



**HYUNDAI MOTOR COMPANY
AND ITS SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS**

ATTACHMENT: INDEPENDENT AUDITORS' REVIEW REPORT

**FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED
SEPTEMBER 30, 2022 AND 2021 (Unaudited)**

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 September 30, 2022, the condensed consolidated statements of income, and comprehensive income for the three-month and the nine-month periods ended September 30, 2022 and 2021, the condensed consolidated statements of changes in equity and cash flows for the nine-month periods ended September 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
November 14, 2022

This report is effective as of November 14, 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 NINE-MONTH PERIODS ENDED
SEPTEMBER 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 SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

ASSETS	NOTES	September 30, 2022	December 31, 2021
(In millions of Korean Won)			
Current assets:			
Cash and cash equivalents	20	₩ 19,584,458	₩ 12,795,554
Short-term financial instruments	20	6,513,456	6,949,333
Other financial assets	5,20	9,015,986	12,396,646
Trade notes and accounts receivable	3,20	4,649,975	3,147,296
Other receivables	4,20	4,546,366	4,220,970
Inventories	6	14,743,215	11,645,641
Current tax assets		31,212	47,346
Financial services receivables	14,20	39,007,497	35,252,606
Non-current assets classified as held for sale	8	28,673	28,121
Other assets	7,20	2,518,059	2,081,853
Total current assets		100,638,897	88,565,366
Non-current assets:			
Long-term financial instruments	20	156,097	306,410
Other financial assets	5,20	4,851,328	3,539,286
Long-term trade notes and accounts receivable	3,20	165,114	137,157
Other receivables	4,20	828,142	741,168
Property, plant and equipment	9,40	36,470,290	35,543,083
Investment property	10,40	153,716	156,656
Intangible assets	11,40	6,020,057	5,846,986
Investments in joint ventures and associates	13	26,379,663	22,429,117
Net defined benefit assets	35	58,102	219,721
Deferred tax assets	34	3,333,103	2,224,833
Financial services receivables	14,20	54,997,085	45,776,526
Investments in operating leases	15	30,993,629	26,327,996
Right-of-use assets	12	1,024,068	940,826
Other assets	7,20	1,697,535	1,191,284
Total non-current assets		167,127,929	145,381,049
Total assets		₩ 267,766,826	₩ 233,946,415

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021

LIABILITIES AND EQUITY	NOTES	September 30, 2022	December 31, 2021
		(In millions of Korean Won)	
Current liabilities:			
Trade notes and accounts payable	20	₩ 10,999,825	₩ 9,155,255
Other payables	20,39	6,217,761	6,335,645
Short-term borrowings	16,20,40	12,598,995	13,087,836
Current portion of long-term debt and debentures	16,20,40	27,508,375	20,578,902
Income tax payable		772,418	751,929
Provisions	17	9,074,715	6,664,647
Other financial liabilities	18,20	560,970	55,187
Lease liabilities	12,20	175,366	167,266
Other liabilities	19,20,27	9,237,358	7,440,120
Total current liabilities		77,145,783	64,236,787
Non-current liabilities:			
Long-term other payables	20,39	736,862	769,487
Debentures	16,20,40	68,065,531	63,458,809
Long-term debt	16,20,40	13,800,237	10,667,731
Net defined benefit liabilities	35	121,848	79,165
Provisions	17	4,663,763	4,214,137
Other financial liabilities	18,20	280,485	87,258
Deferred tax liabilities	34	4,900,182	3,689,328
Lease liabilities	12,20	842,732	783,306
Other liabilities	19,20,27	4,306,700	3,344,618
Total non-current liabilities		97,718,340	87,093,839
Total liabilities		174,864,123	151,330,626
Equity:			
Capital stock	21	1,488,993	1,488,993
Capital surplus	22	4,188,946	4,070,260
Other capital items	23	(1,877,650)	(1,968,385)
Accumulated other comprehensive income (loss)	24	2,593,559	(1,772,601)
Retained earnings	25	77,813,583	73,167,855
Equity attributable to the owners of the Company		84,207,431	74,986,122
Non-controlling interests		8,695,272	7,629,667
Total equity		92,902,703	82,615,789
Total liabilities and equity		₩ 267,766,826	₩ 233,946,415

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

		2022		2021	
	NOTE	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	S	(In millions of Korean Won, except per share amounts)			
Sales	27,40	₩ 37,705,442	₩ 104,003,906	₩ 28,867,220	₩ 86,584,157
Cost of sales	32	<u>30,348,251</u>	<u>83,473,205</u>	<u>23,633,534</u>	<u>70,582,632</u>
Gross profit		7,357,191	20,530,701	5,233,686	16,001,525
Selling and administrative expenses	28,32	<u>5,805,372</u>	<u>14,070,158</u>	<u>3,627,013</u>	<u>10,852,236</u>
Operating profit		1,551,819	6,460,543	1,606,673	5,149,289
Gain on investments in joint ventures and associates, net	29	275,543	1,342,452	298,887	1,033,341
Finance income	30	389,326	1,001,218	167,991	467,041
Finance expenses	30	362,325	805,223	138,764	369,979
Other income	31	1,049,576	2,199,571	354,348	1,062,780
Other expenses	31,32	<u>861,947</u>	<u>1,989,186</u>	<u>352,091</u>	<u>857,198</u>
Profit before income tax		2,041,992	8,209,375	1,937,044	6,485,274
Income tax expense	34	<u>630,502</u>	<u>1,935,683</u>	<u>450,168</u>	<u>1,493,571</u>
Profit for the period		<u>₩ 1,411,490</u>	<u>₩ 6,273,692</u>	<u>₩ 1,486,876</u>	<u>₩ 4,991,703</u>
Profit attributable to:					
Owners of the Company		1,271,631	5,660,010	1,306,310	4,395,447
Non-controlling interests		139,859	613,682	180,566	596,256
Earnings per share attributable to the owners of the Company:	33				
Basic earnings per share:					
Common stock		<u>₩ 4,927</u>	<u>₩ 21,967</u>	<u>₩ 5,016</u>	<u>₩ 16,881</u>
1 st preferred stock		<u>₩ 4,898</u>	<u>₩ 21,783</u>	<u>₩ 5,021</u>	<u>₩ 16,892</u>
Diluted earnings per share:					
Common stock		<u>₩ 4,927</u>	<u>₩ 21,967</u>	<u>₩ 5,016</u>	<u>₩ 16,881</u>
1 st preferred stock		<u>₩ 4,898</u>	<u>₩ 21,783</u>	<u>₩ 5,021</u>	<u>₩ 16,892</u>

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Profit for the period	₩ 1,411,490	₩ 6,273,692	₩ 1,486,876	₩ 4,991,703
Other comprehensive income (loss):				
Items that will not be reclassified subsequently to profit or loss:				
Profit (loss) on financial assets measured at FVOCI, net	4,804	(210,774)	(124,748)	123,970
Remeasurements of defined benefit plans	(8,802)	(10,510)	(12,576)	1,523
Changes in retained earnings of equity-accounted investees, net	39,394	118,747	6,123	22,222
Changes in share of OCI of equity-accounted investees, net	(53,295)	(101,879)	(21,839)	17,287
	(17,899)	(204,416)	(153,040)	165,002
Items that may be reclassified subsequently to profit or loss:				
Loss on financial assets measured at FVOCI, net	(11,093)	(40,657)	(1,328)	(2,340)
Loss on valuation of cash flow hedge derivatives, net	(221,357)	(242,897)	(44,143)	(23,394)
Changes in share of OCI of equity-accounted investees, net	704,255	1,363,333	309,970	568,701
Gain on foreign operations translation, net	2,035,187	4,467,630	805,437	1,395,432
	2,506,992	5,547,409	1,069,936	1,938,399
Total other comprehensive income	2,489,093	5,342,993	916,896	2,103,401
Total comprehensive income	₩ 3,900,583	₩ 11,616,685	₩ 2,403,772	₩ 7,095,104
Comprehensive income attributable to:				
Owners of the Company	3,498,039	10,310,921	2,185,453	6,358,148
Non-controlling interests	402,544	1,305,764	218,319	736,956
Total comprehensive income	₩ 3,900,583	₩ 11,616,685	₩ 2,403,772	₩ 7,095,104

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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	-	-	-	-	4,395,447	4,395,447	596,256	4,991,703
Gain on financial assets measured at FVOCI, net	-	-	-	33,357	86,797	120,154	1,476	121,630
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(70,974)	-	(70,974)	47,580	(23,394)
Changes in valuation of equity-accounted investees, net	-	-	-	561,625	22,222	583,847	24,363	608,210
Remeasurements of defined benefit plans	-	-	-	-	1,776	1,776	(253)	1,523
Gain on foreign operations translation, net	-	-	-	1,327,898	-	1,327,898	67,534	1,395,432
Total comprehensive income	-	-	-	1,851,906	4,506,242	6,358,148	736,956	7,095,104
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(1,045,775)	(1,045,775)	(140,854)	(1,186,629)
Increase in paid-in capital of subsidiaries by issuing stock	-	19,819	-	-	-	19,819	165,291	185,110
Acquisition of investment of subsidiaries	-	(164,566)	-	-	-	(164,566)	65,966	(98,600)
Disposals of investment of subsidiaries	-	-	-	-	-	-	(71,634)	(71,634)
Disposals of treasury stocks	-	24,915	37,543	-	-	62,458	-	62,458
Others	-	-	-	-	334	334	(15,669)	(15,335)
Total transactions with owners, recorded directly in equity	-	(119,832)	37,543	-	(1,045,441)	(1,127,730)	3,100	(1,124,630)
Balance at September 30, 2021	<u>₩ 1,488,993</u>	<u>₩ 4,070,261</u>	<u>₩ (1,663,049)</u>	<u>₩ (1,557,755)</u>	<u>₩ 72,372,601</u>	<u>₩ 74,711,051</u>	<u>₩ 7,600,393</u>	<u>₩ 82,311,444</u>

