



**BNK Financial Group  
Sustainability Report 2024**

**Sustainable Finance  
TOGETHER**

# Contents



## INTRODUCTION

CEO's Message	04
About BNK Financial Group	05
BNK Financial Group Management Strategy	07
ESG Performance Dashboard	08

## ESG PERFORMANCE

<b>Environment</b> : Advancing environmentally-responsible green finance	
Progressing towards our net zero goal	29
<b>Sustainability in Focus</b> : Establishing a financial framework for sustainable value creation	40
Establishing an eco-friendly financial product management system	42
Advancing environmental management	47
Joining global environmental initiatives	52

## ESG DATA PACK

Environment	143
Social	149
Governance	161
ESG finance	164
Economy	174

## ESG MANAGEMENT SYSTEM

ESG management strategy	10
ESG management framework	11
Double Materiality Assessment	12
2024 Material ESG Topics : BNK, driving strategic solutions to material issues	17

<b>Social</b> : Fostering finance for shared growth together with local communities	
Establishing an ESG ecosystem in the southeastern region	62
Promoting finance for co-prosperity and inclusion	65
Protecting the rights and interests of financial consumers	68
Digital financial innovation	76
<b>Sustainability in Focus</b> : Expanding regionally-based digital infrastructure	81
Fostering regional social value creation	82

## APPENDIX

Creating Financial Synergy	177
ESG Policy Book	186
Global Initiatives	187
Verification Opinion Statement	200
Awards	203
About This Report	204

<b>Governance</b> : Establishing ethical finance towards sustainability	
Fostering responsible governance	88
Advancing the ESG risk management framework	97
Establishing a business culture of ethics and compliance	102
<b>Sustainability in Focus</b> : Fostering a responsible corporate culture through human rights risk assessments	109
Building an ESG-driven corporate culture – Talent development	119
Building an ESG-driven corporate culture – ESG-embedded corporate culture	124
Building an ESG-driven corporate culture – Safety & health management	130
Establishing an autonomous financial security framework	133



### Introduction

- CEO's Message
- About BNK Financial Group
- BNK Financial Group Management Strategy
- ESG Performance Dashboard

### ESG Management System

- ESG management strategy
- ESG management framework
- Double Materiality Assessment
- 2024 Material ESG Topics

### ESG Performance

- Environment
- Social
- Governance

### ESG Data Pack

- Environment
- Social
- Governance
- ESG Finance
- Economy

### Appendix

- Creating Financial Synergy
- ESG Policy Book
- Global Initiatives
- Verification Opinion Statement
- Awards
- About This Report



#### Popup Click

Clicking the corresponding icon on the photo page opens a pop-up window.

# INTRODUCTION



CEO's Message	04
About BNK Financial Group	05
BNK Financial Group Management Strategy	07
ESG Performance Dashboard	08

## Introduction

- CEO's Message
- About BNK Financial Group
- BNK Financial Group Management Strategy
- ESG Performance Dashboard

## ESG Management System

- ESG Performance
- ESG Data Pack
- Appendix



# INTRODUCTION

Introduction

- CEO's Message
- About BNK Financial Group
- BNK Financial Group Management Strategy
- ESG Performance Dashboard

ESG Management System

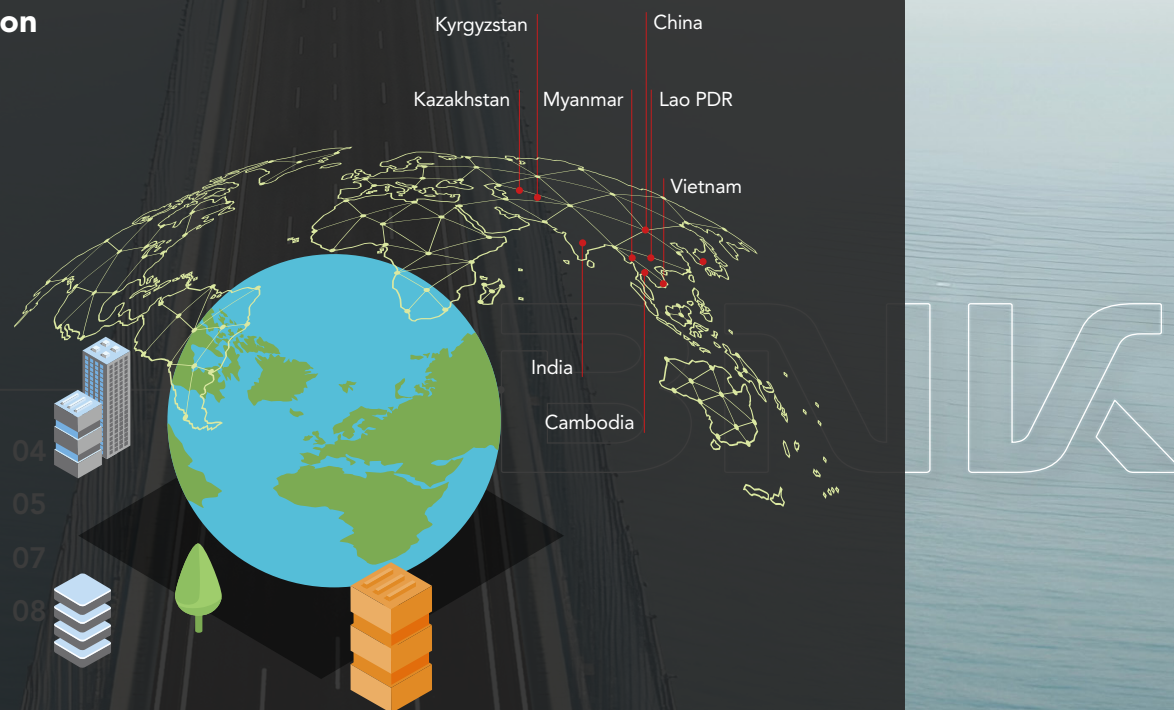
- ESG Performance
- ESG Data Pack
- Appendix

## Global Expansion

Overseas locations  
**73**

Domestic branches  
**395**

Credit rating  
**AAA**



- CEO's Message
- About BNK Financial Group
- BNK Financial Group Management Strategy
- ESG Performance Dashboard



# CEO'S MESSAGE

Let me extend my heartfelt gratitude to customers, shareholders, and all our stakeholders for their warm-hearted interest and unsparing encouragement for our journey towards sustainable growth and development.

Today, we face a combination of challenges – climate crisis, low birth rates, aging society, and outmigration of young individuals – and this highlights the inextricable linkage between the sustainability of local communities and the sustainability of finance. Amid the mainstreaming of digital technologies and the unpredictable competitive landscape, shaping a future of 'inclusive growth' along with local communities has become a critical imperative for BNK Financial Group in contributing to sustainable business operations and the advancement of the nation's economy and industry.

BNK Financial Group's 2030 goal is to generate sustainable financial synergy among subsidiaries and establish a robust ESG-driven growth model. To this end, we have defined our mid- to long-term ESG strategy anchored on the three strategic directions of 'Green Finance', 'Finance for Shared Growth', and 'Ethical Finance'. By 2026, we aim to embed this ESG framework across the organization and strengthen our execution of each strategic pillar, thereby driving meaningful change. In particular, we will actively support the nation's policy initiative to pursue 'technology-driven growth' through 'green finance', securing our future growth engines. Our commitment to 'finance for shared growth' and 'ethical finance' will continuously push us forward to delivering social value for our nation, answering the call for 'inclusive growth' and 'fair growth'.

This report outlines our actions and achievements for the past one year under our mission 'Ease the Finance, Enrich the Future', reaffirming our determination to move forward with trust our customers and local communities place in us as we prepare for the upcoming future.

### Green finance: Forward-looking investment for a 'green economy transition'

BNK Financial Group views 'climate change response' as a fundamental investment for the future, not merely as a risk management issue. In 2024, our GHG emissions reduction

targets were validated by the Science Based Targets initiative (SBTi), establishing an action roadmap to achieve 'net zero emissions' for direct/indirect emissions by 2045 and for financed emissions by 2050. In partnership with Busan City and the Korea Technology Finance Corporation, we launched the financial industry's first green finance model supporting mid/small-sized climate tech companies holding carbon reduction technologies, driving 'technology-driven growth' and fostering 'green industries'. As such, BNK Financial Group plays a leading role in the region's green transition and continues to enhance the financial sectors' contribution to environmental sustainability.

### Finance for shared growth: a partner for regional balanced development

As population aging, youth outmigration, and industrial slowdown weaken the resilience of the Busan-Ulsan-Gyeongnam region, BNK Financial Group adopted the 'Regional Shared Growth Declaration' in 2024 to contribute to the local community, establishing financial support plans worth KRW 18.4 trillion. As of the end of 2024, KRW 3.546 trillion were executed, providing much-needed support for regional economic revitalization and stable livelihoods. In particular, the Overcoming Crisis Together project allowed us to broaden our targeted support to reach self-employed individuals, small business owners, and financially vulnerable groups to further advance finance for shared growth. BNK Financial Group returns over 10% of net profit to society, maintaining one of the highest social contribution rates in Korea. We plan to raise this further to 15% to accelerate our efforts to create social value.

### Ethical finance: Sustainable innovation driven by 'transparent governance'

BNK Financial Group prioritizes substance over formality. In 2024, we launched the Group-level Internal Control Committee in line with the revised Act on Corporate Governance of Financial Companies, establishing an integrated internal control framework to prevent ethical and

legal risks in advance. These efforts enable us to establish responsible governance and lay the basis for fair growth.

Looking ahead, BNK Financial Group will reinforce its policy response and execution system guided by its ESG strategies. We will continue to refine our mid- to long-term goals to make meaningful contributions to local communities and the environment. Throughout this all, we will build deeper trust with our customers and position ourselves as a reliable partner for local communities, continuing our journey towards a sustainable future together with the region where we are based.

We look forward to your warm-hearted encouragement and support along the way. Thank you.



CEO and Chairman, BNK Financial Group **Dae-In Bin**

박대빈

## Introduction

### CEO's Message

- About BNK Financial Group
- BNK Financial Group Management Strategy
- ESG Performance Dashboard

## ESG Management System

- ESG Performance
- ESG Data Pack
- Appendix

# About BNK Financial Group

Launched as the first financial holding company rooted in a regional bank in March 2011, BNK Financial Group has evolved into a leading regional financial group with nine subsidiaries. Under the vision of advancing 'top-tier global finance reaching beyond borders', BNK Financial Group aims to achieve an ROA of 1%, ROE of 12%, and KRW 2.2 trillion in current net profit by 2030, accelerating its strategic initiatives to drive sustainable growth and enhance global competitiveness.

