

BNK Financial Group

ESG Policy Book

Dividend Policy

TOUCH  *Your Heart,* BNL

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Dividend Policy

1. Objective

- BNK Financial Group aims to set and progressively improve its a target capital ratio to enhance loss absorption capacity and shareholder value. (Target capital ratio: common stock capital ratio 13.5%)

2. Basic Principles

- While continuously improving our financial structure, including capital adequacy, we have established the following shareholder return policy to enhance shareholder value.

1. If target capital ratio is exceeded, up to 50% of the annual net income will be allocated to shareholder returns, including dividends and treasury stock buybacks.
2. Even if the target capital ratio is not met, if there is an improving trend in management indicators such as capital ratio and net income, we will consider the industry average shareholder return rate and gradually increase the shareholder returns, including dividends and buying/retiring treasury stocks.
3. Actively promote shareholder value enhancement policies such as improving dividend procedures and shortening the dividend payment cycle to increase the predictability for investors.

- The above shareholder return policy may change in the event of restrictions in laws or regulations, changes in government policies and regulations, or significant changes in internal and external management conditions, including the financial environment.
- Specific decisions for implementing dividends or buying/retiring treasury stock are announced through disclosures and performance announcement materials.

Based on the above shareholder return policy, the Group was the first local financial group in Korea to implement interim dividends and treasury stock retirements, and the first financial group in Korea to apply and implement an improved dividend process (declare dividend amount first, and subsequently choose the dividend date).

Furthermore, the plan to enhance corporate value (value up), which is currently under review, is expected to include measures to enhance shareholder value through increased stability and predictability of dividends. After sufficient review by the Board of Directors, the established plan to enhance corporate value will be disclosed.

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