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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	-	-	-	-	5,660,010	5,660,010	613,682	6,273,692
Loss on financial assets measured at FVOCI, net	-	-	-	(417,916)	174,758	(243,158)	(8,273)	(251,431)
Gain (loss) on valuation of cash flow hedge derivatives, net	-	-	-	(320,461)	-	(320,461)	77,564	(242,897)
Changes in valuation of equity-accounted investees, net	-	-	-	1,234,340	118,747	1,353,087	27,114	1,380,201
Remeasurements of defined benefit plans	-	-	-	-	(8,754)	(8,754)	(1,756)	(10,510)
Gain on foreign operations translation, net	-	-	-	3,870,197	-	3,870,197	597,433	4,467,630
Total comprehensive Income	-	-	-	4,366,160	5,944,761	10,310,921	1,305,764	11,616,685
Transactions with owners, recorded directly in equity:								
Payment of cash dividends	-	-	-	-	(1,298,212)	(1,298,212)	(56,800)	(1,355,012)
Increase in paid-in capital of subsidiaries by issuing stock	-	-	-	-	-	-	560	560
Acquisition of investment of subsidiaries	-	-	-	-	-	-	(91,428)	(91,428)
Disposals of investment of subsidiaries	-	-	-	-	-	-	(83,094)	(83,094)
Purchases of treasury stocks	-	-	(193,452)	-	-	(193,452)	-	(193,452)
Disposals of treasury stocks	-	118,686	284,187	-	-	402,873	-	402,873
Others	-	-	-	-	(821)	(821)	(9,397)	(10,218)
Total transactions with owners, recorded directly in equity	-	118,686	90,735	-	(1,299,033)	(1,089,612)	(240,159)	(1,329,771)
Balance at September 30, 2022	₩ 1,488,993	₩ 4,188,946	₩ (1,877,650)	₩ 2,593,559	₩ 77,813,583	₩ 84,207,431	₩ 8,695,272	₩ 92,902,703

(Concluded)

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

	NOTES	Nine-month period ended September 30,	
		2022	2021
		(In millions of Korean Won)	
Cash flows from operating activities:			
Cash generated from operations:	36		
Profit for the period		₩ 6,273,692	₩ 4,991,703
Adjustments		14,589,103	11,363,979
Changes in operating assets and liabilities		(10,786,956)	(17,977,074)
		<u>10,075,839</u>	<u>(1,621,392)</u>
Interest received		465,295	299,813
Interest paid		(1,918,250)	(1,418,914)
Dividend received		536,717	204,883
Income tax paid		(2,059,326)	(850,767)
Net cash provided by (used in) operating activities		<u>7,100,275</u>	<u>(3,386,377)</u>
Cash flows from investing activities:			
Changes in short-term financial instruments, net		371,903	86,837
Changes in other financial assets (current), net		3,634,705	1,047,751
Decrease in other financial assets (non-current)		17,252	196,190
Collection of other receivables		45,768	55,354
Disposals of long-term financial instruments		80,111	34,719
Proceeds from disposals of property, plant and equipment		116,008	76,712
Proceeds from disposals of intangible assets		6,159	12,887
Proceeds from disposals of investment in joint ventures and associates		11,764	8,768
Acquisitions of subsidiaries, net of cash acquired		(87,165)	(294,079)
Increases in other financial assets (non-current)		(364,029)	(169,190)
Increases in other receivables		(52,991)	(55,893)
Purchases of long-term financial instruments		(57,535)	(124,697)
Acquisitions of property, plant and equipment		(2,609,662)	(3,108,071)
Acquisitions of intangible assets		(938,220)	(895,765)
Acquisitions of investments in joint ventures and associates		(1,642,959)	(532,130)
Cash outflows from changes of consolidation scope		(197,188)	(125,611)
Others		2,029	167,090
Net cash used in investing activities		<u>(1,664,050)</u>	<u>(3,619,128)</u>

(Continued)

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2022 AND 2021

	NOTES	Nine-month period ended September 30,	
		2022	2021
		(In millions of Korean Won)	
Cash flows from financing activities:			
Repayment of short-term borrowings, net	₩	(2,462,800)	₩ (27,429)
Proceeds from long-term debt and debentures		23,017,640	35,046,804
Proceeds from capital contribution from non-controlling interest		560	165,291
Acquisitions of subsidiaries		-	(300,670)
Repayment of long-term debt and debentures		(19,041,331)	(24,117,821)
Repayment of lease liabilities		(149,545)	(135,836)
Purchases of treasury stocks		(193,451)	-
Dividends paid		(1,354,996)	(1,186,638)
Others		(44,829)	(118,232)
Net cash provided by (used in) financing activities		<u>(228,752)</u>	<u>9,325,469</u>
Effect of exchange rate changes on cash and cash equivalents		1,581,431	582,020
Net increase in cash and cash equivalents		6,788,904	2,901,984
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>19,584,458</u>	₩ <u>12,764,120</u>
(Concluded)			

See accompanying notes to the consolidated financial statements.

HYUNDAI MOTOR COMPANY AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIODS ENDED SEPTEMBER 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 September 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 September 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%	
42dot Inc. (*5)	R&D and Sales	“	66.08%	
Movia Inc.	Transporting	“	100.00%	42dot 100.00%
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%
Hyundai Motor Investment, Inc.	Investment	“	100.00%	
42 Air, Inc	R&D and Sales	“	100.00%	42dot 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%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HK Retail Funding LP	"	"	100.00%	HCCA 99.99%, HCCA Funding Two Inc 0.01%
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%	
HYUNDAI MOBILITY (THAILAND) CO., LTD. (HMT)	"	Thailand	100.00%	
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%	

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
Hyundai Motor Europe Technical Center GmbH (HMETC)	R&D	"	100.00%	
Hyundai Motorsport GmbH (HMSG)	Marketing	"	100.00%	HME 100.00%
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%
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%

Name of subsidiaries	Nature of business	Location	Ownership percentage	Indirect ownership
HMS SERVICOS DE MOBILIDADE LTDA. (*4)	Holding company	"	99.99%	HMB 99.99%
China Millennium Corporations (CMEs)	Holding company	Cayman Islands	59.60%	
China Mobility Fund, L.P.	Investment	"	72.00%	
ZER01NE Accelerator Investment Fund No.1	"	"	99.00%	
Autopia Sixty-Fourth ~ Seventy-Fourth 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 ~ Fourteenth 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 Three, 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 nine-month period ended September 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.

(*5) During the nine-month period ended September 30, 2022, the Group acquired additional shares of 42dot Inc. and reclassified its shares to a subsidiary. Although the shareholding ratio of common stock is 66.08%, the shareholding ratio with voting rights is 55.90% considering the redeemable convertible preference share with voting rights issued.

- (2) Summarized financial position and results of operations of major consolidated subsidiaries as of and for the nine-month period ended September 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. (*)	₩ 38,261,092	₩ 32,592,511	₩ 3,825,558	₩ 356,246
HYUNDAI CARD CO., LTD. (*)	25,480,221	21,648,753	2,398,509	207,814
HYUNDAI ROTEM COMPANY (*)	3,808,021	2,721,701	2,245,749	71,353
HYUNDAI KEFICO CORPORATION (*)	2,076,792	1,150,928	1,590,290	36,458
HCA (*)	72,532,243	63,886,112	9,299,138	660,109
HMA	14,394,534	9,173,422	23,902,101	2,076,316
HMMA	5,871,800	4,636,240	8,421,819	(813,848)
HMI (*)	5,359,336	2,302,916	6,790,896	490,539
HMMC	4,871,627	2,000,312	6,864,944	598,851
HME (*)	2,608,238	2,528,760	10,263,956	12,790
HMMR	2,498,478	787,247	875,541	134,033
HMB	2,102,083	1,404,045	2,371,344	98,941
HACC (*)	2,062,060	1,157,823	3,162,484	100,269
HAOSVT	1,970,448	1,072,002	2,747,721	289,716
HMCA	1,064,504	823,902	1,824,841	67,937

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

Summarized financial position and results of operations of major consolidated subsidiaries as of and for the nine-month period ended September 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. (*)	₩ 34,933,724	₩ 29,812,265	₩ 2,659,411	₩ 348,304
HYUNDAI CARD CO., LTD. (*)	21,942,737	18,378,215	2,066,686	250,624
HYUNDAI ROTEM COMPANY (*)	4,255,121	2,884,856	2,074,537	25,756
HYUNDAI KEFICO CORPORATION (*)	2,026,379	1,183,630	1,480,402	56,690
HCA (*)	58,053,933	51,734,441	8,031,158	809,301
HMA	7,136,632	4,817,752	16,857,531	712,730
HMMA	4,473,911	2,791,502	5,814,827	140,709
HMMC	4,361,507	1,908,191	5,465,959	258,709
HMI (*)	4,166,772	1,733,231	5,619,094	340,754
HME (*)	2,412,489	2,351,667	8,818,708	7,808
HMMR	1,954,639	994,007	2,328,729	134,556
HACC (*)	1,756,339	943,958	2,833,246	103,771
HMB	1,535,766	1,080,542	1,464,551	2,414
HAOSVT	1,463,845	876,803	2,251,715	188,091
HMCA	994,111	772,231	1,462,225	57,168

(*) 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 nine-month period ended September 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	₩ (955,163)	₩ (1,519,190)	₩ 47,213
Used in investing activities	(204,589)	(16,547)	(27,186)
Provided by financing activities	1,472,634	2,945,242	(8,293)
Effect of exchange rate changes on cash and cash equivalents	-	-	5,569
Net increase in cash and cash equivalents	₩ 312,882	₩ 1,409,505	₩ 17,303

Summarized cash flows of non-wholly owned subsidiaries that had material non-controlling interests to the Group and subsidiaries of finance segment for the nine-month period ended September 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	₩ (371,653)	₩ (1,603,927)	₩ (280,300)
Provided by (used in) investing activities	(19,121)	(87,574)	160,717
Provided by financing activities	541,164	1,661,398	20,657
Effect of exchange rate changes on cash and cash equivalents	-	-	(253)
Net decrease in cash and cash equivalents	₩ 150,390	₩ (30,103)	₩ (99,179)

- (5) Details of non-wholly owned subsidiaries of the Company that have material non-controlling interests as of and for the nine-month period ended September 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	₩ 2,275,674	₩ 2,504,013	₩ 750,793
Profit attributable to non-controlling interests	139,857	131,014	46,404
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 nine-month period ended September 30, 2022 are as follows.

