
	<u>₩ 674,491</u>	<u>₩ 1,160,718</u>	<u>₩ 188,054</u>	<u>₩ 550,730</u>

32. EXPENSES BY NATURE:

Expenses by nature for the three-month and six-month periods ended June 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended June 30	Six-month period ended June 30	Three-month period ended June 30	Six-month period ended June 30
(In millions of Korean Won)				
Changes in inventories	₩ (347,928)	₩ (805,077)	₩ 1,092,260	₩ 290,475
Raw materials and merchandise used	19,780,847	37,095,376	16,949,310	33,546,484
Employee benefits	2,648,575	5,295,995	2,249,932	4,539,114
Depreciation	791,616	1,555,227	703,643	1,403,483
Amortization	451,024	883,978	375,078	761,076
Others	10,370,459	18,524,959	7,257,896	14,184,419
Total (*)	<u>₩ 33,694,593</u>	<u>₩ 62,550,458</u>	<u>₩ 28,628,119</u>	<u>₩ 54,725,051</u>

(*) Sum of cost of sales, selling and administrative expenses and other expenses in the consolidated statements of income.

33. EARNINGS PER COMMON STOCK AND PREFERRED STOCK:

Basic earnings per common stock and preferred stock are computed by dividing profit available to common stock and preferred stock by the weighted-average number of common stock and preferred stock outstanding during the period. The Group does not compute diluted earnings per common stock for the six-month periods ended June 30, 2022 and 2021, since there are no dilutive items during the period.

Basic earnings per common stock and preferred stock for the three-month and six-month periods ended June 30, 2022 are computed as follows.

Description	Three-month period ended June 30, 2022			Six-month period ended June 30, 2022		
	Profit attributable to shares	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit attributable to shares	Weighted-average number of shares outstanding (*1)	Basic earnings per share
(In millions of Korean Won, except per share amounts)						
Common stock	₩ 2,160,457	198,765,273	₩ 10,869	₩ 3,381,469	198,875,239	₩ 17,003
1 st Preferred stock (*2)	238,598	21,926,126	10,882	373,564	21,938,256	17,028
2 nd Preferred stock	378,766	34,767,027	10,894	593,208	34,784,951	17,054
3 rd Preferred stock	25,636	2,355,874	10,882	40,138	2,357,117	17,028

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in K-IFRS 1033 'Earnings per Share'.

Basic earnings per common stock and preferred stock for the three-month and six-month periods ended June 30, 2021 are computed as follows.

Description	Three-month period ended June 30, 2021			Six-month period ended June 30, 2021		
	Profit attributable to shares	Weighted-average number of shares outstanding (*1)	Basic earnings per share	Profit attributable to shares	Weighted-average number of shares outstanding (*1)	Basic earnings per share
(In millions of Korean Won, except per share amounts)						
Common stock	₩ 1,356,942	200,576,769	₩ 6,765	₩ 2,378,919	200,576,769	₩ 11,860
1 st Preferred stock (*2)	150,260	22,169,692	6,778	263,495	22,169,692	11,885
2 nd Preferred stock	238,553	35,131,881	6,790	418,434	35,131,881	11,910
3 rd Preferred stock	16,132	2,380,161	6,778	28,289	2,380,161	11,885

(*1) Weighted-average number of shares outstanding includes the effects of treasury stock transactions.

(*2) 1st preferred stock meets the definition of 'ordinary shares' as defined in K-IFRS 1033 'Earnings per Share'.

34. INCOME TAX EXPENSE:

Income tax expense is computed by adjusting from income tax currently payable to adjustments recognized in the current period in relation to prior periods, changes in deferred taxes due to temporary differences, income tax expense in relation to items not recognized as profit or loss and others. The average effective tax rates (income tax expense divided by profit before income tax) for the six-month periods ended June 30, 2022 and 2021 are 21.2% and 22.9%, respectively.

