BNK Financial Group

ESG Policy Book

Dividend Policy

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TOUCH
Your Heart, BNK

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Dividend Policy

1. Objective

- BNK Financial Group aims to establish an identity as a dividend growth stock where profit and dividends grow concurrently, thereby enhancing corporate value.
- BNK Financial Group aims to maximize the effective return rate for shareholders by satisfying the requirements for separate taxation on dividend income.

2. Capital Management and Profitability Principles

- BNK Financial Group targets a Common Equity Tier 1 (CET1) ratio of 12.5% or higher to secure loss absorption capacity in preparation for macroeconomic uncertainties and regional economic specificities.
- BNK Financial Group defines achieving a Return on Equity (ROE) of 10% or higher as a core financial objective to enhance corporate value.
- BNK Financial Group avoids simple quantitative asset growth, prioritizes capital efficiency, and manages profitability by utilizing Return on Risk-Weighted Assets (RoRWA) as a core criterion for internal capital allocation.
- BNK Financial Group promotes qualitative growth by strictly controlling the growth rate of Risk-Weighted Assets (RWA) to within 4% annually.

3. Shareholder Return Implementation Plans

- BNK Financial Group shall pursue a phased expansion of shareholder returns with the goal of achieving a total shareholder return ratio of 50% or higher by 2027.
- BNK Financial Group shall maintain policy consistency and predictability by operating a principle-based shareholder return policy founded on CET1 ratio bands.
- BNK Financial Group shall gradually increase Dividend Per Share (DPS) and raise the total annual cash dividend amount by 10% or more every year until 2027.
- BNK Financial Group shall utilize all remaining capital following cash dividend payments for treasury stock buybacks and cancellations to achieve the target shareholder return ratio, thereby actively boosting

per-share value and addressing undervaluation.

- Under circumstances where ROE falls below the Cost of Equity (COE), BNK Financial Group shall curb external growth and prioritize returning capital to shareholders.

4. Governance and Ensuring Transparency

- BNK Financial Group clearly guarantees investors' information predictability and rights by setting the dividend record date after the dividend amount is determined in accordance with the Articles of Incorporation.

- BNK Financial Group establishes an objective compensation structure and responsible management by substantially linking capital efficiency metrics and total shareholder return ratio achievement to executive Key Performance Indicators (KPIs).

- BNK Financial Group continuously monitors the implementation and evaluation status of its value-up plan through an independent, Board-centric decision-making structure and ensures transparency via regular communication channels.

The above shareholder return policy may change in the event of restrictions on 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 treasury stock buybacks and cancellations are announced through disclosures and performance announcement materials.

5. Others

5.1 Enactment and Revision History

- June 27, 2024. Policy enacted and implemented
- July 24, 2026. Policy revision (Approved by the ESG Committee)

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