Changes	Name of subsidiaries	Description
Included	Autopia Seventy-Third Asset Securitization Specialty Company	Establishment
"	Autopia Seventy-Fourth Asset Securitization Specialty Company	"
"	Super Series Twelfth Securitization Specialty Co., Ltd.	"
"	Super Series Thirteenth Securitization Specialty Co., Ltd.	"
"	Super Series Fourteenth Securitization Specialty Co., Ltd.	"
"	Hyundai Motor Group Metaplant America, LLC (HMGMA)	"
"	Hyundai Hydrogen Mobility Germany GmbH (HHMG)	"
"	HYUNDAI MOBILITY (THAILAND) CO., LTD. (HMT)	"
"	42dot Inc.	Acquisition
"	42 Air, Inc	"
"	Movia Inc.	"
Excluded	supernal, LLC	Changed to equity method
"	Super Series Fifth Securitization Specialty Co., Ltd.	Liquidation
"	KyoboAXA Private Tomorrow Securities Investment Trust No.12	"
"	Shinhan BNPP Private Corporate Security Investment Trust No.34	"
"	KB Leaders Private Securities Fund1(Bond Mixed)	"
"	Samsung ETF rotation Private Investment Trust 1	"
"	MoceanLab, Inc.	"
"	HYUNDAI ROTEM MALAYSIA SDN BHD	"

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

(1) Basis of consolidated financial statements preparation

The Group's condensed consolidated interim financial statements as of September 30, 2022 and for three-month and the nine-month periods ended September 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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Trade notes and accounts receivable	₩ 4,688,398	₩ 183,602	₩ 3,190,030	₩ 145,648
Loss allowance	(38,423)	(7,020)	(42,734)	(773)
Present value discount accounts	-	(11,468)	-	(7,718)
	<u>₩ 4,649,975</u>	<u>₩ 165,114</u>	<u>₩ 3,147,296</u>	<u>₩ 137,157</u>

(2) Aging analysis of trade notes and accounts receivable

As of September 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		Overdue		Total amounts	Amount of impaired receivables
		Within 90days	Within 180days More than 91days	More than 181 days			
		(In millions of Korean Won)					
Total trade note and accounts receivable	₩ 4,562,978	₩ 170,625	₩ 19,158	₩ 119,239	₩ 4,872,000	₩ 45,443	

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		Overdue		Total amounts	Amount of impaired receivables
		Within 90days	Within 180days More than 91days	More than 181 days			
		(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 nine-month periods ended September 30, 2022 and 2021 are as follows

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 43,507	₩ 55,210
Impairment loss	1,138	460
Write-off	(175)	(11,334)
Effect of foreign exchange differences and others	973	581
End of the period	<u>₩ 45,443</u>	<u>₩ 44,917</u>

4. OTHER RECEIVABLES:

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

Description	September 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
(In millions of Korean Won)				
Accounts receivable – others (*)	₩ 3,026,056	₩ 459,521	₩ 2,785,799	₩ 373,569
Due from customers for contract work	1,507,012	-	1,421,108	-
Lease and rental deposits	8,211	334,854	24,105	310,536
Deposits	14,869	33,767	7,289	33,469
Others	10,023	-	3,546	23,594
Loss allowance	(19,805)	-	(20,877)	-
	<u>₩ 4,546,366</u>	<u>₩ 828,142</u>	<u>₩ 4,220,970</u>	<u>₩ 741,168</u>

(*) As of September 30, 2022 and December 31, 2021, the Group recognized the reimbursement related to the warranty provisions as a separate asset in the amount of ₩1,198,834 million and ₩1,091,859 million, respectively.

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

Description	Nine-month period ended September 30,	
	2022	2021
(In millions of Korean Won)		
Beginning of the period	₩ 20,877	₩ 18,169
Impairment loss	666	198
Write-off	(2,265)	(640)
Effect of foreign exchange differences and others	527	21
End of the period	<u>₩ 19,805</u>	<u>₩ 17,748</u>

5. OTHER FINANCIAL ASSETS:

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

Description	September 30, 2022	
	Current	Non-current
(In millions of Korean Won)		
Financial assets measured at FVPL	₩ 8,349,729	₩ 315,943
Financial assets measured at FVOCI	64,124	2,866,138
Financial assets measured at amortized cost	20,780	10,959
Derivative assets that are effective hedging instruments	581,353	1,658,288
	<u>₩ 9,015,986</u>	<u>₩ 4,851,328</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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
	Acquisition cost	Book value (In millions of Korean Won)	Book value	
Debt instruments	₩ 599,479	₩ 555,819	₩ 450,711	
Equity instruments (*)	2,782,289	2,374,443	2,460,812	
	₩ 3,381,768	₩ 2,930,262	₩ 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 September 30, 2022 and December 31, 2021 are as follows.

Name of the company	Ownership percentage (%)	September 30 2022		December 31, 2021	
		Acquisition cost	Book value (In millions of Korean Won)	Book value	
KT Corporation(*4)	4.69	₩ 458,473	₩ 443,495	₩ 7,443	
Hyundai Glovis Co., Ltd.	4.88	210,688	297,528	314,922	
Hyundai Steel Company (*1)	6.87	835,375	296,194	434,277	
ANI Technologies Private Limited (OLA)	3.38	278,955	290,116	290,116	
Hyundai Oilbank Co., Ltd.	4.35	53,734	230,812	230,812	
Grab Holdings Limited	1.11	442,922	161,835	362,508	
HD Hyundai (*3)	2.20	9,018	93,851	94,892	
NICE Information Service Co., Ltd.	2.25	3,312	18,303	24,587	
Hyundai M Partners Co., Ltd.	9.29	9,888	17,359	13,954	
Hyundai Green Food Co., Ltd.	2.36	15,005	14,792	20,077	
NICE Holdings Co., Ltd.	1.30	3,491	6,072	7,866	
Hyundai Asan Corporation	1.40	22,500	2,117	2,117	
Korea Aerospace Industries, Ltd. (*2)	-	-	-	153,522	
Others		438,928	501,969	503,719	
		₩ 2,782,289	₩ 2,374,443	₩ 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. The Group has disposed of all of its shares during the nine-month period ended September.

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

(*4) During the nine-month period ended September 30, 2022, the Group acquired 12,011,143 shares in KT Corporation shares by exchange of treasury stocks for the purpose of strengthening its business partnership with KT Corporation, and the shares acquired by the Group are restricted from disposal for a certain period of time.

6. **INVENTORIES:**

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

Description	September 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Finished goods	₩	7,584,719	₩	5,987,233
Merchandise		101,952		59,518
Semifinished goods		720,292		711,155
Work in progress		562,055		692,832
Raw materials		4,028,422		2,536,671
Supplies		369,942		315,871
Materials in transit		592,900		730,970
Others (*1)		782,933		611,391
Total (*2)	₩	14,743,215	₩	11,645,641

(*1) As of September 30, 2022 and December 31, 2021, others include inventories provided by operating lease with repurchase agreement in the amount of ₩226,473 million and ₩143,641 million, respectively.

(*2) As of September 30, 2022 and December 31, 2021, the Group recognized a valuation allowance in the amount of ₩178,546 million and ₩167,888 million, respectively.

7. **OTHER ASSETS:**

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

Description	September 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Accrued income	₩ 438,038	₩ 553	₩ 353,643	₩ 716
Advanced payments	697,429	130,743	662,919	-
Prepaid expenses	860,057	1,482,488	558,336	1,108,621
Prepaid value-added tax and others	522,535	83,751	506,955	81,947
	₩ 2,518,059	₩ 1,697,535	₩ 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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Building and others	₩	28,673	₩	28,121
	₩	28,673	₩	28,121

9. PROPERTY, PLANT AND EQUIPMENT:

The changes in property, plant and equipment (“PP&E”) for the nine-month periods ended September 30, 2022 and 2021 are as follows.

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 35,543,083	₩ 34,092,229
Acquisitions	2,309,100	2,695,045
Disposals	(225,660)	(97,188)
Depreciation	(2,306,206)	(2,142,991)
Transfer to assets classified as held for sale	-	(22,470)
Others (*)	1,149,973	416,327
End of the period	₩ 36,470,290	₩ 34,940,952

(*) 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 nine-month periods ended September 30, 2022 and 2021 are as follows.

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 156,656	₩ 160,967
Disposals	-	(1,762)
Depreciation	(4,050)	(4,049)
Effect of foreign exchange differences	911	1,093
Others (*)	199	1,537
End of the period	₩ 153,716	₩ 157,786

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

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Rental income	₩ 11,508	₩ 32,675	₩ 12,048	₩ 36,324
Operating and maintenance expenses	3,431	9,878	3,366	10,037

11. INTANGIBLE ASSETS:

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

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 5,846,986	₩ 5,677,567
Internal developments and external acquisitions	940,200	897,160
Disposals	(32,296)	(12,479)
Amortization	(1,326,452)	(1,155,713)
Impairment loss	(26,048)	(12,153)
Others (*)	617,667	639,857
End of the period	₩ 6,020,057	₩ 6,034,239

(*) 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 nine-month periods ended September 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Development costs (intangible assets)	₩ 234,169	₩ 743,351	₩ 289,021	₩ 776,974
Research and development (*1)	520,719	1,415,764	435,046	1,153,683
Total (*2)	₩ 754,888	₩ 2,159,115	₩ 724,067	₩ 1,930,657

(*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 nine-month periods ended September 30, 2022 and 2021 are as follows.