35. RETIREMENT BENEFIT PLAN:

- (1) Expenses recognized in relation to defined contribution plans for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Paid-in cash	₩ 5,039	₩ 5,341
Recognized liability	4,373	1,939
	₩ 9,412	₩ 7,280

- (2) The significant actuarial assumptions used by the Group as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022	December 31, 2021
Discount rate (*)	4.52%	3.84%
Rate of expected future salary increase	4.93%	4.51%

- (*) The Group applied the market yields of high-quality corporate bonds (AA+) and others as the discount rate at June 30, 2022, to discount the defined benefit obligation to the present value, and the same discount rate was applied as the expected return rate when calculating interest income on plan assets.

Employee turnover and mortality assumptions used for actuarial valuation are based on the economic conditions and statistical data of each country where entities within the Group are located.

- (3) The amounts recognized in the consolidated statements of financial position related to defined benefit plans as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Present value of defined benefit obligations	₩	6,485,775	₩	6,580,593
Fair value of plan assets		(6,538,181)		(6,721,149)
	₩	(52,406)	₩	(140,556)
Net defined benefit liabilities		95,750		79,165
Net defined benefit assets		(148,156)		(219,721)

(4) Changes in net defined benefit assets and liabilities for the six-month period ended June 30, 2022 are as follows.

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities	
	(In millions of Korean Won)					
Beginning of the period	₩	6,580,593	₩	(6,721,149)	₩	(140,556)
Current service cost		292,890		-		292,890
Interest expenses (income)		85,767		(91,706)		(5,939)
		6,959,250		(6,812,855)		146,395
Remeasurements:						
Return on plan assets		-		77,534		77,534
Actuarial gains and losses arising from changes in financial assumptions		(100,172)		-		(100,172)
Actuarial gains and losses arising from experience adjustments and others		23,544		-		23,544
		(76,628)		77,534		906
Contributions		-		(106,621)		(106,621)
Benefits paid		(412,045)		336,212		(75,833)
Transfers in (out)		217		(179)		38
Effect of foreign exchange differences and others		14,981		(32,272)		(17,291)
End of the period	₩	6,485,775	₩	(6,538,181)	₩	(52,406)

Changes in net defined benefit assets and liabilities for the six-month period ended June 30, 2021 are as follows.

Description	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liabilities	
	(In millions of Korean Won)					
Beginning of the period	₩	6,490,583	₩	(6,253,299)	₩	237,284
Current service cost		290,754		-		290,754
Interest expenses (income)		69,854		(69,552)		302
		6,851,191		(6,322,851)		528,340
Remeasurements:						
Return on plan assets		-		(5,373)		(5,373)
Actuarial gains and losses arising from changes in demographic assumptions		(163)		-		(163)
Actuarial gains and losses arising from changes in financial assumptions		(18,258)		-		(18,258)
Actuarial gains and losses arising from experience adjustments and others		5,217		-		5,217
		(13,204)		(5,373)		(18,577)
Contributions		-		(308,266)		(308,266)
Benefits paid		(314,379)		263,007		(51,372)
Transfers in (out)		1,410		(442)		968
Effect of foreign exchange differences and others		17,275		(11,016)		6,259
End of the period	₩	6,542,293	₩	(6,384,941)	₩	157,352

(5) The fair value of the plan assets as of June 30, 2022 and December 31, 2021 is as follows.

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Insurance instruments	₩ 6,535,549	₩ 6,717,877
Others	2,632	3,272
	₩ 6,538,181	₩ 6,721,149

36. CASH GENERATED FROM OPERATIONS:

Cash generated from operations for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30, 2022	2021
	(In millions of Korean Won)	
Profit for the period	₩ 4,862,202	₩ 3,504,827
Adjustments:		
Retirement benefit costs	291,324	292,995
Depreciation	1,555,227	1,403,483
Amortization of intangible assets	883,978	761,076
Provision for warranties	1,733,787	1,431,303
Income tax expense	1,305,183	1,043,403
Gain on foreign currency translation, net	(194,375)	(31,598)
Loss on disposals of PP&E, net	108,377	104
Interest income, net	(33,432)	(15,645)
Gain on share of earnings of equity-accounted investees, net	(1,025,592)	(737,895)
Cost of sales from financial services, net	3,499,208	2,987,523
Others	275,880	306,249
	8,399,565	7,440,998
Changes in operating assets and liabilities:		
Increase in trade notes and accounts receivable	(639,514)	(91,950)
Decrease in other receivables	704,563	449,248
Decrease (increase) in other financial assets	(192,636)	662,167
Decrease (increase) in inventories	(1,559,471)	303,826
Decrease (increase) in other assets	366,567	(203,935)
Increase in trade notes and accounts payable	348,171	87,661
Decrease in other payables	(213,369)	(1,109,427)
Increase in other liabilities	2,177,121	1,056,433
Decrease in other financial liabilities	(1,498)	(9,240)
Decrease in net defined benefit liabilities	(101,271)	(301,134)
Payment of severance benefits	(75,833)	(51,372)
Decrease in provisions	(1,874,269)	(1,582,060)
Changes in financial services receivables	(4,028,577)	(5,801,862)
Investment in operating leases	(2,676,365)	(4,136,032)
Others	654,398	(32,568)
	(7,111,983)	(10,760,245)
Cash generated from operations	₩ 6,149,784	₩ 185,580