## BNK Financial Group Sustainability Report 2024

### Overview of BNK Financial Group



**Date of establishment**  
March 15, 2011

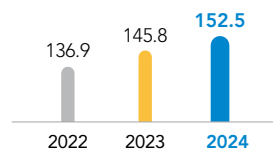


**Headquarters**  
30 Munhyeongeumyung-ro,  
Nam-gu, Busan, Korea

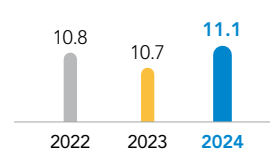


**CEO**  
Dae-in Bin

**Total Assets** (consolidated)  
(Unit: KRW trillion)



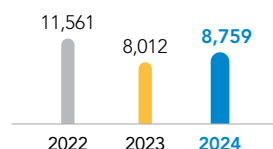
**Equity Capital** (consolidated)  
(Unit: KRW trillion)



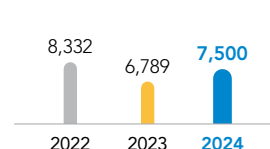
**Asset quality**

**1.31%** Non-performing loan ratio  
**13.55%** BIS capital ratio

**Operating profit** (consolidated)  
(Unit: KRW 100 million)



**Current net profit** (consolidated)  
(Unit: KRW 100 million)



**Credit rating**

• Korea Ratings Corporation  
• Korea Investors Service  
• NICE Investors Service

**AAA**

### BNK Financial Group Subsidiaries

#### Holding company

- Assign business goals and approve business plans for subsidiaries
- Engage in business management including business performance evaluations, compensation determination, governance decision-making, and operational and financial status inspections
- Provide capital and financial support to subsidiaries

**BNK** Financial Group



#### Banking

- Engage in F/X operations, guarantees, and issuance of and investment in securities with a focus on the core banking function of deposit and credit services
- Conduct various ancillary services under the Banking Act, including treasury operations and safe custody as well as trust and card services

**BNK** Busan Bank **BNK** Kyongnam Bank



#### Specialized credit finance business

- Engage in installment finance, facility lease, general lending, and new technology financing businesses
- Offer leasing finance, auto finance, and business loans

**BNK** Capital



#### Financial investment

- Provide capital sourcing solutions to borrowers and investment opportunities to investors
- Efficiently allocate capital, and engage in dealing, brokerage, collective investment, and discretionary investment services in accordance with the Financial Investment Services and Capital Markets Act

**BNK** Securities **BNK** Asset Management



#### Savings bank business

- Provide short/long-term loans primarily to low-income individuals using deposits and other funds as main sources, and perform domestic exchange and Korea Financial Telecommunications & Clearings Institute operations

**BNK** Savings Bank



#### Credit check and debt collection

- Conduct delegated services including conducting credit investigations, issuing demands for repayment of claims, collecting repayment funds on behalf of creditors, and locating debtors

**BNK** Credit Information



#### Startup investment

- Invest in and provide loans to small/mid-sized startups registered as startup investment company with the Ministry of SMEs and Startups
- Manage funds of the SME Establishment Investment Association and provide consulting and information services related to startups

**BNK** Venture Capital



#### System supply and development

- Provide comprehensive financial IT services from system consulting to deployment and operation based on customer needs analysis to proactively navigate the evolving financial landscape

**BNK** System



### Introduction

CEO's Message

About BNK Financial Group

BNK Financial Group Management Strategy

ESG Performance Dashboard

ESG Management System

ESG Performance

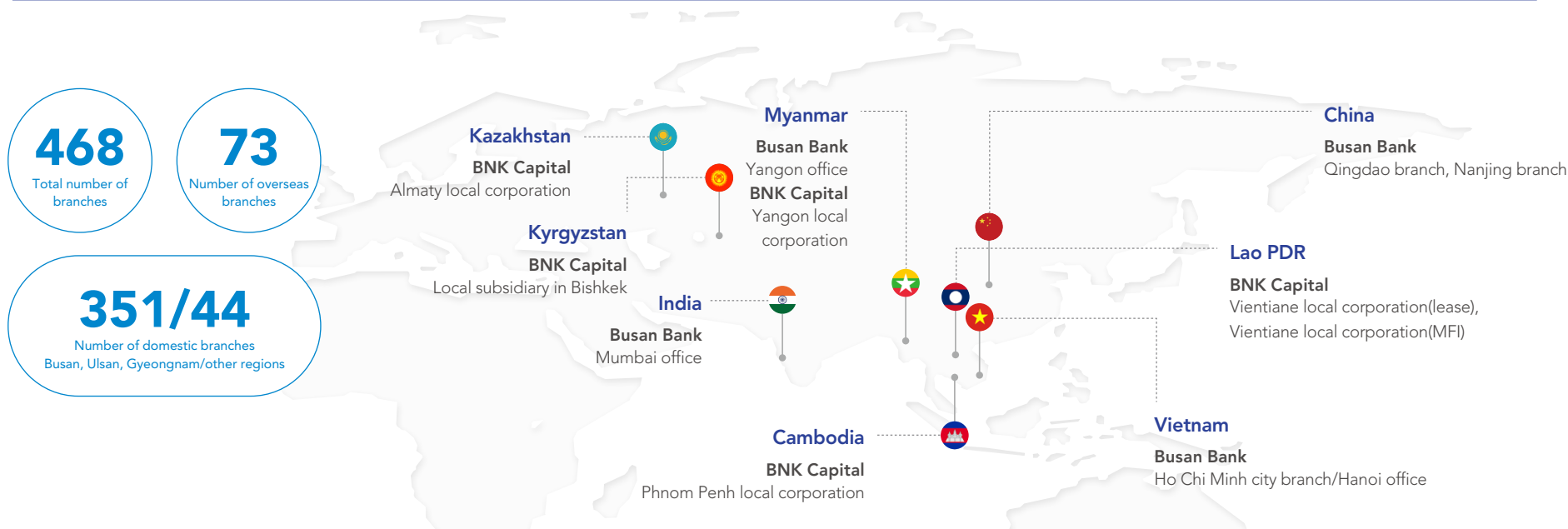
ESG Data Pack

Appendix

# About BNK Financial Group

## Global Network

BNK Financial Group is evolving into a global financial group, operating 395 domestic branches and a global network of 73 locations (as of December 31, 2024). In 2019, BNK Financial Group incorporated BNK Venture Capital to identify high-potential local startups, provide venture capital, and build new growth drivers for the Group, establishing a nine-subsiary structure. Broadening its business footprint across the entire financial industry spanning banking, specialized credit finance, financial investment, savings bank, startup investment, credit investigation and collection, and system supply and development, BNK Financial Group is emerging as Korea's top-tier regional financial group and a total financial service provider. Going forward, we will sharpen the competitive strengths of our banking business and boost the profitability and earnings generation of our non-banking business, further solidifying our fundamentals at the Group-wide level.



Category	Name of Company	Branches and Offices		
		Busan, Ulsan, Gyeongnam/ Other Regions	Overseas	Total
Holding company	BNK Financial Group	1/-	-	1
Subsidiary	Busan Bank	194/12	6	212
	Kyongnam Bank <sup>1)</sup>	142/12	-	154
	BNK Capital	4/9	-	13
	BNK Securities	3/1	-	4
	BNK Savings Bank	2/4	-	6
	BNK Asset Management	-/1	-	1
	BNK Venture Capital	2/1	-	3

<sup>1)</sup> Kyongnam Bank's office in Uzbekistan shut down in the second half of 2024.

Category	Name of Company	Branches and Offices		
		Busan, Ulsan, Gyeongnam/ Other Regions	Overseas	Total
Subsidiary	BNK Credit Information	2/4	-	6
	BNK System	1/-	-	1
Sub-subsidiary	BNKC(Cambodia) Microfinance Institution Plc.	-/-	19	19
	BNK Capital Myanmar Co., Ltd	-/-	39	39
	BNK Capital Lao Leasing Co., Ltd	-/-	4	4
	BNK CAPITAL LAO NDTMFI Co., Ltd	-/-	1	1
	MFO BNK Finance Kazakhstan LLP	-/-	3	3
	MCC BNK Finance LLC	-/-	1	1