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Beginning of the period	₩ 940,826	₩ 836,324
Acquisitions	299,631	255,550
Disposals	(59,055)	(95,492)
Depreciation	(156,154)	(145,160)
Others (*)	(1,180)	39,344
End of the period	₩ 1,024,068	₩ 890,566

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

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

Description	September 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Undiscounted lease liabilities	₩ 1,244,376	₩ 1,150,757
Discounted lease liabilities	1,018,098	950,572
Current	175,366	167,266
Non-current	842,732	783,306

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES:

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

Name of the company	Nature of business	Location	September 30, 2022		December 31, 2021	
			Ownership percentage (%)	Book value (In millions of Korean Won)	Book value	Book value
Beijing-Hyundai Motor Company (BHMC) (*1)	Financing	China	50.00	₩ 864,522	₩	345,950
Beijing Hyundai Qiche Financing Company (BHAF) (*1,3)	Manufacturing	China	53.00	825,002		736,704
Hyundai WIA Automotive Engine (Shandong) Company (WAE)	Manufacturing	China	31.40	246,273		245,868
Hyundai Motor Group China, Ltd. (HMG) (*1)	Investment	China	50.00	145,794		144,050
Motional AD LLC (*1)	R&D	USA	25.95	1,092,495		1,025,263
Boston Dynamics AI Institute, LLC	R&D	USA	47.50	303,560		-
supernal, LLC (*1,6)	R&D	USA	44.44	236,628		-
Boston Dynamics, Inc. (*5)	R&D	USA	-	-		414,634
Hyundai Capital Bank Europe GmbH (HCBE)	Financing	Germany	49.00	522,405		498,050
Kia Corporation	Manufacturing	Korea	33.88	13,234,290		11,620,132
Hyundai Engineering & Construction Co., Ltd.	Construction	Korea	20.95	3,115,925		2,935,786
Hyundai Transys Inc.	Manufacturing	Korea	41.13	1,182,740		1,085,858
Hyundai WIA Corporation	Manufacturing	Korea	25.35	825,877		729,053
Hyundai Autoever Corp. (*4)	IT service	Korea	31.59	433,340		410,935
Hyundai Motor Securities Co., Ltd.	Securities Brokerage	Korea	25.43	334,448		314,532
Hyundai Commercial Inc.	Financing	Korea	37.50	329,149		339,300
Eukor Car Carriers Inc. (*2)	Transportation	Korea	12.00	278,861		186,489
Haevichi Hotels & Resorts Co., Ltd.	Hotelkeeping	Korea	41.90	98,073		98,894
Others				2,310,281		1,297,619
				₩ 26,379,663	₩	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) During the nine-month period ended September 30, 2022, the Group completed the establishment of HMG Global LLC by contributing cash and all of Group's interests in Boston Dynamics, Inc. to HMG Global LLC.
- (*6) During the nine-month period ended September 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 nine-month period ended September 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)						
BHMC	₩ 345,950	₩ 597,979	₩ (122,288)	₩ -	₩ 42,881	₩ 864,522
BHAF	736,704	-	33,915	-	54,383	825,002
WAE	245,868	-	(15,808)	-	16,213	246,273
HMGC	144,050	-	(8,316)	-	10,060	145,794
Motional AD LLC	1,025,263	-	(133,724)	-	200,956	1,092,495
Boston Dynamics AI Institute, LLC	-	283,237	(368)	-	20,691	303,560
supernal, LLC	-	194,596	(55,899)	-	97,931	236,628
Boston Dynamics, Inc.	414,634	-	(37,483)	-	(377,151)	-
HCBE	498,050	-	9,876	-	14,479	522,405
Kia Corporation	11,620,132	-	1,220,371	(411,955)	805,742	13,234,290
Hyundai Engineering & Construction Co., Ltd.	2,935,786	-	114,534	(13,996)	79,601	3,115,925
Hyundai Transys Inc.	1,085,858	-	52,157	-	44,725	1,182,740
Hyundai WIA Corporation	729,053	-	64,590	(4,826)	37,060	825,877
Hyundai Autoever Corp.	410,935	-	25,073	(6,065)	3,397	433,340
Hyundai Motor Securities Co., Ltd.	314,532	-	21,804	(6,453)	4,565	334,448
Hyundai Commercial Inc.	339,300	-	63,184	(20,000)	(53,335)	329,149
Eukor Car Carriers Inc.	186,489	-	50,950	(7,392)	48,814	278,861
Haevichi Hotels & Resorts Co., Ltd.	98,894	-	(838)	-	17	98,073
Others	1,297,619	895,247	19,194	(16,184)	114,405	2,310,281
	<u>₩ 22,429,117</u>	<u>₩ 1,971,059</u>	<u>₩ 1,300,924</u>	<u>₩ (486,871)</u>	<u>₩ 1,165,434</u>	<u>₩ 26,379,663</u>

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

The changes in investments in joint ventures and associates for the nine-month period ended September 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	₩ -	₩ 45,199	₩ (15,880)	₩ 61,717	₩ 718,931
BHMC	779,958	-	(370,035)	-	60,114	470,037
WAE	224,979	-	(2,064)	-	20,335	243,250
HMGC	97,595	25,357	(3,521)	-	10,920	130,351
Motional AD LLC	1,053,282	-	(88,857)	-	94,580	1,059,005
Boston Dynamics, Inc.	-	426,001	(17,738)	-	4,051	412,314
HCBE	495,999	-	2,047	-	13,615	511,661
Kia Corporation	9,972,824	-	1,206,200	(137,318)	224,116	11,265,822
Hyundai Engineering & Construction Co., Ltd.	2,835,399	-	53,637	(13,996)	23,819	2,898,859
Hyundai Transys Inc.	1,017,906	-	54,640	-	19,970	1,092,516
Hyundai WIA Corporation	694,991	-	24,696	(4,826)	17,831	732,692
Hyundai Autoever Corp.	158,073	-	15,545	(4,485)	229,972	399,105
Hyundai Motor Securities Co., Ltd.	310,472	-	20,233	(5,444)	(12,560)	312,701
Hyundai Commercial Inc.	261,601	-	44,235	(3,750)	(15,454)	286,632
Eukor Car Carriers Inc.	150,503	-	8,909	-	13,920	173,332
Haevichi Hotels & Resorts Co., Ltd.	97,655	-	706	-	26	98,387
Others	1,146,128	169,555	31,475	(3,050)	(6,231)	1,337,877
	<u>₩ 19,925,260</u>	<u>₩ 620,913</u>	<u>₩ 1,025,307</u>	<u>₩ (188,749)</u>	<u>₩ 760,741</u>	<u>₩ 22,143,472</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 nine-month period ended September 30, 2022 is as follows.

Name of the company	Current assets	Non-current assets	Current liabilities	Non-current liabilities
	(In millions of Korean Won)			
BHMC	₩ 3,059,466	₩ 3,927,483	₩ 4,509,212	₩ 694,600
BHAF(*)	5,063,062	-	3,506,455	-
WAE	613,740	518,550	338,111	46,156
HMGC	283,519	621,420	536,527	75,759
Motional AD LLC	718,264	3,814,648	148,664	106,113
Boston Dynamics AI Institute, LLC	639,387	861	1,173	-
supernal, LLC	521,240	173,724	41,056	121,433
HCBE (*)	9,164,526	-	8,092,355	-
Kia Corporation	34,838,820	41,018,419	26,338,127	10,131,964
Hyundai Engineering & Construction Co., Ltd.	15,836,766	5,391,899	8,485,263	2,380,259
Hyundai Transys Inc.	4,411,937	3,267,171	2,993,578	1,744,878
Hyundai WIA Corporation	4,362,274	3,586,152	2,140,318	1,767,092
Hyundai Autoever Corp.	1,595,378	870,265	800,818	222,073
Hyundai Motor Securities Co., Ltd. (*)	10,404,884	-	9,170,125	-
Hyundai Commercial Inc. (*)	11,510,331	-	10,185,106	-
Eukor Car Carriers Inc.	1,158,862	3,739,259	860,291	1,716,173
Haevichi Hotels & Resorts Co., Ltd.	49,421	411,637	247,556	41,791

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)			
BHMC	₩ 3,519,643	₩ (217,719)	₩ -	₩ (217,719)
BHAF(*)	287,609	63,990	-	63,990
WAE	320,831	(41,215)	-	(41,215)
HMGC	255,175	(16,453)	-	(16,453)
Motional AD LLC	555	(531,548)	(19,760)	(551,308)
Boston Dynamics AI Institute, LLC	-	(775)	-	(775)
supernal, LLC	-	(125,780)	-	(125,780)
HCBE (*)	699,010	20,878	55,730	76,608
Kia Corporation	63,394,868	3,372,444	2,301,503	5,673,947
Hyundai Engineering & Construction Co., Ltd.	15,155,594	642,849	411,046	1,053,895
Hyundai Transys Inc.	7,406,539	129,327	125,308	254,635
Hyundai WIA Corporation	5,958,891	202,316	162,029	364,345
Hyundai Autoever Corp.	1,920,268	71,960	14,167	86,127
Hyundai Motor Securities Co., Ltd. (*)	1,010,083	85,728	16,636	102,364
Hyundai Commercial Inc. (*)	458,696	168,813	(131,085)	37,728
Eukor Car Carriers Inc.	2,044,566	425,390	376,888	802,278
Haevichi Hotels & Resorts Co., Ltd.	109,622	(2,015)	30	(1,985)

(*) 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 nine-month period ended September 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 (*)	₩ 5,472,737	₩ -	₩ 4,116,264	₩ -
BHMC	2,744,491	4,013,122	4,841,775	931,963
WAE	644,963	560,979	180,529	288,651
HMGC	267,504	555,365	434,981	126,198
Motional AD LLC	763,082	3,611,210	91,561	115,166
Boston Dynamics, Inc.	155,297	258,150	39,638	83,296
HCBE (*)	6,964,686	-	5,946,079	-
Kia Corporation	28,713,096	35,779,935	20,197,631	10,514,101
Hyundai Engineering & Construction Co., Ltd.	13,943,365	4,720,474	6,965,443	2,511,739
Hyundai Transys Inc.	3,454,605	2,886,719	2,054,505	1,586,771
Hyundai WIA Corporation	4,142,911	3,615,430	2,033,135	2,034,904
Hyundai Autoever Corp.	1,357,150	828,681	596,935	241,003
Hyundai Motor Securities Co., Ltd. (*)	9,737,720	-	8,588,465	-
Hyundai Commercial Inc. (*)	9,544,059	-	8,183,244	-
Eukor Car Carriers Inc.	361,813	3,070,987	720,128	1,270,422
Haevichi Hotels & Resorts Co., Ltd.	46,514	408,102	227,618	53,956

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 (*)	₩ 320,234	₩ 85,279	₩ -	₩ 85,279
BHMC	4,287,824	(755,009)	-	(755,009)
WAE	623,123	7,030	-	7,030
HMGC	341,683	(7,068)	-	(7,068)
Motional AD LLC	389	(353,257)	(278)	(353,535)
Boston Dynamics, Inc.	45,505	(140,375)	-	(140,375)
HCBE (*)	519,362	4,245	26,495	30,740
Kia Corporation	52,673,988	3,512,605	777,955	4,290,560
Hyundai Engineering & Construction Co., Ltd.	12,885,050	427,743	124,713	552,456
Hyundai Transys Inc.	5,997,589	126,976	44,089	171,065
Hyundai WIA Corporation	5,604,958	77,547	105,489	183,036
Hyundai Autoever Corp.	1,424,757	51,361	5,727	57,088
Hyundai Motor Securities Co., Ltd. (*)	684,655	102,508	4,700	107,208
Hyundai Commercial Inc. (*)	352,332	123,387	(30,202)	93,185
Eukor Car Carriers Inc.	1,314,393	75,262	115,909	191,171
Haevichi Hotels & Resorts Co., Ltd.	84,041	1,363	61	1,424