37. **RISK MANAGEMENT:**

(1) Capital risk management

The Group manages its capital to maintain an optimal capital structure for maximizing profit of its shareholder and reducing the cost of capital. Debt to equity ratio calculated as total liabilities divided by total equity is used as an index to manage the Group's capital. The overall capital risk management policy is consistent with that of the prior period. Debt to equity ratios as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022		December 31, 2021	
		(In millions of Korean Won)		
Total liabilities	₩	162,459,561	₩	151,330,626
Total equity		88,947,252		82,615,789
Debt-to-equity ratio		182.6%		183.2%

(2) Financial risk management

The Group is exposed to various financial risks such as market risk (foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk related to its financial instruments. The purpose of risk management of the Group is to identify potential risks related to financial performance and reduce, eliminate and evade those risks to an acceptable level of risks to the Group. Overall, the Group's financial risk management policy is consistent with the prior period policy.

1) Market risk

The Group is mainly exposed to financial risks arising from changes in foreign exchange rates and interest rates. Accordingly, the Group uses financial derivative contracts to hedge and to manage its interest rate risk and foreign currency risk.

a) Foreign exchange risk management

The Group is exposed to various foreign exchange risks by making transactions in foreign currencies. The Group is mainly exposed to foreign exchange risk in USD, EUR, JPY and others.

The Group manages foreign exchange risk by matching the inflow and the outflow of foreign currencies according to each currency and maturity, and by adjusting the foreign currency settlement date based on its exchange rate forecast. The Group uses foreign exchange derivatives, such as currency forward, currency swap, and currency option; as hedging instruments. However, speculative foreign exchange trade on derivative financial instruments is prohibited.

Sensitivity analysis for a 5% change in exchange rate of the functional currency against each foreign currency on profit before income tax as of June 30, 2022 is as follows.

Foreign Currency	Foreign Exchange Rate Sensitivity	
	Increase by 5%	Decrease by 5%
	(In millions of Korean Won)	
USD	₩ (31,105)	₩ 31,105
EUR	(11,310)	11,310
JPY	(4,402)	4,402

b) Interest rate risk management

The Group has borrowings with fixed or variable interest rates. Also, the Group is exposed to interest rate risk arising from financial instruments with variable interest rates. To manage the interest rate risk, the Group maintains an appropriate balance between borrowings with fixed and variable interest rates for short-term borrowings and has a policy to borrow funds with fixed interest rates to avoid the future cash flow fluctuation risk for long-term debt if possible. The Group manages its interest rate risk through regular assessments of the change in market conditions and the adjustments in nature of its interest rates.

Sensitivity analysis for a 1% change in interest rates on profit before income tax as of June 30, 2022 is as follows.

Accounts	Interest Rate Sensitivity	
	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)	
Cash and cash equivalents	₩ 42,656	₩ (42,656)
Financial assets measured at FVPL	(1,531)	1,993
Short-term and long-term financial instruments	14,551	(14,551)
Borrowings and debentures	(81,742)	81,742

The Company's subsidiaries, HYUNDAI CARD CO., LTD. and HYUNDAI CAPITAL SERVICES, INC., that are operating financial business, are managing interest rate risk by utilizing value at risk (VaR). VaR is defined as a threshold value which is a statistical estimate of the maximum potential loss based on normal distribution. As of June 30, 2022 and December 31, 2021, the amounts of interest rate risk measured at VaR are ₩150,267 million and ₩182,864 million, respectively.

c) Price risk

The Group is exposed to market price fluctuation risk arising from equity instruments. As of June 30, 2022, the amounts of financial assets measured at FVPL and financial assets measured at FVOCI are ₩105,818 million and ₩2,213,385 million, respectively.