## BNK Financial Group Sustainability Report 2024

### Introduction

CEO's Message

### About BNK Financial Group

BNK Financial Group Management Strategy

ESG Performance Dashboard

### ESG Management System

ESG Performance

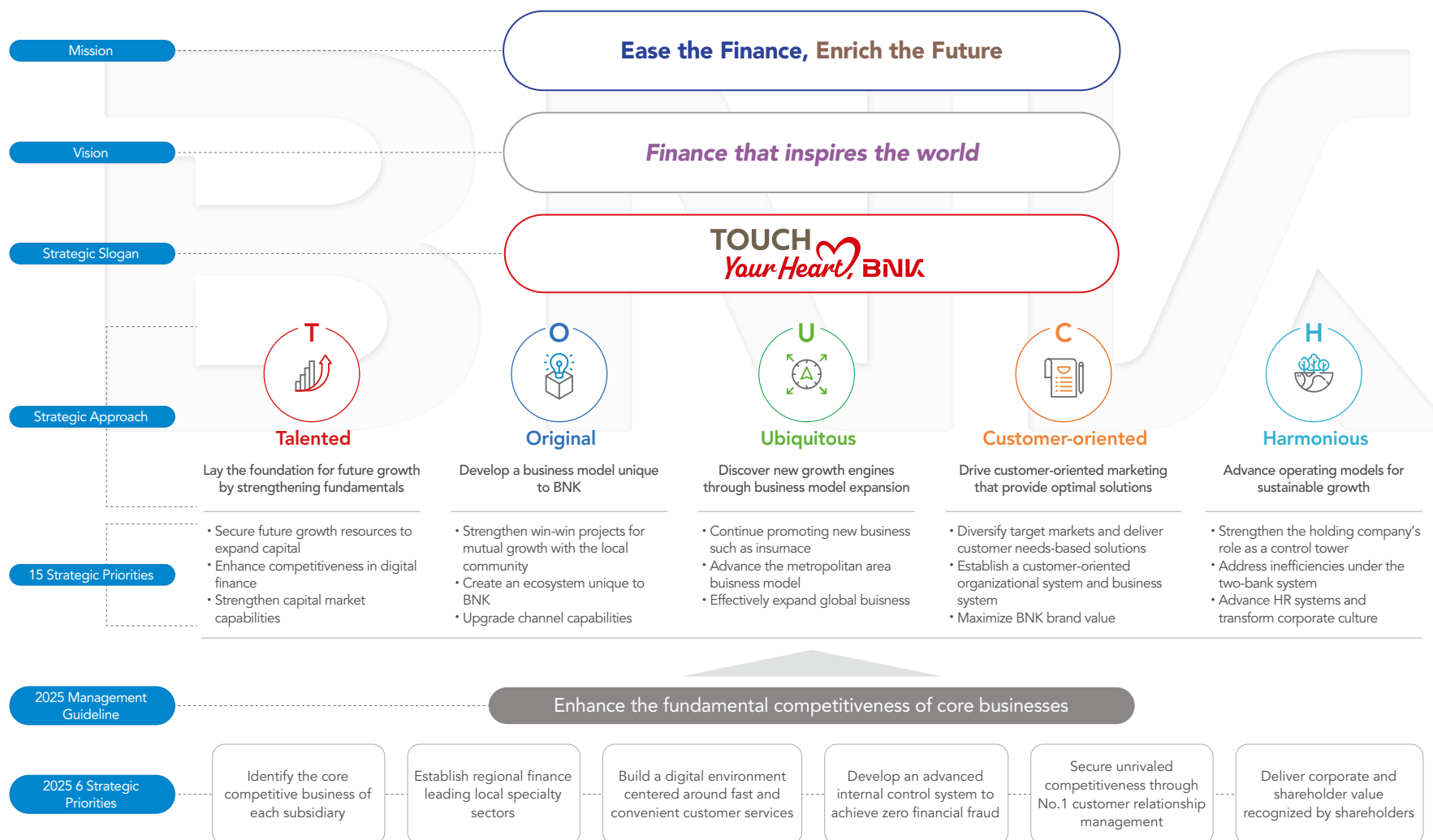
ESG Data Pack

Appendix

# BNK Financial Group Management Strategy

## Vision and Management Policy

Under the mission of Ease the Finance, Enrich the Future, BNK Financial Group is building momentum to emerge into a top-tier global financial group with a focus on its mid-to long-term management plan 'Vision 2030'. In 2025, we defined our management guideline as 'enhancing the fundamental competitiveness of core businesses' to advance six strategic priorities – branding the core business of subsidiaries, expanding region-specific finance, accelerating the digital transformation, establishing a proactive internal control system, enhancing competitiveness in customer relationship management, and elevating shareholder value. These initiatives will fuel our journey ahead towards building unrivaled competitiveness and achieving sustainable growth.



### Introduction

CEO's Message

About BNK Financial Group

**BNK Financial Group Management Strategy**

ESG Performance Dashboard

ESG Management System

ESG Performance

ESG Data Pack

Appendix

# ESG Performance DASHBOARD

## 2024 ESG Highlights

**Introduction**

- CEO's Message
- About BNK Financial Group
- BNK Financial Group Management Strategy

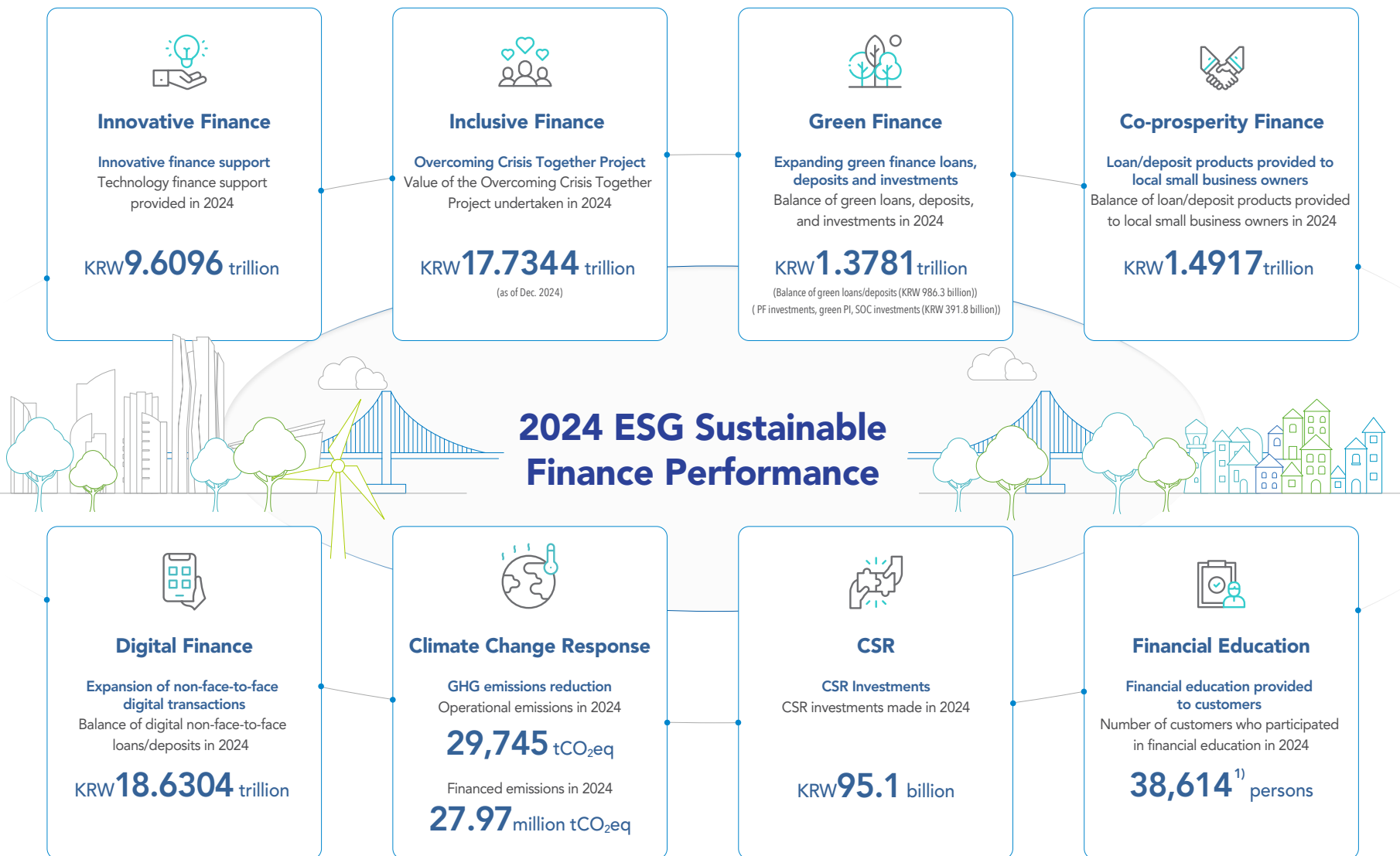
**ESG Performance Dashboard**

**ESG Management System**

**ESG Performance**

**ESG Data Pack**

**Appendix**



<sup>1)</sup> The combined total of financial education for vulnerable groups (36,720 individuals) and other customer education (1,894 persons) (refer to page 72)

# ESG MANAGEMENT SYSTEM

## Introduction

### ESG Management System

- ESG management strategy
- ESG management framework
- Double Materiality Assessment
- 2024 Material ESG Topics

## ESG Performance

### ESG Data Pack

### Appendix

ESG Management Strategy	10
ESG Management Framework	11
Double Materiality Assessment	12
2024 Material ESG Topics	17



Introduction

ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
2024 Material ESG Topics

ESG Performance

ESG Data Pack

Appendix

# ESG MANAGEMENT SYSTEM

## ESG Values

96% improvement  
in internal control vulnerabilities  
(as of Dec. 2024)

Top ranking in the Financial Consumer  
Protection Index

3 consecutive years  
(Busan Bank)

KRW 17.7344 trillion  
achieved through Overcoming Crisis Together Project  
(as of Dec. 2024)



ESG Management Strategy

ESG Management Framework

Double Materiality Assessment

2024 Material ESG Topics



# ESG Management Strategy

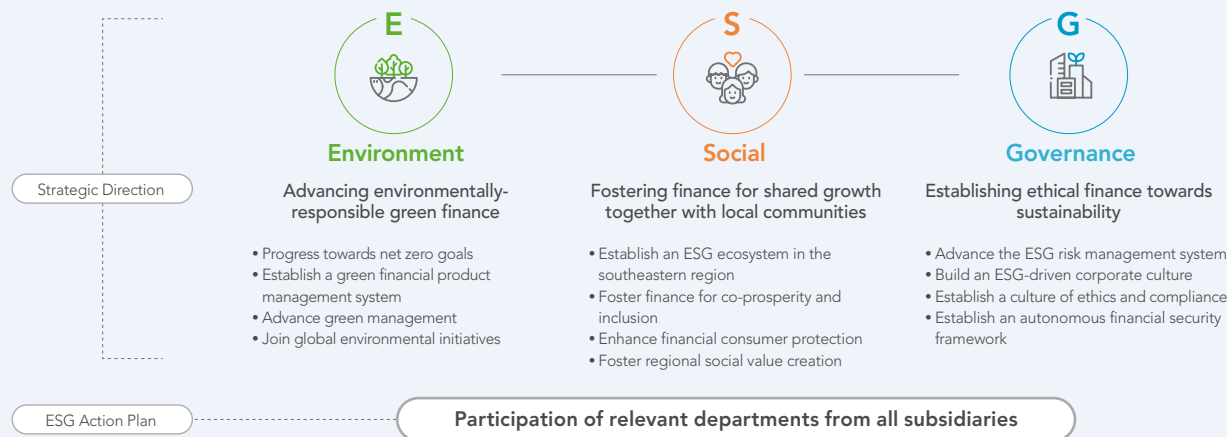
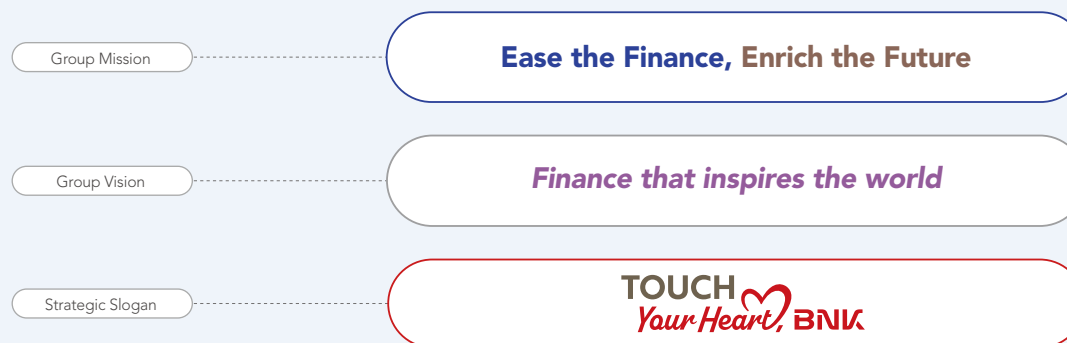
## Mid-to Long-term ESG Strategy

In 2024, BNK Financial Group defined its 2024-2026 mid-to long-term ESG strategy anchored on Vision 2030, and has since been advancing ESG management at full scale. This strategy centers around three directions – advancing environmentally-responsible green finance, fostering finance for shared growth together with local communities, and establishing ethical finance towards sustainability – and aligns all Group subsidiaries across 12 focus areas.