(*) 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 nine-month period ended September 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)							
BHMC	₩ 1,728,286	₩ 465,312	₩ 424,174	₩ 444,998	₩ 10,240	₩ 37,070	₩ 2,162
BHAF (*)	1,344,425	3,225,797	-	11,030	285,581	108,216	23,148
HMGC	126,409	362,472	49,906	2,145	1,284	10,113	609
Motional AD LLC	150,506	17,752	73,502	62,165	4,066	-	7,810
supernal, LLC	519,480	-	-	6,035	410	4,915	-

- (*) 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 nine-month period ended September 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 (*)	₩ 803,814	₩ 3,978,226	₩ -	₩ 5,962	₩ 313,948	₩ 133,226	₩ 29,046
BHMC	859,001	591,187	649,352	357,886	8,060	60,978	1,969
HMGC	98,653	316,733	53,070	2,173	713	10,663	929
Motional AD LLC	114,070	14,575	75,355	60,651	2,653	-	(12,173)

- (*) 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 September 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)				
BHMC	₩ 891,568	₩ -	₩ (27,046)	₩ 864,522
BHAF	825,002	-	-	825,002
WAE (*)	238,425	7,809	39	246,273
HMGC	146,327	-	(533)	145,794
Motional AD LLC	1,110,048	-	(17,553)	1,092,495
Boston Dynamics AI Institute, LLC	303,560	-	-	303,560
supernal, LLC	236,635	-	(7)	236,628
HCBE	511,751	22,341	(11,687)	522,405
Kia Corporation	13,091,297	197,089	(54,096)	13,234,290
Hyundai Engineering & Construction Co., Ltd. (*)	2,384,431	731,362	132	3,115,925
Hyundai Transys Inc.	1,168,321	-	14,419	1,182,740
Hyundai WIA Corporation	920,891	-	(95,014)	825,877
Hyundai Autoever Corp. (*)	374,419	58,822	99	433,340
Hyundai Motor Securities Co., Ltd.	294,396	40,052	-	334,448
Hyundai Commercial Inc.	329,149	-	-	329,149
Eukor Car Carriers Inc.	278,599	-	262	278,861

Name of the company	Group's share of net assets	Goodwill	Unrealized profit (loss) and others	Carrying amounts
(In millions of Korean Won)				

Haevichi Hotels & Resorts Co., Ltd. (*)	94,497	3,576	-	98,073
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(*) 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
HMGC	130,845	-	(494)	130,351
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 September 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	₩ 71,900	137,318,251	₩ 9,873,182
Hyundai Autoever Corp.	103,500	8,664,334	896,759
Hyundai Engineering & Construction Co., Ltd.	37,500	23,327,400	874,778
Hyundai WIA Corporation	60,100	6,893,596	414,305
Hyundai Motor Securities Co., Ltd.	9,720	8,065,595	78,398

14. FINANCIAL SERVICES RECEIVABLES:

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

Description	September 30, 2022	December 31, 2021
(In millions of Korean Won)		
Loans	₩ 73,196,104	₩ 61,959,509
Card receivables	20,556,667	18,728,408
Financial lease receivables	2,091,022	2,123,472
Others	20,461	35,291

Description	September 30, 2022	December 31, 2021
	95,864,254	82,846,680
Loss allowance	(1,697,495)	(1,551,987)
Loan origination fee	(115,624)	(231,762)
Present value discount accounts	(46,553)	(33,799)
	<u>₩ 94,004,582</u>	<u>₩ 81,029,132</u>

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

Description	Nine-month period ended September 30,			
	2022		2021	
	(In millions of Korean Won)			
Beginning of the period	₩	1,551,987	₩	1,685,229
Impairment loss		557,382		467,176
Write-off		(483,253)		(527,262)
Disposals and others		(17,019)		(39,128)
Effect of foreign exchange differences		88,398		37,787
End of the period	₩	1,697,495	₩	1,623,802

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

Description	September 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	₩ 879,891	₩ 774,422	₩ 888,358	₩ 788,739
Later than one year and not later than five years	1,423,903	1,307,375	1,421,468	1,324,645
Later than five years	5,389	5,189	6,475	6,236
	<u>₩ 2,309,183</u>	<u>₩ 2,086,986</u>	<u>₩ 2,316,301</u>	<u>₩ 2,119,620</u>

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

Description	September 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Gross investments in financial lease	₩ 2,309,183	₩ 2,316,301
Net lease investments:		
Present value of minimum lease payment receivable	2,086,986	2,119,620
Present value of unguaranteed residual value	4,036	3,852
	<u>2,091,022</u>	<u>2,123,472</u>
Unearned interest income	<u>₩ 218,161</u>	<u>₩ 192,829</u>

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

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

Description	September 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Acquisition cost	₩ 36,061,813	₩ 29,980,884
Accumulated depreciation	(4,908,601)	(3,477,632)
Accumulated impairment loss	(159,583)	(175,256)
	₩ 30,993,629	₩ 26,327,996

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

Description	September 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Not later than one year	₩ 5,399,647	₩ 5,323,499
Later than one year and not later than five years	6,499,805	5,744,918
Later than five years	160	77
	₩ 11,899,612	₩ 11,068,494

16. BORROWINGS AND DEBENTURES:

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

Description	Lender	Annual interest rate (%)	September 30, 2022	December 31, 2021
			(In millions of Korean Won)	
Overdrafts	Citi Bank and others	0.45~3.50	₩ 103,174	₩ 456,044
General borrowings	Korea Development Bank and others	0.12~14.60	4,024,873	3,994,073
Borrowings collateralized by trade receivables	Hana Bank and others	0.00001~12.79	3,834,254	3,059,551
Banker's Usance	Hana Bank and others	0.15~5.70	786,756	786,755
Commercial paper	Shinhan Bank and others	0.50~4.31	3,549,938	4,791,413
Credit facilities	Korea Development Bank	2.54	300,000	-
			₩ 12,598,995	₩ 13,087,836

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

Description	Lender	Annual interest rate (%)	September 30, 2022 (In millions of Korean Won)	December 31, 2021
General borrowings	Mizuho Bank and others	0.01~16.80	₩ 10,066,002	₩ 9,738,949
Credit facilities	NH Investment & Securities and others	3.18~9.13	82,485	540,600
Commercial paper	BNK Investment & Securities and others	1.12~4.74	2,950,000	1,650,000
Asset-backed securities	HSBC and others	1.65~3.76	5,727,049	4,136,643
Others (*)	NH Investment & Securities		68,903	392,032
			18,894,439	16,458,224
Less: present value discounts			(92,032)	(88,059)
Less: current maturities			(5,002,170)	(5,702,434)
			₩ 13,800,237	₩ 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 September 30, 2022 and December 31, 2021 are as follows.

Description	Latest maturity date	Annual interest rate (%)	September 30, 2022 (In millions of Korean Won)	December 31, 2021
Non-guaranteed public debentures	March 29, 2032	0.96~6.00	₩ 34,409,906	₩ 31,533,051
Non-guaranteed private debentures	April 8, 2030	0.80~6.38	31,185,660	27,604,469
Asset-backed securities	August 15, 2028	0.19~4.48	25,153,710	19,359,999
			90,749,276	78,497,519
Less: discount on debentures			(177,540)	(162,242)
Less: current maturities			(22,506,205)	(14,876,468)
			₩ 68,065,531	₩ 63,458,809

17. PROVISIONS:

The changes in provisions for the nine-month period ended September 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	4,402,989	52,987	568,019
Utilized	(2,249,542)	(63,205)	(535,594)
Effect of foreign exchange differences and others	602,994	763	80,283
End of the period	₩ 11,804,626	₩ 666,977	₩ 1,266,875

The changes in provisions for the nine-month period ended September 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	2,225,183	50,164	509,598
Utilized	(1,864,895)	(70,904)	(491,590)
Effect of foreign exchange differences and others	200,212	813	34,064
End of the period	₩ 9,074,673	₩ 710,069	₩ 1,178,791

18. OTHER FINANCIAL LIABILITIES:

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

Description	September 30, 2022	
	Current	Non-current
	(In millions of Korean Won)	
Financial liabilities measured at FVPL	₩ 6,531	₩ 208,335
Derivative liabilities that are effective hedging instruments	554,274	71,164
Financial Liabilities measured at amortized cost	165	986
	₩ 560,970	₩ 280,485

(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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
	Current	Non-current	Current	Non-current
	(In millions of Korean Won)			
Advances received	₩ 1,558,076	₩ 61,057	₩ 1,235,937	₩ 42,482
Withholdings	1,164,207	212,773	968,318	197,714
Accrued expenses	3,986,163	-	2,851,174	-
Unearned income	1,102,998	3,268,701	864,536	2,356,667
Due to customers for contract work	761,579	-	902,124	-
Others	664,335	764,169	618,031	747,755
	<u>₩ 9,237,358</u>	<u>₩ 4,306,700</u>	<u>₩ 7,440,120</u>	<u>₩ 3,344,618</u>

20. FINANCIAL INSTRUMENTS:

(1) Financial assets by categories as of September 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	₩	-	₩	19,584,458	₩	-	₩	-	₩	19,584,458	₩	19,584,458
Short-term and long-term financial instruments		-		6,669,553		-		-		6,669,553		6,669,553
Trade notes and accounts receivable		-		4,815,089		-		-		4,815,089		4,815,089
Other receivables		-		2,283,614		-		-		2,283,614		2,283,614
Other financial assets		8,665,672		31,739		2,930,262		2,239,641		13,867,314		13,867,314
Other assets		25,215		415,612		-		-		440,827		440,827
Financial services receivables		-		94,004,582		-		-		94,004,582		90,219,983
	₩	8,690,887	₩	127,804,647	₩	2,930,262	₩	2,239,641	₩	141,665,437	₩	137,880,838

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 September 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	₩ -	₩ 10,999,825	₩ -	₩ 10,999,825	₩ 10,999,825
Other payables	-	5,582,713	-	5,582,713	5,582,713
Borrowings and debentures	27,753	121,945,385	-	121,973,138	117,352,437
Other financial liabilities	214,866	1,151	625,438	841,455	841,455
Lease liabilities	-	1,018,098	-	1,018,098	1,018,098
Other liabilities	-	3,064,187	-	3,064,187	3,064,187
	<u>₩ 242,619</u>	<u>₩ 142,611,359</u>	<u>₩ 625,438</u>	<u>₩ 143,479,416</u>	<u>₩ 138,858,715</u>

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
	<u>₩ 54,101</u>	<u>₩ 125,738,590</u>	<u>₩ 87,070</u>	<u>₩ 125,879,761</u>	<u>₩ 126,198,894</u>

(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 September 30, 2022 are as follows.