2) Credit risk

The Group is exposed to credit risk when a counterparty defaults on its contractual obligation resulting in a financial loss for the Group. The Group operates a policy to transact with counterparties who only meet a certain level of credit rating which was evaluated based on the counterparty's financial conditions, default history, and other factors. The credit risk in the liquid funds and derivative financial instruments is limited as the Group transacts only with financial institutions with high credit-ratings assigned by international credit-rating agencies. Except for the guarantee of indebtedness discussed in Note 39, the book value of financial assets in the consolidated financial statements represents the maximum amounts of exposure to credit risk.

3) Liquidity risk

The Group manages liquidity risk based on maturity profile of its funding. The Group analyses and reviews actual cash outflow and its budget to match the maturity of its financial liabilities to that of its financial assets.

The Group retains an appropriate level of deposit to cope with uncertainty caused by the inherent nature of the industry which is sensitive to economic fluctuation and to invest in R&D constantly.

In addition, the Group has agreements with financial institutions related to trade financing and overdraft to mitigate any significant unexpected market deterioration. Also, the Group continues to strengthen its credit rates to secure a stable financing capability.

The Group's maturity analysis of its non-derivative liabilities according to their remaining contract period before expiration as of June 30, 2022 is as follows.

Description	Remaining contract period			Total
	Not later than one year	Later than one year and not later than five years	Later than five years	
	(In millions of Korean Won)			
Non-interest-bearing liabilities	₩ 17,933,200	₩ 32,131	₩ -	₩ 17,965,331
Interest-bearing liabilities	40,644,264	71,671,036	9,179,201	121,494,501
Financial guarantee	128,801	63,777	97,261	289,839

The maturity analysis is based on the non-discounted cash flows and the earliest maturity date at which payments, i.e. both principal and interest, should be made.

(3) Derivative instruments

The Group enters into derivative instrument contracts such as currency forwards, currency options, currency swaps and interest swaps to hedge its exposure to changes in foreign exchange rate.

As of June 30, 2022 and December 31, 2021, the Group recognized an accumulative net loss of ₩63,268 million and net profit of ₩13,980 million, respectively, in accumulated other comprehensive income or loss, for effective cash flow hedging instruments.

The longest period in which the forecasted transactions are expected to occur is within 117 months as of June 30, 2022.

For the six-month periods ended June 30, 2022 and 2021, the Group recognized a net profit of ₩695,034 million and ₩256,894 million in profit or loss (before tax), respectively, which resulted from the ineffective portion of its cash flow hedging instruments and changes in the valuation of its other non-hedging derivative instruments and others.

38. RELATED-PARTY AND OTHER TRANSACTIONS:

The transactions and balances of receivables and payables within the Group are wholly eliminated in the preparation of consolidated financial statements of the Group.

- (1) For the six-month period ended June 30, 2022, significant transactions arising from operations between the Group and related parties or affiliates by the Monopoly Regulation and Fair Trade Act of the Republic of Korea (“the Act”) are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 305,748	₩ 5,136	₩ 5,173,000	₩ 16,543
	Mobis Alabama, LLC	87,796	111	871,057	1
	Mobis Automotive Czech s.r.o.	87	263	1,187,716	11
	Mobis India, Ltd.	7,747	1,554	588,778	986
	Mobis Parts America, LLC	89,529	1,967	678,119	1,134
	Mobis Module CIS, LLC	13	166	73,184	236
	Mobis Parts Europe N.V.	8,545	643	318,928	245
	Others	30,327	527	691,827	4,019
Joint ventures and associates	Kia Corporation	606,937	224,177	256,943	401,808
	Kia Russia & CIS, LLC	194,083	6	-	-
	Kia Slovakia s.r.o.	63,549	13	354,928	67
	Kia Georgia, Inc.	398,456	241	40	-
	BHMC	60,575	-	10,150	-
	HMGC	7,533	752	29,847	6,510
	Hyundai WIA Corporation	54,573	210	492,726	5,192
	Others	386,251	30,982	2,676,076	801,832
Other related parties		11,896	2,910	1,595	3
Affiliates by the Act		375,445	57,487	5,073,407	423,493

For the six-month period ended June 30, 2021, significant transactions arising from operations between the Group and related parties or affiliates by the Act are as follows.