## ESG Performance Management Framework – BNK ESG Action Plan

BNK Financial Group recognizes the importance of ESG strategy and is establishing a clear performance management framework to ensure the systemic and practical implementation of ESG management at the Group level. In line with the mid-to long-term ESG strategy developed in 2024, our progress towards ESG Action Plans is reviewed each year under the leadership of the Group management strategy division, while each subsidiary systematically manages their ESG priorities. The Group ESG strategic directions established in April 2024 base our efforts to conduct semiannual reviews of subsidiaries for their progress and future plans in achieving action plans, with a focus on net zero implementation and ESG finance performance. The review outcomes are reported to top management and the Board of Directors and inform our efforts to build stronger ESG momentum at the Group level. Performance management encompasses GHG reduction goal setting and progress management, development and facilitation of the green financial product taxonomy, social value creation, and governance enhancement. Relevant performance is managed in an integrated manner using both quantitative and qualitative indicators. BNK Financial Group plans to further enhance its ESG performance management system by establishing an ESG information disclosure platform and expanding its scope to include biodiversity-related issues and the management of ESG financial products.

### • 2024-2026 Mid-to Long-term ESG Strategy



### • Mid-to Long-term ESG Roadmap



Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
2024 Material ESG Topics

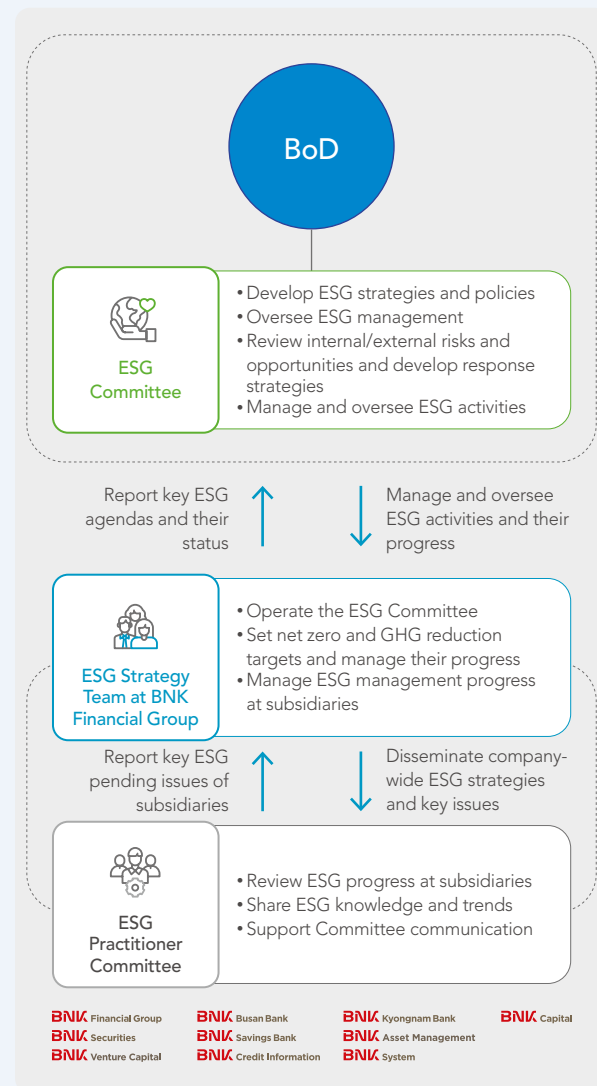
ESG Performance

ESG Data Pack

Appendix

# ESG Management Framework

## • ESG Management Framework



## ESG Committee

In March 2021, BNK Financial Group launched the ESG Committee to ensure structured ESG management at the Group level and has since remained committed to setting ESG directions and laying the necessary institutional foundation. As of the end of December 2024, the Committee consisted of three independent directors and one inside director (CEO and Chairman) and convened four times in total in 2024. The key agenda items discussed by the Committee include the appointment of its Chair, development of mid-to long-term ESG strategies (draft), publication of sustainability reports, and reporting of key Group-wide ESG issues. The Committee serves to oversee BNK Financial Group's ESG strategy development and execution. Key risks, including material ESG issues (risks and opportunities), are regularly reported to the Board of Directors through the ESG Committee, and stakeholder materiality assessment results are incorporated in the ESG strategy development process to enhance the relevance of these strategies. Our progress towards these strategies is regularly reviewed and risks are managed through systemic monitoring.

The Board of Directors takes stock of operations of the ESG Committee each year. In the assessment of 2024 operations conducted in January 2025, the Committee was rated S in all categories of member competency, employee feedback, and attendance, demonstrating the excellence and executive capabilities of our ESG governance framework.

## ESG Practitioner Committee

We operate the ESG Practitioner Committee composed of ESG personnel from each subsidiary. The Committee reviews the implementation of ESG management across subsidiaries as well as BNK Financial Group while reporting to the ESG Committee and supporting our overall response to key ESG issues.

Key issues are discussed and relevant information is shared to support our efforts to manage ESG risks and identify opportunities. Specifically, quarterly in-person or virtual meetings serve to monitor progress in ESG management and continuously engage in discussions to foster an ESG-driven culture and uncover improvement tasks.

In 2024, the Committee met once each quarter, reinforcing collaboration with ESG departments from subsidiaries as well as other relevant departments.

### • Key Decision and Reporting Agenda Items at the ESG Committee

Category	Decision/Reporting	Detail
1st meeting Mar. 22, 2024	Decision	1. (proposed) Appointment of the Chair
2nd meeting Apr. 30, 2024	Decision	1. (draft) Development of mid-to long-term ESG strategies ※ Incorporate materiality assessment results in the strategy development process
3rd meeting Jul. 31, 2024	Reporting	1. Reporting of the publication of the 2023 sustainability report 2. Reporting of key pending issues relating to Group ESG management A. Progress report on "Group integrated ESG consulting" B. Progress report on "Group-wide net zero strategy" C. Operation of the "Group ESG Practitioner Committee" D. Other key ESG activities : Ceremony to sign an MOU fully covering financing costs for companies with carbon reduction technologies, ESG training in the southeastern region
4th meeting Dec. 18, 2024	Reporting	1. Reporting of awards granted to the Group and ESG assessment results 2. Reporting of key outcomes of the Group ESG Action Plans
1st meeting Mar. 26, 2025	Decision	1. (proposed) Appointment of the Chair
2nd meeting Apr. 25, 2025	Reporting	1. Reporting of materiality assessment results in the sustainability report 2. Reporting of key achievements of the Group's mid- to long-term ESG strategy action plans 3. Reporting of 2025 Group ESG issues: Progress on Group ESG consulting and signing of the ING agreement

## Introduction

### ESG Management System

ESG management strategy  
**ESG management framework**  
 Double Materiality Assessment  
 2024 Material ESG Topics

## ESG Performance

### ESG Data Pack

### Appendix

# Double Materiality Assessment

## Double Materiality Assessment: Concept and Process

### Concept of Double Materiality Analysis

To effectively advance sustainability management, BNK Financial Group conducts double materiality assessments to systematically identify and determine key issues in the Environmental, Social, and Governance areas. This approach aims to measure both impact materiality – how our business operations affect the economy, environment and society – and financial materiality – how sustainability issues affect our growth, performance, competitiveness and other financial aspects, in relation to key ESG issues.



**Impact Material**  
Impact of a company's business operations on **society and the environment**

**Financial Material**  
Impact of external sustainability factors on a company's **financial position**

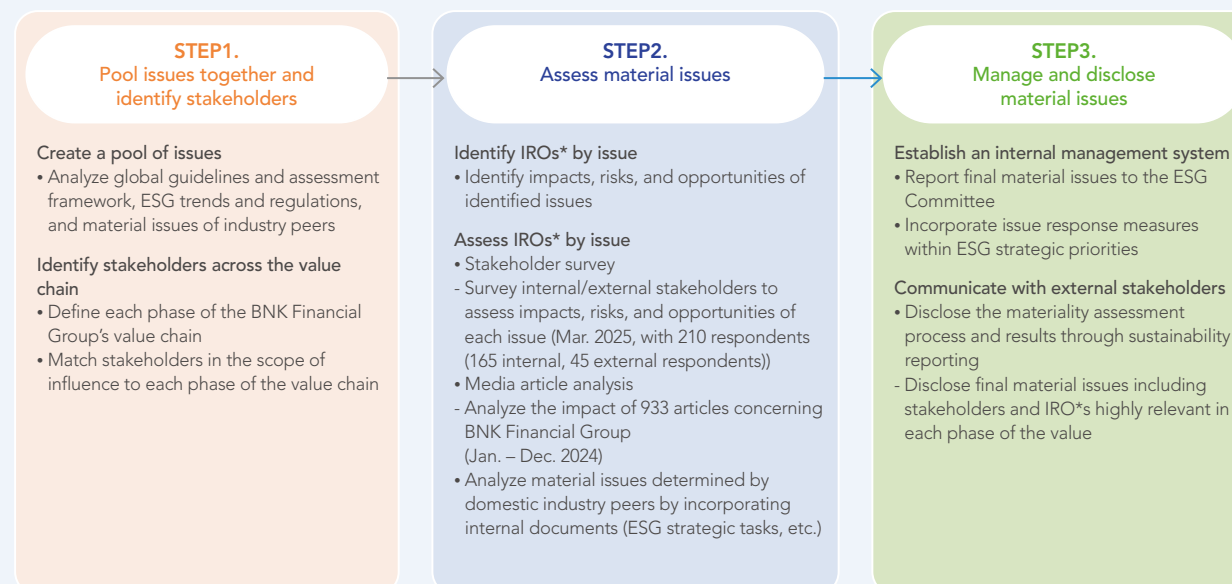
### Double Materiality Assessment Process

In 2025, we conducted double materiality assessments using a methodology aligned with the European Sustainability Reporting Standards (ESRS) and collecting stakeholder feedback across the entire value chain. To pool relevant issues, we analyzed global guidelines and assessment frameworks, conducted media research, and benchmarked industry peers. In line with ESRS' principles for determining reporting topics, we then analyzed each issue from the impact, risk and opportunity perspectives to comprehensively identify their financial and social/environmental implications by surveying stakeholders in each phase of the value chain.