Description	September 30, 2022			
	Level 1	Level 2	Level 3	Total
(In millions of Korean Won)				
Financial assets:				
Financial assets measured at FVPL	₩ 59,953	₩ 8,396,702	₩ 234,232	₩ 8,690,887
Derivative assets that are effective hedging instruments	-	2,239,641	-	2,239,641
Financial assets measured at FVOCI	1,561,290	497,441	871,531	2,930,262
	<u>₩ 1,621,243</u>	<u>₩ 11,133,784</u>	<u>₩ 1,105,763</u>	<u>₩ 13,860,790</u>
Financial liabilities:				
Financial liabilities measured at FVPL	₩ -	₩ 8,970	₩ 233,649	₩ 242,619
Derivative liabilities that are effective hedging instruments	-	622,922	2,516	625,438
	<u>₩ -</u>	<u>₩ 631,892</u>	<u>₩ 236,165</u>	<u>₩ 868,057</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 nine-month period ended September 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	₩ 73,397	₩ (5,290)	₩ 3,795	₩ -	₩ 234,232
Financial assets measured at FVOCI	913,767	6,298	(870)	56,838	(104,502)	871,531
Financial liabilities measured at FVPL	53,139	29,884	-	2,683	147,943	233,649
Derivative liabilities that are effective hedging instruments	-	2,516	-	-	-	2,516

The changes in financial instruments classified as Level 3 for the nine-month period ended September 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	₩ 36,693	₩ (5,436)	₩ 16,657	₩ 3,667	₩ 566,601
Financial assets measured at FVOCI	739,669	56,132	(2,579)	26,351	30,427	850,000
Financial liabilities measured at FVPL	-	54,759	-	-	-	54,759

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

Description	Nine-month period ended September 30, 2022		
	Interest income	Dividend income	Interest expenses
	(In millions of Korean Won)		
Non-financial services:			
Financial assets measured at amortized cost	₩ 320,178	₩ -	₩ -
Financial assets measured at FVPL	104,629	-	-
Financial assets measured at FVOCI	-	43,691	-
Financial liabilities measured at amortized cost	-	-	290,677
	<u>₩ 424,807</u>	<u>₩ 43,691</u>	<u>₩ 290,677</u>
Financial services:			
Financial assets measured at amortized cost	₩ 2,547,235	₩ -	₩ -
Financial assets measured at FVPL	4,509	1,300	-
Financial assets measured at FVOCI	571	-	-
Financial liabilities measured at amortized cost	-	-	1,563,998
	<u>₩ 2,552,315</u>	<u>₩ 1,300</u>	<u>₩ 1,563,998</u>

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

Description	Nine-month period ended September 30, 2021		
	Interest income	Dividend income	Interest expenses
	(In millions of Korean Won)		
Non-financial services:			
Financial assets measured at amortized cost	₩ 180,700	₩ -	₩ -
Financial assets measured at FVPL	73,968	-	-
Financial assets measured at FVOCI	-	28,342	-
Financial liabilities measured at amortized cost	-	-	194,723
	<u>₩ 254,668</u>	<u>₩ 28,342</u>	<u>₩ 194,723</u>
Financial services:			
Financial assets measured at amortized cost	₩ 3,075,281	₩ -	₩ -
Financial assets(liabilities) measured at FVPL	2,875	1,650	-
Financial assets measured at FVOCI	142	-	-
Financial liabilities measured at amortized cost	-	-	1,283,192
	<u>₩ 3,078,298</u>	<u>₩ 1,650</u>	<u>₩ 1,283,192</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 nine-month periods ended September 30, 2022 and 2021 are ₩745,907 million and ₩677,065 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 nine-month periods ended September 30, 2022 and 2021 are ₩319,054 million and ₩268,311 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 nine-month periods ended September 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 market approach, and as for discounted cash flow projections, 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 September 30, 2022		Valuation techniques	Unobservable inputs	Description of relationship
	Financial assets	Financial liabilities			
	(In millions of Korean Won)				
Unlisted equity securities and others	₩ 1,105,763	₩ 236,165	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 September 30, 2022 and December 31, 2021 are as follows.

(1) Common stock

Description	September 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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 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 (*)	867,612	748,926
	₩ 4,188,946	₩ 4,070,260

(*) During the nine-month period ended September 30, 2022, the Group disposed of 2,216,983 shares of treasury stocks through treasury stock exchange with KT Corporation, and recognized gain on disposal of treasury stocks in the amount of ₩118,686 million.

23. OTHER CAPITAL ITEMS:

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

Description	September 30, 2022	December 31, 2021
	(Number of shares)	
Common stock	12,685,931	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 September 30, 2022 is as follows.

Description	September 30, 2022
	(In millions of Korean Won)
Gain on valuation of financial assets measured at FVOCI	₩ 368,839
Loss on valuation of financial assets measured at FVOCI	(705,874)
Gain on valuation of cash flow hedge derivatives	171,836
Loss on valuation of cash flow hedge derivatives	(478,317)
Gain on share of the other comprehensive income of equity-accounted investees	963,484
Loss on share of the other comprehensive income of equity-accounted investees	(88,465)
Gain on foreign operations translation, net	2,362,056
	₩ 2,593,559

(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)
	₩ (1,772,601)

25. RETAINED EARNINGS:

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

Description	September 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	29,760,751	24,721,723
	₩ 77,813,583	₩ 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 September 30, 2022, hybrid bond is as follows.

Description	Issue date	Maturity date	Annual interest rate	September 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 September 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 nine-month periods ended September 30, 2022 and 2021 are as follows.

Description	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Sales of goods	₩ 31,557,957	₩ 87,629,570	₩ 24,255,660	₩ 73,528,136
Rendering of services	957,418	2,580,979	643,341	1,916,194
Royalties	50,908	148,972	28,552	85,137
Financial services revenue	4,197,946	10,939,431	3,104,674	8,632,699
Revenue related to construction contracts	764,270	2,199,057	693,471	2,029,799
Others	176,943	505,897	141,522	392,192
	<u>₩ 37,705,442</u>	<u>₩ 104,003,906</u>	<u>₩ 28,867,220</u>	<u>₩ 86,584,157</u>

(2) As of September 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	₩ 1,579,116	₩ 3,190,837

28. SELLING AND ADMINISTRATIVE EXPENSES:

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Selling expenses:				
Export expenses	₩ 28,281	₩ 57,135	₩ 10,794	₩ 33,182
Overseas market expenses	64,557	305,373	91,149	259,350
Advertisements and sales promotion	819,506	2,130,188	616,683	1,798,666
Sales commissions	211,823	645,566	217,293	733,647
Expenses for warranties	2,393,437	4,282,833	652,581	2,187,622
Transportation expenses	25,215	77,367	25,856	81,593
	<u>3,542,819</u>	<u>7,498,462</u>	<u>1,614,356</u>	<u>5,094,060</u>
Administrative expenses:				
Payroll	800,499	2,406,668	726,465	2,065,859
Post-employment benefits	43,272	128,823	43,700	132,015
Welfare expenses	138,366	397,904	122,428	360,928
Service charges	415,457	1,175,483	383,215	1,083,602
Research	433,096	1,171,372	372,043	1,003,871
Others	431,863	1,291,446	364,806	1,111,901
	<u>2,262,553</u>	<u>6,571,696</u>	<u>2,012,657</u>	<u>5,758,176</u>
	<u>₩ 5,805,372</u>	<u>₩ 14,070,158</u>	<u>₩ 3,627,013</u>	<u>₩ 10,852,236</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 nine-month periods ended September 30, 2022 and 2021 is as follows.

Description	2022		2021	
	Three-month period ended September 30	Nine-month period ended September 30	Three-month period ended September 30	Nine-month period ended September 30
	(In millions of Korean Won)			
Gain on share of earnings of equity-accounted investees, net	₩ 275,332	₩ 1,300,924	₩ 287,412	₩ 1,025,307
Gain on disposals of investments in associates	211	57,347	11,475	8,034
Impairment loss on investments in associates	-	(15,819)	-	-
	<u>₩ 275,543</u>	<u>₩ 1,342,452</u>	<u>₩ 298,887</u>	<u>₩ 1,033,341</u>

30. FINANCE INCOME AND EXPENSES:

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month periods ended September 30	Three-month period ended September 30	Nine-month periods ended September 30
	(In millions of Korean Won)			
Interest income	₩ 179,983	₩ 424,807	₩ 94,356	₩ 254,668
Gain on foreign exchange transactions	57,190	143,319	24,263	50,177
Gain on foreign currency translation	108,926	337,556	27,542	97,593
Dividend income	5,505	43,691	3,897	28,342
Gain on derivatives	36,887	48,754	16,828	32,972
Others	835	3,091	1,105	3,289
	<u>₩ 389,326</u>	<u>₩ 1,001,218</u>	<u>₩ 167,991</u>	<u>₩ 467,041</u>

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month periods ended September 30	Three-month period ended September 30	Nine-month periods ended September 30
	(In millions of Korean Won)			
Interest expenses	₩ 148,861	₩ 360,253	₩ 78,045	₩ 222,712
Loss on foreign exchange transactions	17,467	48,614	5,398	21,137
Loss on foreign currency translation	194,913	378,761	49,022	117,552
Loss on derivatives and others	1,084	17,595	6,299	8,578
	<u>₩ 362,325</u>	<u>₩ 805,223</u>	<u>₩ 138,764</u>	<u>₩ 369,979</u>