Description		Sales/proceeds		Purchases/expenses	
		Sales	Others	Purchases	Others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 285,842	₩ 135,213	₩ 4,336,649	₩ 18,164
	Mobis Alabama, LLC	98,423	222	640,882	7,287
	Mobis Automotive Czech s.r.o.	11	248	946,373	6,019
	Mobis India, Ltd.	5,502	1,312	530,512	913
	Mobis Parts America, LLC	44,681	1,730	475,706	303
	Mobis Module CIS, LLC	-	163	207,260	29
	Mobis Parts Europe N.V.	7,611	179	198,462	490
	Others	12,934	1,131	514,453	3,725
Joint ventures and associates	Kia Corporation	633,593	237,295	404,567	416,666
	Kia Russia & CIS, LLC	458,747	50	-	-
	Kia Slovakia s.r.o.	52,006	4	333,199	4
	Kia Georgia, Inc.	299,135	28,458	127	-
	BHMC	95,361	-	70,158	-
	HMGC	18,421	660	65,749	13,548
	Hyundai WIA Corporation	63,418	880	711,400	12,408
	Others	347,404	36,844	2,219,359	760,314
Other related parties		6,955	6,130	1,955	4
Affiliates by the Act		404,912	72,778	4,281,005	413,277

- (2) As of June 30, 2022, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 111,753	₩ 265,927	₩ 2,014,163	₩ 231,453
	Mobis Alabama, LLC	9,719	-	123,024	548
	Mobis Automotive Czech s.r.o.	-	370	279,068	-
	Mobis India, Ltd.	2,311	-	182,312	-
	Mobis Parts America, LLC	32,250	232	130,096	-
	Mobis Module CIS, LLC	-	114	11	5
	Mobis Parts Europe N.V.	1,547	314	50,656	-
Joint ventures and associates	Others	10,731	2,524	139,577	2,709
	Kia Corporation	403,450	172,822	65,401	98,382
	Kia Russia & CIS, LLC	-	76	-	-
	Kia Slovakia s.r.o.	9,101	220	61,857	294
	Kia Georgia, Inc.	86,937	36,160	16,467	11,091
	Kia America, Inc.	-	23,659	107	21,029
	BHMC	202,483	14,789	-	334
	HMGC	95	22,292	3,421	3,347
	Hyundai WIA Corporation	23,040	1,659	144,455	23,580
	Others	213,010	67,519	698,259	881,600
Other related parties		189	11	22	471
Affiliates by the Act		119,075	35,762	1,343,981	264,827

- (*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩250 million as of June 30, 2022 and the impairment loss is recognized in the amount of ₩41 million for the six-month period ended June 30, 2022.
- (*2) As of June 30, 2022, outstanding payment of ₩10,554 million of corporate purchase card agreement provided by HYUNDAI CARD CO., LTD. is included. For the six-month period ended June 30, 2022, amount used and repayment of agreement are ₩196,795 million and ₩208,337 million, respectively.

As of December 31, 2021, significant balances related to the transactions between the Group and related parties or affiliates by the Act are as follows.

