

Dear Valued Investors and Market Participants,

We sincerely appreciate your continued interest and support for BNK Financial Group.

In this IR letter, we'd like to provide an update on BNK Financial Group's loan exposure and response measures following the corporate rehabilitation filings of Samjung Enterprise Co., Ltd. and Samjung E&C Co., Ltd. (hereinafter referred to as "Samjung Enterprise, etc.") on February 27, 2025.

Samjung Enterprise, etc., contractors for the Banyan Tree Resort project in Busan, faced liquidity challenges after the February 14, 2025, fire accident, which resulted in six fatalities. The construction project was suspended, making the collection of construction costs uncertain. Consequently, their efforts to secure funding through financial restructuring failed, leading to their corporate rehabilitation filing. Additionally, on March 5, 2025, their affiliate company, Jungsang Development Co., Ltd. also filed for corporate rehabilitation.

As of December 2024, BNK Financial Group's general loan balance provided to Samjung Enterprise, etc.(including Jungsang Development Co., Ltd.), is approximately 147.6 Wbn. PF loans balance to Lupentis Co., Ltd., the developer of Banyan Tree Resort project, is 55.0 Wbn. By subsidiary, the exposure consists of 116.6 Wbn from Busan Bank, 9.5 Wbn from Kyongnam Bank, 45.5 Wbn from BNK Capital, 20.0 Wbn from BNK Securities, and 11.0 Wbn from BNK Savings Bank, bringing the total exposure to 202.6 Wbn.

Due to the unexpected corporate rehabilitation filing of Samjung Enterprise, etc., BNK Financial Group has allocated additional provisions for related loans and Lupentis Co., Ltd., the developer of Banyan Tree Resort, while also recognizing associated losses. Since the financial statements had not yet been finalized, we have incorporated these adjustments into our FY 2024 financial statements through a Board resolution on March 7, 2025, and the relevant disclosure has been made.

BNK Financial Group has reflected an additional provision of 106.1 Wbn in the FY 2024 financial statements, resulting in a net income reduction of 74.2 Wbn. By subsidiary, the adjustments include 64.6 Wbn in provisioning and 44.9 Wbn in net income reduction for Busan Bank, 9.1 Wbn and 6.1 Wbn for Kyongnam Bank, 25.3 Wbn and 17.8 Wbn for BNK Capital, and 7.0 Wbn and 5.3 Wbn for BNK securities, respectively.

However, our **shareholder return plan including the DPS and share buyback & cancellation will proceed as announced on February 6, 2025**, without any changes or disruptions.

As a result of the financial statement adjustments, the recalculated key management metrics are as follows:

Category	Before	After	change
Net Income (Wbn)	802.7	728.5	-74.2
Provision expenses (Wbn)	785.1	891.2	+106.1
ROE (%)	7.62	6.92	-0.70
CCR (%)	0.68	0.77	+0.09
NPL Ratio (%)	1.18	1.31	+0.13
CET1 Ratio (%)	12.35	12.28	-0.07
Total Shareholder Return Ratio (%)	30	33	+3

Beyond the aforementioned loan balances, BNK Financial Group anticipates an additional provisioning of approximately 35.0 Wbn in 2025 for loans(including PF loans) to Samjung Enterprise Co. Ltd., and its affiliates, totaling 295.0 Wbn, most of which are secured by collateral. However, since some pledged collateral has not been fully recognized in the provisioning calculation, we expect further recoveries, which could reduce the required provisioning.

Going forward, **BNK Financial Group will maintain continuous communication** regarding the post-rehabilitation management of Samjung Enterprise, etc. **We reaffirm our commitment to executing the corporate value enhancement plan and shareholder return policy announced in October 2024, as scheduled.**

We sincerely appreciate your continued support and trust in BNK Financial Group. Should you have any further questions, please do not hesitate to contact our IR team.

Thank you.

March 2025

BNK Financial Group, IR department