Notably, we took a tailored approach by reflecting characteristics of different stakeholder groups at each phase of the value chain while quantifying and incorporating media

articles and benchmarking outcomes, conducting more in-depth analyses of impacts, risks, and opportunities for each issue. This led us to identify 14 material issues and determine top five issues based on their materiality.

For these top material issues, we engage in discussions with relevant departments including the risk management department, and report the results to the Board to ensure these issues are systematically managed as part of our company-wide mid-to long-term ESG strategies. Furthermore, the materiality assessment process and overall assessment results are illustrated in detail through sustainability reports to enhance communication with external stakeholders.



\*Impact, Risk, Opportunity : Impact (BNK Financial Group's impact on society and the environment), Risk-Opportunity (risks and opportunities arising externally and impacting BNK Financial Group)

# Double Materiality Assessment

## Double Materiality Assessment: Concept and Process

### Collecting Stakeholder Feedback across the Value Chain

For each of the 14 material issues, we collected feedback from highly relevant stakeholders, ensuring the voice of stakeholders is more fully reflected in the assessment process. This was achieved by categorizing our Group-wide operations into primary (V1-V5) and support (S1-S4) activities to systematically organize our value chain structure. In gathering feedback from internal

and external stakeholders, we focused on the components of the value chain that are directly linked to each stakeholder group. In so doing, BNK Financial Group strengthened alignment between its value chain and stakeholders and enhanced relevance and accuracy in conducting materiality assessments.

No.	Material Issue	Relevant Components of the Value Chain <sup>1)</sup>										Relevant Stakeholder
		V1	V2	V3	V4	V5	S1	S2	S3	S4		
		Financial product design and development	Capital raising	Sales and marketing	Provision and operation of financial products	Customer relationship management and monitoring	Risk management	Operational and technical system	Administrative and organizational operation (HR, general affairs)	CSR and shared growth		
1	Financial consumer protection			●	●	●						Contractors, governments, supervisory authorities, employees, and others
2	Fostering finance for inclusion and co-prosperity	●		●	●	●						Retail and corporate customers, local communities, shareholders and investors, contractors, employees, and others
3	Ethical and compliance management						●		●			Retail and corporate customers, local communities, shareholders and investors, contractors, employees, and others
4	Climate change risk response and management	●					●					Retail and corporate customers, shareholders and investors, contractors, employees, and others
5	Revitalizing the local economy				●						●	Retail and corporate customers, local communities, governments and supervisory authorities, employees, and others
6	Digital innovation and technology							●				Shareholders and investors, contractors, employees, and others
7	Sound governance						●					Retail and corporate customers, governments, supervisory authorities, shareholders and investors, employees, and others
8	Financial fraud prevention and digital security							●				Contractors, governments and supervisory authorities, shareholders and investors, employees, and others
9	Green finance	●	●		●							Retail and corporate customers, shareholders and investors, governments and supervisory authorities, employees, and others
10	Human rights management						●		●			Retail and corporate customers, local communities, shareholders and investors, governments and supervisory authorities, employees, and others
11	Sustainable finance	●	●		●							Shareholders and investors, employees, and others
12	Contributing to local communities			●							●	Retail and corporate customers, local communities, shareholders and investors, governments and supervisory authorities, employees, and others
13	Risk management						●					Shareholders and investors, contractors, governments and supervisory authorities, employees, and others
14	Environmental management governance						●					Shareholders and investors, employees, and others

<sup>1)</sup> V1-V5: Value Chain (Primary Activity), S1-S4: Value Chain (Support Activity)

### Introduction

#### ESG Management System

- ESG management strategy
- ESG management framework
- Double Materiality Assessment**
- 2024 Material ESG Topics

### ESG Performance







#### ESG Data Pack

#### Appendix

# Double Materiality Assessment

## Fostering Stakeholder Communication

We define and categorize internal and external stakeholders into six groups with a view to systematically manage the needs of stakeholders who affect our business operations in the overall key strategy development and execution process including materiality assessments. We reach closer to our stakeholders through a wide array of communication channels and the feedback collected as such is fully incorporated in developing Group's management plans and making key decisions.

Key Stakeholder	Definition	Key Areas of Interest	Communication Channel and Activity	Expected Benefits for Communication
<b>Customers</b> Retail/corporate customers 	Use financial products and services and exert influence	Improve satisfaction through better product/service quality	<ul style="list-style-type: none"> <li>Satisfaction surveys</li> <li>Access to frontline sales channels</li> <li>Roundtable meetings</li> <li>Customer panels</li> </ul>	<ul style="list-style-type: none"> <li>Collect customer feedback and minimize the percentage of dissatisfied customers</li> <li>Provide and communicate information on financial products and services</li> <li>Gather customer complaints and discuss support measures</li> <li>Collect varying customer feedback and incorporate improvements</li> </ul>
<b>Employees</b> Employees, labor unions 	Serve as key actors in realizing the company's vision and values towards achieving business goals	Foster a corporate culture supporting work-life balance	<ul style="list-style-type: none"> <li>Employee satisfaction surveys</li> <li>Roundtable meetings and workshops</li> <li>Labor-management meetings (as needed)</li> <li>Company newsletters and bulletin boards</li> </ul>	<ul style="list-style-type: none"> <li>Collect employee feedback and monitor internal employee satisfaction</li> <li>Discuss recruitment, development, benefits, and working conditions</li> <li>Communicate key management issues and pursue labor-management unity</li> <li>Facilitate internal communication among employees</li> </ul>
<b>Shareholders and investors</b> Shareholders and investors 	Influence decision-making implemented for the company's sustainable growth	Deliver reliable business performance	<ul style="list-style-type: none"> <li>General meeting of shareholders (annual)</li> <li>Corporate management disclosures</li> <li>Earnings calls (4 times/year)</li> </ul>	<ul style="list-style-type: none"> <li>Participate in strategic decision-making and enhance shareholder interests</li> <li>Provide corporate management information and improve financial soundness</li> <li>Disclose quarterly business performance and improve external credibility</li> </ul>
<b>Contractors</b> Contractors 	Pursue mutual development based on partnerships and trust	Foster fair financial transaction practices	<ul style="list-style-type: none"> <li>Sharing corporate disclosure information with the Korea Federation of Banks</li> <li>Contractors meetings</li> </ul>	<ul style="list-style-type: none"> <li>Transparently disclose management information and share information with the Federation</li> <li>Collaborate with contractors to create win-win opportunities</li> </ul>
<b>Local communities</b> Local communities, environmental organizations, media, academia 	Collaborate to share and address pending issues of local communities	Promote community development by considering CSR and environmental conservation	<ul style="list-style-type: none"> <li>Joint research</li> <li>Local consultative bodies (Busan City's Carbon Neutrality and Green Growth Commission)</li> <li>BNK Financial Group volunteer corps</li> </ul>	<ul style="list-style-type: none"> <li>Conduct joint research to address pending local community issues</li> <li>Collaborate to revitalize the local economy and support community development</li> <li>Implement CSR activities and collaborate to address local community issues</li> <li>Collaborate to promote community net zero and green growth efforts</li> </ul>
<b>Governments and supervisory authorities</b> Governments, parliament, Financial Supervisory Service 	Lead the company's social responsibility efforts to enhance the competitiveness of the financial industry	Serve the public interest through inclusive and innovative finance	<ul style="list-style-type: none"> <li>Roundtable meetings with financial authorities</li> <li>Regular audits</li> <li>Participation in government projects</li> <li>Government financial policy discussions</li> <li>ESG committee of the Korea Federation of Banks</li> <li>Financial supervisory authorities</li> </ul>	<ul style="list-style-type: none"> <li>Discuss ways forward to strengthen the competitiveness of the financial industry</li> <li>Comply with financial regulations and implement fair trade</li> <li>Serve the public interest through signing MOUs for government projects</li> <li>Discuss the directions of financial policies and strengthen finance's social responsibility</li> <li>Discuss ways to advance and strengthen the ESG competitiveness of the financial industry – climate risks, green credit guidelines and other varying ESG issues</li> </ul>

### Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
**Double Materiality Assessment**  
2024 Material ESG Topics

### ESG Performance

#### ESG Data Pack

#### Appendix

# Double Materiality Assessment

## Double Materiality Assessment Results

### Prioritizing Response to Top Material Issues

The materiality assessment identified 'revitalizing the local economy' and 'advancing finance for inclusion and co-prosperity' as emerging material issues compared to the previous year. This is attributable to rising economic and political uncertainties and growing unpredictability in recent years.

In response, BNK Financial Group has been fully incorporating these issues in its management strategies. Since 2022, we have implemented the Overcoming Crisis Together Project, exploring actionable solutions to varying issues, including financing support for low-income groups, protection of vulnerable groups, and support for financial recovery. Building on our 2024 declaration of 'shared growth with local communities', we are establishing and systematically implementing a range of priorities to seek win-win partnerships and inclusive finance in the communities we serve.

### Strategic Approach to Material Issues

This year's report focuses on the top five material issues deemed critical by internal/external stakeholders, delving into our specific activities and efforts to address these issues in alignment with our Group-wide ESG management strategies.

To this end, we have organized these top five issues across four categories – shaping a sustainable future together with local communities, embedding ethics and compliance into business operations and upholding management transparency, advancing a consumer-centric financial protection framework, and responding to and managing climate change risks. This report provides stakeholders with a detailed view of BNK Financial Group's efforts in each of these categories, with a focus on rationale (Why We Care), strategic activities (What We Do), and future plans (What's Next).