Description		Receivables (*1,2)		Payables	
		Trade notes and accounts receivable	Other receivables and others	Trade notes and accounts payable	Other payables and others
(In millions of Korean Won)					
Entity with significant influence over the Company and its subsidiaries	Hyundai MOBIS Co., Ltd.	₩ 92,116	₩ 301,436	₩ 1,687,603	₩ 466,862
	Mobis Alabama, LLC	14,344	-	108,355	-
	Mobis Automotive Czech s.r.o.	-	901	194,217	-
	Mobis India, Ltd.	1,370	18	123,770	5
	Mobis Parts America, LLC	31,309	62	101,750	-
	Mobis Module CIS, LLC	15	37	50,666	-
	Mobis Parts Europe N.V.	550	118	47,095	18
Joint ventures and associates	Others	11,339	491	101,671	6,947
	Kia Corporation	328,668	335,571	84,505	121,814
	Kia Russia & CIS, LLC	134,733	48	-	-
	Kia Slovakia s.r.o.	6,832	279	46,186	205
	Kia Georgia, Inc.	91,109	64,378	11,120	96,639
	Kia America, Inc.	-	149,910	9	-
	BHMC	199,426	13,626	12,344	414
	HMGC	6,019	21,752	4,479	37,996
	Hyundai WIA Corporation	31,147	920	185,022	28,048
	Others	209,556	69,666	679,046	920,138
Other related parties		80	710	52	-
Affiliates by the Act		154,455	61,484	905,856	351,422

- (*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩209 million as of December 31, 2021 and the reversal of impairment loss is recognized in the amount of ₩56 million for the year ended December 31, 2021.
- (*2) As of December 31, 2021, outstanding payment of ₩22,096 million of corporate purchase card agreement provided by Hyundai Card Co., Ltd. is included. For the year ended December 31, 2021, amount used and repayment of agreement are ₩383,299 million and ₩406,133 million, respectively.
- (3) Significant fund transactions and equity contribution transactions for the six-month period ended June 30, 2022, between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
(In millions of Korean won)					
Joint ventures and associates	-	-	- ₩	2,200 ₩	576,876 ₩

Significant fund transactions and equity contribution transactions for the six-month period ended June 30, 2022, between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
(In millions of Korean won)					
Joint ventures and associates	-	-	-	-	₩ 201,952

For the six-month period ended June 30, 2022, the Group traded in other financial assets and others of ₩940,000 million with Hyundai Motor Securities Co., Ltd., an associate of the Group. The Group has other financial assets of ₩485,000 million in the consolidated statement of financial position as of June 30, 2022.

For the six-month period ended June 30, 2021, Hyundai Motor Securities Co., Ltd., an associate of the Group, acquired bonds issued by the consolidated entities, HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO., LTD., in amount of ₩10,000 million and ₩20,000 million, respectively, and there are no acquired bonds for the six-month period ended June 30, 2022.

- (4) Compensation of registered and unregistered directors, who are considered to be the key management personnel for the six-month periods ended June 30, 2022 and 2021 are as follows.

Description	Six-month period ended June 30,	
	2022	2021
	(In millions of Korean Won)	
Short-term employee salaries	₩ 140,634	₩ 127,539
Retirement benefit costs	22,203	23,583
Other long-term benefits	929	614
	₩ 163,766	₩ 151,736

- (5) As of June 30, 2022, the Group offers payment guarantee to related parties and affiliates by the Act.

39. COMMITMENTS AND CONTINGENCIES:

- (1) As of June 30, 2022, the debt guarantees provided by the Group, excluding the ones provided to the Company's subsidiaries, are as follows.

Description	Domestic		Overseas (*)	
	(In millions of Korean Won)			
To associates	₩	28,299	₩	77,574
To others		5,038		209,900
	₩	33,337	₩	287,474

- (*) The guarantee amounts in foreign currencies are translated into Korean Won using the Base Rate announced by Seoul Money Brokerage Services, Ltd. as of June 30, 2022.
- (2) As of June 30, 2022, the Group is involved in domestic and foreign lawsuits as a defendant. In addition, the Group is involved in lawsuits for product liabilities and others. The Group obtains insurance for potential losses which may result from product liabilities and other lawsuits. In addition, as of June 30, 2022, the Group is under investigation by related authorities in relation to the theta 2 engine recall, and its results and impacts are unpredictable. The Group is unable to estimate the outcome of the lawsuits and the amount and timing of outflows of resources are uncertain. The Group expects that the impact on the consolidated financial statements will not be material.
- (3) As of June 30, 2022, a substantial portion of the Group's PP&E is pledged as collateral for various loans and leasehold deposits up to ₩803,904 million. In addition, the Group pledged certain bank deposits, checks and promissory notes, including 213,466 shares of Kia Corporation, as collateral to financial institutions and others. Certain receivables held by the Company's foreign subsidiaries, such as financial services receivables, are pledged as collateral for their borrowings.
- (4) As of June 30, 2022, the Group has overdrafts, general loans, and trade-financing agreements with numerous financial institutions including Kookmin Bank.
- (5) As of June 30, 2022, HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO., LTD., subsidiaries of the Company, have entered into agreements for certain borrowings including trigger clauses for the purpose of credit enhancement. If the credit rating of HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO., LTD. falls below a certain level, this may result in early repayment of the borrowings or termination of the contracts.
- (6) As of June 30, 2022, HYUNDAI CAPITAL SERVICES, INC. and HYUNDAI CARD CO., LTD., are able to exercise the priority purchasing rights for the leased office building when the lessor wants to sell the building or after 4 years and 5 months from the lease contract commencement date.
- (7) As of June 30, 2022, the Company has a shareholder agreement with the third party investors regarding shares of HYUNDAI CARD CO. LTD. and Hyundai Commercial Inc. This includes the call options that allow the Company to buy shares from the investors and the put options that allow the investors to dispose of the shares to the Company.