31. OTHER INCOME AND EXPENSES:

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month periods ended September 30	Three-month period ended September 30	Nine-month periods ended September 30
(In millions of Korean Won)				
Gain on foreign exchange transactions	₩ 465,938	₩ 944,813	₩ 160,564	₩ 463,786
Gain on foreign currency translation	312,923	706,267	72,576	162,939
Gain on disposals of PP&E	18,720	37,177	5,735	14,788
Commission income	4,861	13,351	11,209	32,095
Rental income	23,519	69,604	22,984	69,727
Others	223,615	428,359	81,280	319,445
	<u>₩ 1,049,576</u>	<u>₩ 2,199,571</u>	<u>₩ 354,348</u>	<u>₩ 1,062,780</u>

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month periods ended September 30	Three-month period ended September 30	Nine-month periods ended September 30
(In millions of Korean Won)				
Loss on foreign exchange transactions	₩ 400,008	₩ 901,681	₩ 131,012	₩ 375,610
Loss on foreign currency translation	314,833	558,584	105,198	165,483
Loss on disposals of PP&E	19,995	146,829	26,122	35,279
Donations	24,651	48,674	15,837	35,369
Others	102,460	333,418	73,922	245,457
	<u>₩ 861,947</u>	<u>₩ 1,989,186</u>	<u>₩ 352,091</u>	<u>₩ 857,198</u>

32. EXPENSES BY NATURE:

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

Description	2022		2021	
	Three-month period ended September 30	Nine-month periods ended September 30	Three-month period ended September 30	Nine-month periods ended September 30
(In millions of Korean Won)				
Changes in inventories	₩ (670,769)	₩ (1,475,846)	₩ 378,666	₩ 669,141
Raw materials and merchandise used	20,728,776	57,824,152	16,022,239	49,568,723
Employee benefits	2,655,176	7,951,171	2,466,325	7,005,439
Depreciation	755,029	2,310,256	743,557	2,147,040
Amortization	442,474	1,326,452	394,637	1,155,713
Others	13,104,884	31,596,364	7,607,214	21,746,010
Total (*)	<u>₩ 37,015,570</u>	<u>₩ 99,532,549</u>	<u>₩ 27,612,638</u>	<u>₩ 82,292,066</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 nine-month periods ended September 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 nine-month periods ended September 30, 2022 are computed as follows.

Description	Three-month period ended September 30, 2022			Nine-month periods ended September 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	₩ 981,956	199,319,519	₩ 4,927	₩ 4,371,991	199,024,960	₩ 21,967
1 st Preferred stock (*2)	107,401	21,926,126	4,898	477,784	21,934,168	21,783
2 nd Preferred stock	170,734	34,767,027	4,911	758,899	34,778,911	21,821
3 rd Preferred stock	11,540	2,355,874	4,898	51,336	2,356,698	21,783

(*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 nine-month periods ended September 30, 2021 are computed as follows.

Description	Three-month period ended September 30, 2021			Nine-month periods ended September 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	₩ 1,006,211	200,580,304	₩ 5,016	₩ 3,386,012	200,577,960	₩ 16,881
1 st Preferred stock (*2)	111,313	22,169,692	5,021	374,481	22,169,692	16,892
2 nd Preferred stock	176,835	35,131,881	5,033	594,749	35,131,881	16,929
3 rd Preferred stock	11,951	2,380,161	5,021	40,205	2,380,161	16,892

(*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 nine-month periods ended September 30, 2022 and 2021 are 23.6% and 23.0%, respectively.

35. RETIREMENT BENEFIT PLAN:

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

Description	Nine-month periods ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Paid-in cash	₩ 10,641	₩ 8,478
Recognized liability	3,618	2,545
	₩ 14,259	₩ 11,023

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

Description	September 30, 2022	December 31, 2021
Discount rate (*)	5.97%	3.84%
Rate of expected future salary increase	5.38%	4.51%

- (*) The Group applied the market yields of high-quality corporate bonds (AA+) and others as the discount rate at September 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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
	(In millions of Korean Won)			
Present value of defined benefit obligations	₩	6,652,849	₩	6,580,593
Fair value of plan assets		(6,589,103)		(6,721,149)
	₩	63,746	₩	(140,556)
Net defined benefit liabilities		121,848		79,165
Net defined benefit assets		(58,102)		(219,721)

(4) Changes in net defined benefit assets and liabilities for the nine-month periods ended September 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		439,056		-		439,056
Interest expenses (income)		129,774		(138,412)		(8,638)
		<u>7,149,423</u>		<u>(6,859,561)</u>		<u>289,862</u>
Remeasurements:						
Return on plan assets		-		105,862		105,862
Actuarial gains and losses arising from changes in financial assumptions		(128,341)		-		(128,341)
Actuarial gains and losses arising from experience adjustments and others		30,855		-		30,855
		<u>(97,486)</u>		<u>105,862</u>		<u>8,376</u>
Contributions		-		(140,339)		(140,339)
Benefits paid		(459,165)		371,545		(87,620)
Transfers in (out)		650		(472)		178
Effect of foreign exchange differences and others		59,427		(66,138)		(6,711)
End of the period	₩	6,652,849	₩	(6,589,103)	₩	63,746

Changes in net defined benefit assets and liabilities for the nine-month periods ended September 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		454,823		-		454,823
Interest expenses (income)		105,091		(104,544)		547
		<u>7,050,497</u>		<u>(6,357,843)</u>		<u>692,654</u>
Remeasurements:						
Return on plan assets		-		(1,930)		(1,930)
Actuarial gains and losses arising from changes in demographic assumptions		(163)		-		(163)
Actuarial gains and losses arising from changes in financial assumptions		(16,291)		-		(16,291)
Actuarial gains and losses arising from experience adjustments and others		16,337		-		16,337
		<u>(117)</u>		<u>(1,930)</u>		<u>(2,047)</u>
Contributions		-		(359,120)		(359,120)
Benefits paid		(362,124)		299,933		(62,191)
Transfers in (out)		2,319		(1,214)		1,105
Effect of foreign exchange differences and others		39,397		(26,864)		12,533
End of the period	₩	6,729,972	₩	(6,447,038)	₩	282,934

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

Description	September 30, 2022		December 31, 2021	
		(In millions of Korean Won)		
Insurance instruments	₩	6,586,483	₩	6,717,877
Others		2,620		3,272
	₩	6,589,103	₩	6,721,149

36. CASH GENERATED FROM OPERATIONS:

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

Description	Nine-month periods ended September 30,			
	2022		2021	
		(In millions of Korean Won)		
Profit for the period	₩	6,273,692	₩	4,991,703
Adjustments:				
Retirement benefit costs		434,036		457,915
Depreciation		2,310,256		2,147,040
Amortization of intangible assets		1,326,452		1,155,713
Provision for warranties		4,047,908		2,021,100
Income tax expense		1,935,683		1,493,571
Gain(loss) on foreign currency translation, net		(106,478)		22,503
Loss on disposals of PP&E, net		109,652		20,491
Interest income, net		(64,554)		(31,956)
Gain on share of earnings of equity-accounted investees, net		(1,300,924)		(1,025,307)
Cost of sales from financial services, net		5,423,711		4,562,512
Others		473,361		540,397
		14,589,103		11,363,979
Changes in operating assets and liabilities:				
Decrease (increase) in trade notes and accounts receivable		(449,645)		275,681
Decrease in other receivables		805,911		64,315
Decrease (increase) in other financial assets		238,310		(752,367)
Decrease (increase) in inventories		(1,856,331)		593,274
Decrease (increase) in other assets		272,228		(314,425)
Decrease in trade notes and accounts payable		(2,614)		(755,904)
Increase (decrease) in other payables		432,562		(1,409,359)
Increase in other liabilities		1,867,339		972,777
Decrease in other financial liabilities		(1,564)		(10,213)
Increase (decrease) in net defined benefit assets(liabilities)		(132,178)		(349,871)
Payment of severance benefits		(87,620)		(62,191)
Decrease in provisions		(2,803,189)		(2,422,224)
Changes in financial services receivables		(6,059,473)		(7,490,704)
Investment in operating leases		(3,629,270)		(6,222,350)
Others		618,578		(93,513)
		(10,786,956)		(17,977,074)
Cash generated from operations	₩	10,075,839	₩	(1,621,392)

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 September 30, 2022 and December 31, 2021 are as follows.

Description	September 30, 2022		December 31, 2021	
		(In millions of Korean Won)		
Total liabilities	₩	174,864,123	₩	151,330,626
Total equity		92,902,703		82,615,789
Debt-to-equity ratio		188.2%		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 September 30, 2022 is as follows.

Foreign Currency	Foreign Exchange Rate Sensitivity	
	Increase by 5%	Decrease by 5%
	(In millions of Korean Won)	
USD	₩ (14,719)	₩ 14,719
EUR	5,646	(5,646)
JPY	(4,326)	4,326

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 September 30, 2022 is as follows.

Accounts	Interest Rate Sensitivity	
	Increase by 1%	Decrease by 1%
	(In millions of Korean Won)	
Cash and cash equivalents	₩ 38,513	₩ (38,513)
Financial assets measured at FVPL	3,293	(3,293)
Short-term and long-term financial instruments	13,461	(13,461)
Borrowings and debentures	(79,780)	79,780

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 September 30, 2022 and December 31, 2021, the amounts of interest rate risk measured at VaR are ₩139,833 million and ₩182,864 million, respectively.

c) Price risk

The Group is exposed to market price fluctuation risk arising from equity instruments. As of September 30, 2022, the amounts of financial assets measured at FVPL and financial assets measured at FVOCI are ₩59,953 million and ₩2,374,443 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 September 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	₩ 19,593,894	₩ 44,012	₩ -	₩ 19,637,906
Interest-bearing liabilities	42,688,975	77,593,056	9,247,539	129,529,570
Financial guarantee	145,627	70,719	103,994	320,340

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 September 30, 2022 and December 31, 2021, the Group recognized an accumulative net loss of ₩306,481 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 114 months as of September 30, 2022.