### Alignment Between Risk Management and Materiality Assessment

To proactively manage a range of risks that may occur in its business areas, BNK Financial Group aligns materiality assessment results with its risk management process. As the issues of climate change response and ethical/compliance management consistently rank as material, these issues were each defined as 'climate risk' and 'reputational risk' and were designated as Group's key risks. We are building readiness for climate-related impacts while advancing ethical decision-making and transparent governance to uphold our Group-wide credibility as a way to address each of these risks. This systemic monitoring approach reinforces our operational resilience across the organization.



Materiality : ● 80-100% ● 60-80% ● 40-60% ● 20-40% ● 0-20%

Materiality Ranking	Material Issue	Impact Materiality	Financial Materiality	YoY Change in rank	Alignment with the GRI Index
1	Financial consumer protection	●	●	▲ 1	GRI 417
2	Fostering finance for inclusion and co-prosperity	●	●	▲ 3	GRI 201, GRI 203
3	Ethical and compliance management	●	●	▼ 2	GRI 205, GRI 206
4	Climate change risk response and management	●	●	▲ 2	GRI 302, GRI 305
5	Revitalizing the local economy	●	●	▲ 3	GRI 201, GRI 203
6	Digital innovation and technology	●	●	▼ 3	-
7	Sound governance	●	●	▲ 2	GRI 2-9-12
8	Financial fraud prevention and digital security	●	●	▼ 1	GRI 418
9	Green finance	●	●	▲ 3	GRI 201, GRI 203
10	Human rights management	●	●	▼ 6	GRI 405, GRI 406, GRI 407, GRI 408, GRI 409, GRI 411
11	Sustainable finance	●	●	▼ 1	GRI 201, GRI 203
12	Contributing to local communities	●	●	▲ 1	GRI 413
13	Risk management	●	●	▼ 2	GRI 2-27
14	Environmental management governance	●	●	-	-

## Introduction

### ESG Management System

ESG management strategy  
ESG management framework  
**Double Materiality Assessment**  
2024 Material ESG Topics

## ESG Performance

### ESG Data Pack

### Appendix

# Double Materiality Assessment

## Material Issues for Enterprise Value Creation

### • Material Issues for Enterprise Value Creation

Issue	Risk and Opportunity (Impact)	Business Strategy	Targets/Metrics (including target years)	Progress and Performance	KPIs Aligned with Management Remuneration
Shaping a sustainable future together with local communities	<ul style="list-style-type: none"> <li>Potential degradation of the regional economic base and contracting financial demand due to regional depopulation and aging</li> <li>Locally-tailored financial support and CSR initiatives aligned with BNK Financial Group's CSR strategy</li> </ul>	<ul style="list-style-type: none"> <li>Implement the KRW 14.7205 trillion Overcoming Crisis Together Project for 3 years</li> <li>Operate the Storage B program to build ecosystems for fintech companies and startups</li> </ul>	<ul style="list-style-type: none"> <li>Implement all 55 tasks from initiation in 2022 through completion in 2025</li> </ul>	<ul style="list-style-type: none"> <li>Implemented 54 out of 55 tasks, provided KRW 17.7344 trillion in support to achieve 120.5% in progress rate based on actual performance</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate 'supply of social financial products' as part of the CEO's qualitative performance evaluation</li> </ul> <p style="text-align: right;"><b>BNK Capital</b></p>
Embedding ethics and compliance into business operations and upholding management transparency	<ul style="list-style-type: none"> <li>Inadequate business ethics and internal controls resulting in legal risks and reputational damage</li> <li>Strengthened stakeholder trust through enhanced business ethics and internal controls</li> </ul>	<ul style="list-style-type: none"> <li>Established the Internal Control Innovation Committee and Innovation Promotion Team to realign our internal control governance</li> <li>Identify vulnerabilities and make improvements to establish Group-wide internal control standards</li> </ul>	<ul style="list-style-type: none"> <li>Plan to achieve ISO 37001 (anti-corruption management system) within 2025</li> <li>Address all vulnerabilities identified through internal control assessments</li> </ul>	<ul style="list-style-type: none"> <li>Conducted preliminary reviews and procedural consultations with the ISO 37001 certification body</li> <li>Addressed 96% of the internal control vulnerabilities as of January 2025, work in progress for remaining improvements including internal regulation revisions, system upgrades and staffing expansion</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate internal control assessment results in executive performance evaluation</li> </ul> <p style="text-align: right;"><b>BNK Financial Group</b></p>
Advancing a consumer-centric financial protection framework	<ul style="list-style-type: none"> <li>Concern over consumer protection gaps due to the expansion of digital finance</li> <li>Building financial consumers' trust by establishing a customer participation-based protection framework</li> </ul>	<ul style="list-style-type: none"> <li>Establish the Group's 'Fair Advertising Policy' and shared the 'Our Resolve' to practice the Financial Consumer Protection Act</li> <li>Diversify customer communication channels and advance financial training tailored to customer profiles</li> <li>Implement review procedures to prevent mis-selling as well as mystery shopping</li> </ul>	<ul style="list-style-type: none"> <li>Reduce customer complaints by 30% compared to the 3-year average by 2025 at Busan Bank</li> </ul>	<ul style="list-style-type: none"> <li>Established the 'Consumer Protection Internal Control Committee' in 2025 and strengthened institutional improvement activities (6 improvements requested in 2023 and 11 in 2024)</li> <li>Prevented 151 issues through customer complaint analysis and sharing</li> <li>Conducted post-sale management adequacy reviews based on product risk levels</li> </ul>	<ul style="list-style-type: none"> <li>Incorporate 'customer rights protection' into the CEO's qualitative evaluation</li> </ul> <p style="text-align: right;"><b>BNK Capital</b></p>
Responding to and managing climate change risks	<ul style="list-style-type: none"> <li>Potential financial asset losses due to enhanced climate regulations and physical risks</li> <li>Capturing sustainable investment opportunities and market leadership through expanded climate finance and green finance</li> </ul>	<ul style="list-style-type: none"> <li>Establish a sustainable finance taxonomy to develop low-carbon finance operating models and enhance limit management for sectors exposed to high environmental risks</li> <li>Build an ESG data platform to manage environmental management performance of subsidiaries</li> <li>Develop a financed emissions measurement system and database</li> </ul>	<ul style="list-style-type: none"> <li>Achieve net zero for operational emissions by 2045</li> <li>Achieve net zero for financed emissions by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy consumption by nearly 0.85% to exceed the 2024 target</li> <li>Achieved 99% of the 2024 GHG emissions target (Scope 1 &amp; 2)</li> <li>Achieved 89.6% of the 2024 financed emissions target (Scope 3) (based on SBTi criteria, excluding government bonds)</li> </ul>	<ul style="list-style-type: none"> <li>Risk management sector director clearly defines the roles and responsibilities related to climate risk within the accountability chart and oversees climate targets and performance, with a planned review for potential inclusion in KPIs.</li> </ul> <p style="text-align: right;"><b>BNK Financial Group</b></p>

### • Materiality Issues for External Stakeholders

Issue	Affected External Stakeholders	Relevance of the Issue to External Stakeholders	Impact Assessment	Output Matrix	Impact Matrix
Shaping a sustainable future together with local communities	<ul style="list-style-type: none"> <li>Retail/corporate customers, local community organizations and institutions, entrepreneurs, financial institutions, and relevant departments</li> </ul>	<ul style="list-style-type: none"> <li>Help combat poverty and reduce inequalities and contribute to the attainment of the SDGs by offering fair economic opportunities to varying stakeholders</li> <li>Expand access to financial services for vulnerable groups to strengthen the social responsibility of finance, and bring positive impact to marginalized and low-income individuals</li> </ul>	<ul style="list-style-type: none"> <li>Increased interest income and reduced loan interest payments through preferential rates for deposits, installment savings, and loans provided to local communities, small business owners, and financially-underserved groups</li> <li>Reductions in principal and interest repayments through debt restructuring programs for financially-underserved groups</li> </ul>	<ul style="list-style-type: none"> <li>Beneficiaries of inclusive and co-prosperity financial products: 237,157 persons</li> <li>Consulting for small business owners: 207 cases</li> <li>Interest rate reductions for vulnerable groups: 18,550 cases</li> </ul>	<ul style="list-style-type: none"> <li>Social value of inclusive and co-prosperity finance for the socially-marginalized: KRW 31 billion</li> <li>Social value of inclusive and co-prosperity finance to support youth and prevent depopulation in local communities: KRW 10.83 billion</li> <li>Social value of consulting for small business owners: KRW 60 million</li> <li>Debt relief and interest rate reductions for vulnerable groups: KRW 45.1 billion</li> </ul>
Advancing a consumer-centric financial protection framework	<ul style="list-style-type: none"> <li>IT contractors, financial institutions, commissioned debt collectors, and relevant departments</li> </ul>	<ul style="list-style-type: none"> <li>Bring positive impact for customers by contributing to improving customer satisfaction and offering a range of services to prevent financial fraud</li> </ul>	<ul style="list-style-type: none"> <li>Value of electronic financial fraud and voice phishing prevented through financial consumer protection activities (FDS, enhanced information security certification and investment, prevention campaigns and education for financially-underserved groups)</li> </ul>	<ul style="list-style-type: none"> <li>Voice phishing prevented<sup>1)</sup>: 423 cases</li> <li>Electronic financial fraud prevented: 440 cases</li> <li>Financially-underserved individuals who received financial fraud and voice phishing prevention education: 6,393 persons</li> </ul>	<ul style="list-style-type: none"> <li>Voice phishing prevention costs: KRW 9.13 billion</li> <li>Electronic financial fraud prevention costs: KRW 3.68 billion</li> <li>Financial fraud prevention education costs: KRW 82 million</li> </ul>

<sup>1)</sup> Busan Bank, Kyongnam Bank, BNK Savings Bank

## Introduction

### ESG Management System

ESG management strategy  
ESG management framework

### Double Materiality Assessment 2024 Material ESG Topics

## ESG Performance

### ESG Data Pack

### Appendix

# 2024 Material ESG Topics

## Issue 1. Shaping a Sustainable Future Together with Local Communities

Advancing finance for shared growth to overcome local challenges

### 1. Why We Care

As a regionally-rooted financial institution, BNK Financial Group recognizes that its sustainability is made possible only when the local economy maintains its vitality, and is fully assuming its role as a partner in recovering from crisis to achieve growth. To grapple with the complex challenges faced by local communities we value engagement with local communities as a necessity rather than a choice. It is with this awareness that we remain committed to realizing the true essence of finance: growing together with the communities we serve.