- (8) In December 2019, the Company entered into an agreement to invest ₩1,408,220 million in the construction of new Global Business Centre (GBC). As of June 30, 2022, the Company has recognized relevant liability in the amount of ₩937,136 million in accordance with the agreement with the Seoul government to implement public contributions relating to the new construction project.
- (9) As of June 30, 2022, the Company entered into a share purchase agreement with the third party investor regarding shares of Boston Dynamics, Inc. The shareholder contract contains put options that give the investor the right to sell its shares to the Purchasers, including the Company, and the Purchasers are jointly and severally responsible for the put rights. The total amount of additional obligation of the Company in the event of defaults of the other Purchasers is ₩96,589 million. However, the joint and several liability above is expected to lapse as the Company has decided to contribute all shares of Boston Dynamics, Inc. in HMG Global LLC (to be established) during the six-month period ended June 30, 2022.

40. SEGMENT INFORMATION:

- (1) The Group has vehicle segment, finance segment and others segment. The vehicle segment is engaged in the manufacturing and sale of motor vehicles. The finance segment operates vehicle financing, credit card processing and other financing activities. Others segment includes the R&D, train manufacturing and other activities.
- (2) Sales and operating profit by operating segments for the six-month periods ended June 30, 2022 and 2021 are as follows.

For the six-month period ended June 30, 2022				
	Vehicle (*1)	Finance	Others	Total
	(In millions of Korean Won)			
Net sales (*2)	₩ 52,578,972	₩ 9,820,223	₩ 3,899,269	₩ 66,298,464
Operating profit	3,519,135	1,158,791	230,798	4,908,724
Inter-company sales	(30,863,015)	(125,917)	(748,046)	(31,736,978)

(*1) Operating profit of the vehicle segment include internal transaction adjustments.

(*2) Net sales represent sales from external customers.

For the six-month period ended June 30, 2021				
	Vehicle (*1)	Finance	Others	Total
	(In millions of Korean Won)			
Net sales (*2)	₩ 46,374,290	₩ 8,325,453	₩ 3,017,194	₩ 57,716,937
Operating profit	2,286,121	1,084,408	172,087	3,542,616
Inter-company sales	(25,770,306)	(175,260)	(661,681)	(26,607,247)

(*1) Operating profit of the vehicle segment include internal transaction adjustments.

(*2) Net sales represent sales from external customers.

- (3) Assets and liabilities by operating segments as of June 30, 2022 are as follows.

June 30, 2022				
	Vehicle	Finance	Others	Consolidation adjustments
	(In millions of Korean Won)			
Total assets	₩ 131,362,894	₩ 132,352,079	₩ 9,305,696	₩ (21,613,856)
Total liabilities	59,473,227	114,305,808	5,512,663	(16,832,137)
Borrowings and debentures	12,737,650	105,342,952	2,736,335	(6,044,541)
				₩ 251,406,813
				162,459,561
				114,772,396

Assets and liabilities by operating segments as of December 31, 2021 are as follows.