For the nine-month periods ended September 30, 2022 and 2021, the Group recognized a net profit of ₩1,509,875 million and ₩646,608 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 nine-month period ended September 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.	₩ 461,044	₩ 8,119	₩ 8,200,672	₩ 28,262
	Mobis Alabama, LLC	124,930	149	1,404,309	1
	Mobis Automotive Czech s.r.o.	88	404	1,770,214	11
	Mobis India, Ltd.	11,682	2,396	956,518	2,847
	Mobis Parts America, LLC	135,364	3,045	1,119,475	2,061
	Mobis Module CIS, LLC	64	266	84,636	1,576
	Mobis Parts Europe N.V.	13,363	943	474,463	525
	Others	55,993	824	1,084,249	4,740
Joint ventures and associates	Kia Corporation	927,772	401,598	402,937	576,115
	Kia Russia & CIS, LLC	216,909	6	28	-
	Kia Slovakia s.r.o.	82,449	306	510,887	67
	Kia Georgia, Inc.	638,434	806	41	-
	BHMC	124,855	-	19,456	-
	HMGC	18,344	1,031	34,486	10,685
	Hyundai WIA Corporation	87,870	339	745,046	6,630
	Others	621,801	46,472	4,176,602	1,347,293
Other related parties		15,072	3,357	2,099	5
Affiliates by the Act		599,533	86,760	7,451,352	690,100

For the nine-month period ended September 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.	₩ 405,091	₩ 138,075	₩ 6,422,112	₩ 32,027
	Mobis Alabama, LLC	155,837	278	927,165	25,471
	Mobis Automotive Czech s.r.o.	11	376	1,426,883	6,188
	Mobis India, Ltd.	8,322	2,062	814,876	1,730
	Mobis Parts America, LLC	80,804	2,636	770,225	765
	Mobis Module CIS, LLC	12	232	302,512	29
	Mobis Parts Europe N.V.	12,491	325	321,357	600
	Others	45,115	1,485	799,575	7,340
Joint ventures and associates	Kia Corporation	888,815	390,313	556,596	602,783
	Kia Russia & CIS, LLC	724,154	100	-	-
	Kia Slovakia s.r.o.	76,299	273	500,718	4
	Kia Georgia, Inc.	442,846	1,255	238	-
	BHMC	141,479	-	89,968	-
	HMGC	31,143	998	89,169	27,232
	Hyundai WIA Corporation	99,228	1,472	964,007	13,580
	Others	532,715	51,645	3,195,332	1,202,743
Other related parties		11,651	10,433	3,014	5
Affiliates by the Act		564,728	102,509	6,329,170	590,539

- (2) As of September 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.	₩ 105,647	₩ 195,847	₩ 1,977,850	₩ 256,834
	Mobis Alabama, LLC	13,277	12	195,061	-
	Mobis Automotive Czech s.r.o.	-	595	274,831	-
	Mobis India, Ltd.	-	1,815	175,585	-
	Mobis Parts America, LLC	32,723	97	146,014	-
	Mobis Module CIS, LLC	79	45	3,257	6
	Mobis Parts Europe N.V.	806	409	53,241	-
	Others	23,891	7,177	156,580	2,470
Joint ventures and associates	Kia Corporation	374,266	178,935	67,558	90,675
	Kia Russia & CIS, LLC	-	79	-	424
	Kia Slovakia s.r.o.	10,224	435	65,639	81
	Kia Georgia, Inc.	90,211	55,943	10,247	10,984
	Kia America, Inc.	-	36,363	1	51,296
	BHMC	253,070	16,664	-	386
	HMGC	10,008	26,023	2,090	1,752
	Hyundai WIA Corporation	34,006	4,609	145,102	19,602
	Others	181,382	118,649	716,852	934,605
Other related parties		1,810	52	23	473
Affiliates by the Act		155,822	29,301	1,290,900	304,097

- (*1) The Group has recognized the loss allowance for the related parties' receivables in the amount of ₩282 million as of September 30, 2022 and the impairment loss is recognized in the amount of ₩73 million for the nine-month period ended September 30, 2022.
- (*2) As of September 30, 2022, outstanding payment of ₩10,009 million of corporate purchase card agreement provided by HYUNDAI CARD CO., LTD. is included. For the nine-month period ended September 30, 2022, amount used and repayment of agreement are ₩298,290 million and ₩310,376 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
	Others	11,339	491	101,671	6,947
Joint ventures and associates	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 nine-month period ended September 30, 2022, between the Group and related parties are as follows.

Description	Loans		Borrowings		Equity contribution
	Lending	Collection	Borrowing	Repayment	
(In thousands of USD Dollar and Chinese Yuan, In millions of Korean won)					
Joint ventures and associates	¥ 15,000	-	\$ 249,000	\$ 235,000	₩ 1,972,339
	-	-	-	₩ 2,200	

Significant fund transactions and equity contribution transactions for the nine-month period ended September 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	-	-	- ₩	4,100 ₩	301,856

For the nine-month period ended September 30, 2022, the Group traded in other financial assets and others of ₩1,335,000 million with Hyundai Motor Securities Co., Ltd., an associate of the Group. The Group has other financial assets of ₩395,000 million in the consolidated statement of financial position as of September 30, 2022.

For the nine-month period ended September 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 nine-month period ended September 30, 2022.

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

Description	Nine-month period ended September 30,	
	2022	2021
	(In millions of Korean Won)	
Short-term employee salaries	₩ 211,966	₩ 197,521
Retirement benefit costs	41,185	33,723
Other long-term benefits	1,214	835
	₩ 254,365	₩ 232,079

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

39. COMMITMENTS AND CONTINGENCIES:

- (1) As of September 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	₩	86,088
To others		4,060		232,765
	₩	32,359	₩	318,853

- (*) The guarantee amounts in foreign currencies are translated into Korean Won using the Base Rate announced by Seoul Money Brokerage Services, Ltd. as of September 30, 2022.
- (2) As of September 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 September 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 September 30, 2022, a substantial portion of the Group's PP&E is pledged as collateral for various loans and leasehold deposits up to ₩826,277 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 September 30, 2022, the Group has overdrafts, general loans, and trade-financing agreements with numerous financial institutions including Kookmin Bank.
- (5) As of September 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 September 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. In addition, priority purchasing rights have been exercised during the nine-month period ended September 30, 2022.
- (7) As of September 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 September 30, 2022, the Company has recognized relevant liability in the amount of ₩927,884 million in accordance with the agreement with the Seoul government to implement public contributions relating to the new construction project.

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 nine-month periods ended September 30, 2022 and 2021 are as follows.

For the nine-month period ended September 30, 2022				
	Vehicle (*1)	Finance	Others	Total
	(In millions of Korean Won)			
Net sales (*2)	₩ 82,132,614	₩ 15,670,964	₩ 6,200,328	₩ 104,003,906
Operating profit	4,531,739	1,536,825	391,979	6,460,543
Inter-company sales	(48,382,265)	(190,080)	(1,167,853)	(49,740,198)

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

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

For the nine-month period ended September 30, 2021				
	Vehicle (*1)	Finance	Others	Total
	(In millions of Korean Won)			
Net sales (*2)	₩ 68,952,228	₩ 12,896,732	₩ 4,735,197	₩ 86,584,157
Operating profit	3,243,871	1,654,424	250,994	5,149,289
Inter-company sales	(38,200,485)	(8,006)	(964,692)	(39,173,183)

(*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 September 30, 2022 are as follows.

September 30, 2022					
	Vehicle	Finance	Others	Consolidation adjustments	Total
	(In millions of Korean Won)				
Total assets	₩ 138,363,616	₩ 142,858,622	₩ 9,346,266	₩ (22,801,678)	₩ 267,766,826
Total liabilities	64,407,630	124,053,708	5,503,061	(19,100,276)	174,864,123
Borrowings and debentures	12,940,249	114,030,885	2,541,435	(7,539,431)	121,973,138

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 nine-month periods ended September 30, 2022 and 2021 are as follows.

	For the nine-month period ended September 30, 2022					
	Korea	North America	Asia	Europe	Others	Total
	(In millions of Korean Won)					
Net sales	₩ 32,739,597	₩ 40,442,642	₩ 11,455,867	₩ 16,387,514	₩ 2,978,286	₩ 104,003,906

	For the nine-month period ended September 30, 2021					
	Korea	North America	Asia	Europe	Others	Total
	(In millions of Korean Won)					
Net sales	₩ 30,185,454	₩ 30,253,519	₩ 8,550,192	₩ 15,721,371	₩ 1,873,621	₩ 86,584,157

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

Description	September 30, 2022	December 31 2021
	(In millions of Korean Won)	
Korea	₩ 33,207,978	₩ 33,323,986
North America	3,358,084	2,967,662
Asia	3,161,782	2,781,728
Europe	2,506,393	2,254,395
Others	653,155	520,729
	42,887,392	41,848,500
Consolidation adjustments	(243,329)	(301,775)
Total (*)	₩ 42,644,063	₩ 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 nine-month periods ended September 30, 2022 and 2021.

41. CONSTRUCTION CONTRACTS:

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

Description	September 30, 2022	December 31, 2021
	(In millions of Korean Won)	
Accumulated cost	₩ 14,149,708	₩ 12,658,465
Accumulated income	287,698	146,975
Accumulated construction in process	14,437,406	12,805,440
Progress billing	13,691,973	12,286,456
Due from customers	1,507,012	1,421,108
Due to customers	761,579	902,124
Reserve (*)	89,884	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 September 30, 2022 are as follows.

Description	September 30, 2022
	(In millions of Korean Won)
Changes in accounting estimates of total contract revenue	₩ 671,363
Changes in accounting estimates of total contract costs	635,425
Effects on profit or loss of current period	(40,807)
Effects on profit or loss of future periods	76,745
Changes in due from customers	(4,546)
Provision for construction loss	51,681

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 September 30, 2022. Total contract revenue and costs may change in future periods.

- (3) There is no contract as of September 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. BUSINESS COMBINATIONS:

The Group acquired 46.97% of shares in 42dot, Inc. during the nine-month period ended September 30, 2022.

The accounting for the business combination at the acquisition date is as follows.

Description	Amount(*)
	(In millions of Korean Won)
Total considerations transferred	₩ 178,379
Non-controlling interests	(91,428)
Fair value of assets acquired and liabilities assumed:	
Current assets	41,468
Non-current assets	49,866
Current liabilities	5,180
Non-current liabilities	358,332
Fair value of identifiable net assets	(272,178)
Goodwill	359,129

(*) The amounts have been measured provisionally, pending completion of an external appraiser's valuation on the fair value of acquired assets and assumed liabilities.