### 2. What We Do

#### Overcoming Crisis Together Project

Since 2022, BNK Financial Group has been undertaking the 3-year Overcoming Crisis Together Project valued at KRW 14.7205 trillion. This aims to relieve the burden of self-employed individuals, small business owners, and financially-underserved groups and support the stable soft landing of the local economy amid the complex economic challenges marked by high interest rates and mounting inflationary pressure.

This project goes beyond merely providing financial support to delivering impactful solutions across diverse areas, including expanded access to inclusive finance, support for recovery, employment security, and stable livelihood. In so doing, we strive on multiple fronts to effectively contribute to improving the lives of local residents and driving the recovery of the local economy.



#### Timeline of BNK Financial Group Overcoming Crisis Together Project

- Dec. 2024**
  - Achieved KRW 17.7344 trillion to exceed the target by 120.5% (inclusive finance: 164.4%, support for vulnerable groups: 93.2%, recovery support: 78.9%)
  - Incorporated terminated/adjusted tasks and developed closing strategies for the 3rd year
- Aug. 2024**
  - Declared the commitment to driving shared growth with local communities
- Dec. 2023**
  - Surpassed KRW 11 trillion in cumulative support provided
  - Review results: Certain programs were completed early due to full disbursement, reviewed and renewed support products
- Sept. – Dec. 2022**
  - Launched key tasks: Expansion of inclusive finance, refinancing of high-interest loans, maturity extensions, and interest rate reductions
- Aug. 2022**
  - Officially launched the Overcoming Crisis Together project
  - Planned to support KRW 14.7205 trillion for 3 years
  - 4 subsidiaries – Busan Bank, Kyongnam Bank, BNK Capital, and BNK Savings Bank-participated

Introduction

ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment

2024 Material ESG Topics

: BNK, driving strategic solutions to material issues

ESG Performance

ESG Data Pack

Appendix

# 2024 Material ESG Topics

## Issue 1. Shaping a Sustainable Future Together with Local Communities

Advancing finance for shared growth to overcome local challenges

### 2. What We Do

#### • Program-level Progress of the Overcoming Crisis Together Project

(Unit : KRW 100 million, %)

Category	Key Task	Support Provided	Progress Rate
Support for inclusive finance	• Provide preferential rate housing loans	30,004	114.5
	• Support newlyweds and young adults with deposit rent loans	58,219	215.6
	• Offer business loan support for small business owners	1,811	90.6
	• Offer financing support for financially-underserved groups	7,509	180.9
	• Support interest rate reductions for high-interest products		
	<b>Subtotal</b>	<b>97,543</b>	<b>164.4</b>
Support for vulnerable groups	• Support special guarantee loans for small business owners and self-employed individuals	11,601	29.5
	• Support interest rate reductions for vulnerable groups facing high interest rates	54,180	180.9
	• Support youth self-reliance with Busan Youth Double Happiness Account		
	• Supply 'safe refinancing loans'	50	6.6
	• Support self-employed people with early repayment fees under debt restructuring programs		
	<b>Subtotal</b>	<b>68,291</b>	<b>93.2</b>
Recovery support	• Refinancing program for high-interest loans	6,675	84.2
	• Cancellation of time-barred debts held by socially vulnerable groups	4,696	77.6
	• Delinquent interest reduction program for small businesses affected by COVID-19	73	121.7
	• Provide working capital support for self-employed individuals including consulting and business site upgrades	66	12.0
		<b>Subtotal</b>	<b>11,510</b>
	<b>Total</b>	<b>177,344</b>	<b>120.5</b>

The Overcoming Crisis Together Project was joined by four subsidiaries – Busan Bank, Kyongnam Bank, BNK Capital, and BNK Savings Bank- implementing 54 tasks in total to provide support for inclusive finance, vulnerable groups, and financial recovery. The project delivered KRW 4.5262 trillion in 2022 and KRW 6.6756 trillion in 2023. As of the end of 2024, KRW 17.7344 trillion worth of support was provided, reaching 120.5% in progress rate and surpassing the initial target. In undertaking this project, BNK Financial Group not only provides practical financial support but also fulfills its social responsibility for

driving a sustainable local economic recovery and mutually-beneficial finance.

#### Declaring Our Initiative for Shared Growth with Local Communities

In August 2024, BNK Financial Group officially declared its commitment to shared growth with local communities as a way to tackle complex regional challenges, including population decline, industrial outflow, and regional extinction. Our aim is

to promote local industries and SMEs and reinvest the added value created back into local communities to serve as a key driver of regional economic growth. We plan to provide a total of KRW 18.4 trillion in financial support, with KRW 3.546 trillion disbursed as of the end of 2024. In line with this initiative, we defined four key priorities – supporting SMEs and small business owners, nurturing regionally specialized industries, protecting financially-underserved groups, and tackling regional challenges. Focusing on execution performance and a robust monitoring system, we strive to deliver tangible and sustainable results at the Group-wide level.



A ceremony to declare BNK Financial Group's commitment to shared growth with local communities

### 3. What's Next

We will prioritize co-prosperity with the communities we serve in advancing shared growth with local communities. By providing tangible financial support and exceeding the set targets, we will take the lead in driving a sustainable local economic recovery and inclusive finance.

#### Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
**2024 Material ESG Topics**  
: BNK, driving strategic solutions to material issues

#### ESG Performance

#### ESG Data Pack

#### Appendix

# 2024 Material ESG Topics

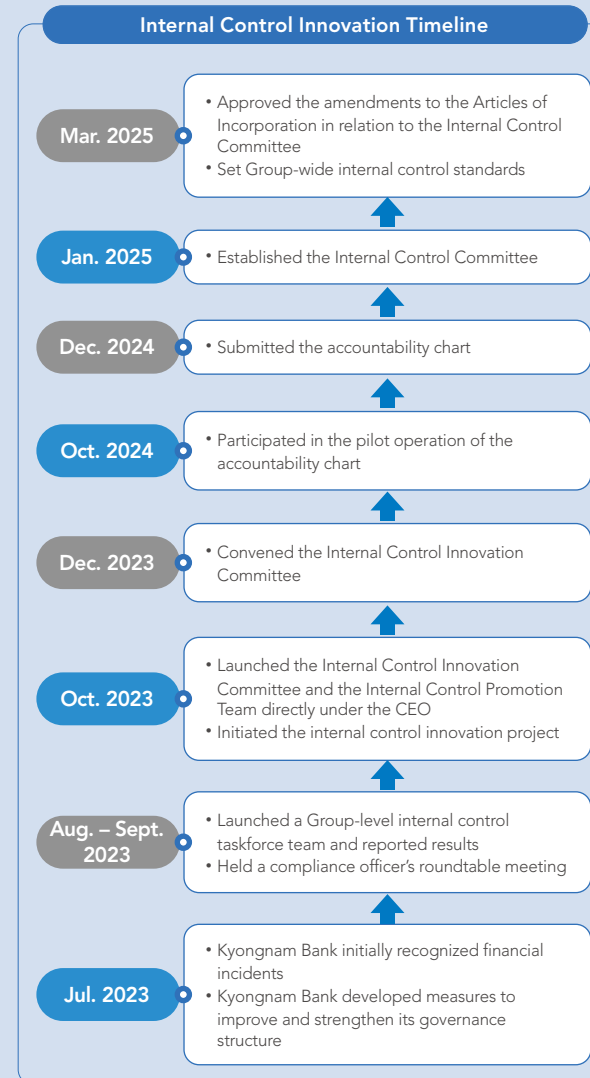
## Issue 2. Embedding Ethics and Compliance into Business Operations and Upholding Management Transparency

### Establishing a Group-wide internal control and accountability framework

#### 1. Why We Care

The embezzlement incident at Kyongnam Bank served as an urgent wake-up call for BNK Financial Group to fundamentally reassess and strengthen the effectiveness of the Group-wide internal control system, moving beyond mere prevention of recurrence. We are undertaking initiatives to bolster 'accountability-driven governance', clearly defining employee roles and responsibilities and establishing a structured control framework at all levels of the company. In particular, the revised Act on Corporate Governance of Financial Companies which took effect in July 2024 mandates financial institutions to submit an 'accountability chart' clarifying each executive's responsibilities and their implementation structure, further raising the bar in terms of social expectations and regulatory requirements around the advancement of internal controls.

Building on the pilot operation of our accountability chart tailored to each subsidiary's specific context, we are developing an effective accountability structure. Along with efforts to improve the internal control system, we are committed across the board to raising employee awareness on business ethics, transforming our corporate culture, and internalizing necessary systems within the organization. These efforts go beyond short-term incident response and aim to establish a sustainable internal control and accountability framework that protects financial consumers and earns greater trust from the market.



Introduction

**ESG Management System**

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
**2024 Material ESG Topics**  
: BNK, driving strategic solutions to material issues

ESG Performance

ESG Data Pack

Appendix

# 2024 Material ESG Topics

## Issue 2. Embedding Ethics and Compliance into Business Operations and Upholding Management Transparency

### Establishing a Group-wide internal control and accountability framework

## 2. What We Do

### Establishing an Internal Control Framework Around the Accountability Chart

To prevent the recurrence of financial incidents and advance our internal control framework, BNK Financial Group organized an internal control taskforce team in April 2024 to develop an accountability chart. In October that year, we applied to participate in a pilot project led by the Financial Supervisory Service and submitted our accountability chart. The holding company, Busan Bank and other key subsidiaries joined the project. The accountability chart, which clearly defines each executive's responsibilities and administrative duties, serves as the foundation of an effective internal control system. With advice from the Financial Supervisory Service, BNK Financial Group completed organizational restructuring and enhanced the relevant framework in December 2024. Moving forward, we will build our management framework around the accountability chart to continuously embed business ethics and

accountability into our day-to-day operations.