	December 31, 2021				
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 121,826,011	₩ 120,951,619	₩ 8,836,191	₩ (17,667,406)	₩ 233,946,415
Total liabilities	54,135,289	104,597,059	5,199,761	(12,601,483)	151,330,626
Borrowings and debentures	12,568,592	96,734,509	2,569,958	(4,079,781)	107,793,278

- (4) Sales by region based on where the Group's entities are located for the six-month periods ended June 30, 2022 and 2021 are as follows.

	For the six-month period ended June 30, 2022					
	Korea	North America	Asia	Europe	Others	Total
	(In millions of Korean Won)					
Net sales	₩ 21,231,540	₩ 25,575,863	₩ 6,827,261	₩ 10,844,084	₩ 1,819,716	₩ 66,298,464

	For the six-month period ended June 30, 2021					
	Korea	North America	Asia	Europe	Others	Total
	(In millions of Korean Won)					
Net sales	₩ 20,743,682	₩ 20,043,870	₩ 5,637,530	₩ 10,024,466	₩ 1,267,389	₩ 57,716,937

- (5) Non-current assets by region where the Group's entities are located as of June 30, 2022 and December 31, 2021 areas follows.

Description	June 30, 2022	December 31 2021
	(In millions of Korean Won)	
Korea	₩ 32,917,143	₩ 33,323,986
North America	3,023,544	2,967,662
Asia	2,966,596	2,781,728
Europe	2,450,004	2,254,395
Others	630,755	520,729
	41,988,042	41,848,500
Consolidation adjustments	(258,716)	(301,775)
Total (*)	₩ 41,729,326	₩ 41,546,725

(*) Total amount is the same as summation of PP&E, intangible assets and investment properties.

- (6) There is no single external customer who represents 10% or more of the Group's sales for the six-month periods ended June 30, 2022 and 2021.

41. CONSTRUCTION CONTRACTS:

- (1) Cost, income and loss and claimed construction from construction in progress as of June 30, 2022 and December 31, 2021 are as follows.

Description	June 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Accumulated cost	₩ 13,450,511	₩ 12,658,465
Accumulated income	241,210	146,975
Accumulated construction in process	13,691,721	12,805,440
Progress billing	13,237,824	12,286,456
Due from customers	1,431,534	1,421,108
Due to customers	977,637	902,124
Reserve (*)	81,162	79,161

(*) Reserve is recognized as long-term trade notes and accounts receivable in the consolidated financial statements.

- (2) Effects on profit or loss of current and future periods, due from customers related to changes in accounting estimates of total contract revenue and total contract costs of ongoing contracts of HYUNDAI ROTEM COMPANY, a subsidiary of the Company, as of June 30, 2022 are as follows.

Description	June 30, 2022
	(In millions of Korean Won)
Changes in accounting estimates of total contract revenue	₩ 278,019
Changes in accounting estimates of total contract costs	291,699
Effects on profit or loss of current period	(29,075)
Effects on profit or loss of future periods	15,395
Changes in due from customers	(12,906)
Provision for construction loss	39,490

Effects on profit or loss of current and future periods were calculated with estimated total contract costs and estimated total contract revenue based on factors that are considered to be relevant from commencement of the contract to June 30, 2022. Total contract revenue and costs may change in future periods.

- (3) There is no contract as of June 30, 2022, in which contract revenue is recognized by the proportion of contract costs incurred, that accounted for more than 5% of the Group's revenue in the prior period.

42. SUBSEQUENT EVENTS:

- (1) The Company declared interim dividend by the resolution of the Board of Directors held on July 21, 2022. The details are as follows:

Description	Contents
Interim dividend amounts	Dividend per share : ₩1,000 (Gross amounts of dividend : ₩257,814 million)
Dividend yield ratio	0.6% (Common stock criteria)
Base date of dividend	June 30, 2022

- (2) The Group acquired additional shares in 42dot Inc. for ₩274,662 million on August 12, 2022 pursuant to the resolution of the Board of Directors held on August 11, 2022 to enhance the Group's capabilities in mobility service and software businesses. The Group's ownership percentage after the additional acquisition is 55.9%.
- (3) The Group established Boston Dynamics AI Institute (tentative name) on August 16, 2022 pursuant to the resolution of the Board of Directors held on August 11, 2022 to secure capabilities in AI, a driving force for growth of new businesses in the USA. The Group's ownership percentage will be 47.5% after a cash contribution of \$212 million.