### Activities by the Internal Control Innovation Promotion Team

For nearly one month from August 2023, we operated the Internal Control Innovation Promotion Team (internal control taskforce) to identify necessary improvements to enhance the effectiveness and execution of our internal control framework. A total of 16 improvement tasks were identified in such dimensions as facilitation of whistleblowing mechanisms, personnel overhaul for internal control functions, internal control assessments, and practical internal control implementation. In 2024, we successfully completed all these improvement tasks. In addition, we developed financial incident prevention measures tailored to each job group of the monitoring system, provided year-round training, and conducted self-assessments to establish a structured internal control management framework while conducting digital branch audits to proactively eliminate potential risks. We also continuously engage in internal control innovation operations

and strengthen the capabilities of personnel responsible for constant monitoring.

In October 2023, we launched the Innovation Promotion Team composed of internal control personnel from the holding company and subsidiaries, and the Internal Control Innovation Committee, an independent body comprising external experts under the leadership of the Group CEO. The Innovation Promotion Team evaluated internal control levels through first-phase consulting in areas such as subsidiary-level compliance oversight, anti-money laundering, consumer protection, information security, and high-risk operations (PF). This assessment identified approximately 500 vulnerabilities across the Group, which were subsequently addressed. The Internal Control Innovation Committee engaged in deliberating, discussing, and overseeing the implementation of internal control reforms and its operations terminated in March 2025. Currently, the Innovation Promotion Team is involved in a second-phase consulting project (from July 2024 to March 2025) to establish a Group-wide standardized internal control management framework.

#### • Agenda Items of the Internal Control Innovation Committee

Timeline	Detail
5th meeting on Mar. 18, 2025	<ul style="list-style-type: none"> <li>Report on consulting progress on the establishment of a Group-standard internal control management framework and the improvement of vulnerabilities identified in Phase 1</li> </ul>
4th meeting on Nov. 27, 2024	<ul style="list-style-type: none"> <li>Report on renaming and progress of consulting for the establishment of a centralized Group-level internal control management system</li> <li>Report on improvement status for vulnerabilities identified through BNK Financial Group's internal control assessment consulting</li> <li>Report on BNK Financial Group's participation in a pilot accountability chart introduction project</li> </ul>
3rd meeting on Jul. 30, 2024	<ul style="list-style-type: none"> <li>Report on implementation of the findings of BNK Financial Group's internal control assessment consulting</li> <li>Report on consulting kick-off for the establishment of a centralized Group-level internal control management system</li> <li>Report on progress of consulting for the introduction of an accountability chart at BNK Financial Group</li> </ul>
2nd meeting on Apr. 11, 2024	<ul style="list-style-type: none"> <li>Deliberate on the results of BNK Financial Group's internal control assessment consulting</li> <li>Report on the operation of the internal control innovation organization</li> </ul>
1st meeting on Dec. 22, 2023	<ul style="list-style-type: none"> <li>Report on progress of consulting for the Internal Control Innovation Promotion Team</li> </ul>

#### • Internal Control Innovation Tasks

Category	Detail
Facilitation of whistleblowing mechanisms	<ul style="list-style-type: none"> <li>Launch a CEO-direct, real-name whistleblowing channel and the Red Whistle campaign</li> <li>Operate one of the industry's highest-level reward programs offering up to KRW 1.5 billion</li> <li>Roll out whistleblower protection and voluntary reporting systems across all subsidiaries</li> <li>Conduct regular audits and inspections to assess compliance with reporting obligations</li> </ul>
Personnel overhaul for internal control functions	<ul style="list-style-type: none"> <li>Strengthen internal control expertise among managers including department and branch heads</li> <li>Prioritize and expedite HR/competency restructuring with a focus on internal control competencies</li> <li>Strengthen system-based controls to advance the continuous monitoring framework</li> </ul>
Internal control innovation measures	<ul style="list-style-type: none"> <li>Introduce a digital, AI-based continuous monitoring system</li> <li>Advance the branch audit system and standardize this system across all subsidiaries</li> <li>Implement early improvements for incident-prone areas starting from December 2023</li> <li>Include internal control indicators in subsidiary CEO performance evaluations and increase their weighting</li> </ul>
Internal control innovation measures	<ul style="list-style-type: none"> <li>Regularly host employee compliance pledge ceremonies</li> <li>Introduce an accountability chart to clarify internal control responsibilities</li> <li>Assess the implementation of internal controls for subsidiary CEOs</li> </ul>

#### Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
**2024 Material ESG Topics**  
: BNK, driving strategic solutions to material issues

#### ESG Performance

#### ESG Data Pack

#### Appendix

# 2024 Material ESG Topics

## Issue 2. Embedding Ethics and Compliance into Business Operations and Upholding Management Transparency

### Establishing a Group-wide internal control and accountability framework

## 2. What We Do

### Establishing Internal Control Standards and Implementing System-based Enhancements

#### 1) Project Overview: Developing a Group-wide Standardized Internal Control Framework

To reinforce Group-wide internal control capabilities, BNK Financial Group has been undertaking a phased initiative since July 2024 to develop a Group-wide standardized internal control framework. This project started with in-depth assessments of internal control levels at respective subsidiaries, which formed the basis for developing Group-wide internal control standards. In particular, control criteria were enhanced for non-banking subsidiaries, and clear and consistent criteria

were introduced to standardize the overall inspection framework. As of January 2025, standard criteria were established and internal control assessments were completed. Building on these achievements, we are currently designing a Group-level management framework for internal control standards and are developing systems to ensure the structured management of this framework.

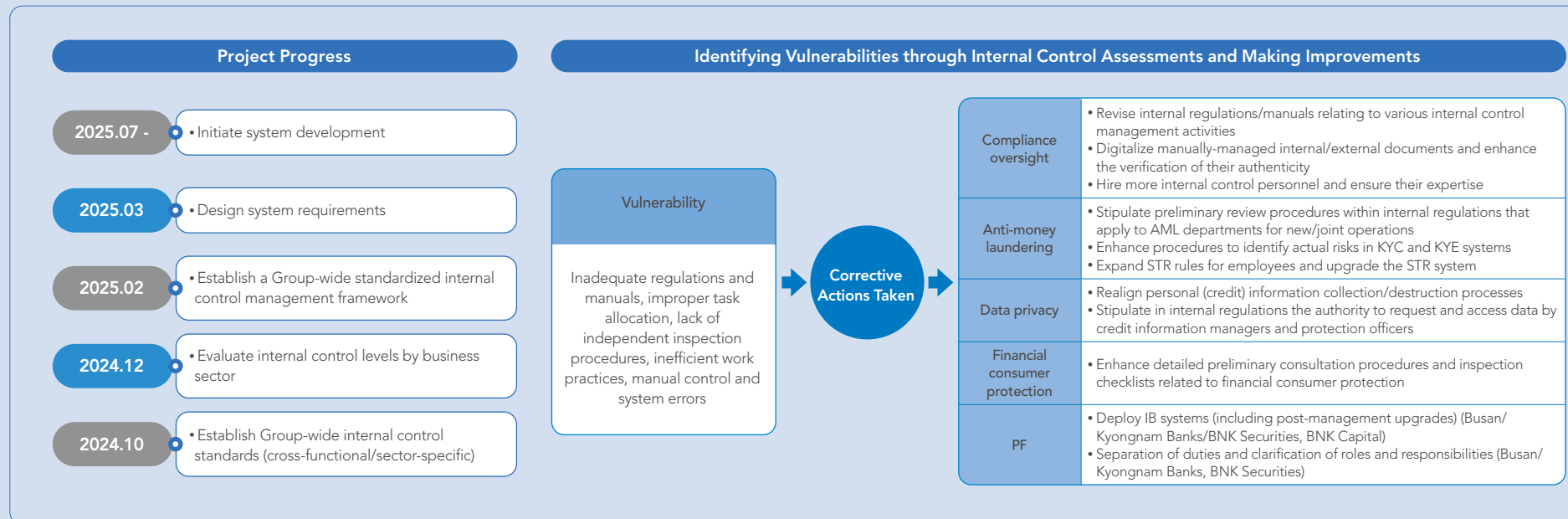
#### 2) Identifying Vulnerabilities and Taking Corrective Actions

In Phase 1 between November 2023 and March 2024, control levels were assessed at each subsidiary across four cross-functional areas, including compliance oversight, anti-money laundering, financial consumer protection, and data privacy. This led us to identify 512 vulnerabilities, of which 489 or 96% of total were addressed as of January 2025. Work is in progress for each of the remaining 23 vulnerabilities through internal

regulation improvement, system upgrades, and staffing expansion.

In Phase 2, 1,784 internal control standards criteria and 6,574 checklist items were developed to reflect the administrative actions and sanctions imposed by supervisory authorities. This based our efforts to assess the control performance of seven subsidiaries. While Busan Bank and Kyongnam Bank met standards comparable to those of commercial banks, certain subsidiaries - particularly BNK Securities - fell short of expectations, highlighting the need for improvement.

Looking ahead, BNK Financial Group will conduct regular inspections based on Group-wide standards to establish autonomous and responsible internal control practices.



Introduction

**ESG Management System**

- ESG management strategy
- ESG management framework
- Double Materiality Assessment
- 2024 Material ESG Topics**
- BNK, driving strategic solutions to material issues

ESG Performance

ESG Data Pack

Appendix

# 2024 Material ESG Topics

## Issue 2. Embedding Ethics and Compliance into Business Operations and Upholding Management Transparency

### Establishing a Group-wide internal control and accountability framework

## 2. What We Do

### Establishing the Internal Control Committee under the BoD and Strengthening Its Alignment with Governance

In December 2024, we launched a Group-level Internal Control Committee composed of more than three directors in accordance with the revised Act on Corporate Governance of Financial Companies. Relevant provisions in the Articles of Incorporation were amended accordingly at the general shareholder meeting in March 2025 to formally initiate Committee operations. The Committee is responsible for developing our internal control guidelines and strategies and for deliberating on matters to raise employees' ethics and compliance awareness. The CEO holds ultimate responsibility for the execution and operation of internal controls, delegating major control measures to executives and reporting implementation results to the Financial Supervisory Service to ensure the effective operation of the accountability framework. The Internal Control Committee serves as a governance body responsible for the oversight of ethical and anti-corruption issues. The Committee is mandated to review and assess executives and the CEO for their proper fulfillment of administrative and reporting obligations for internal controls as stipulated in the accountability chart and to request necessary actions for identified deficiencies.

## 3. What's Next

To bolster business ethics and accountability at all levels of the Group, we will continue implementing the project to develop a Group-wide standardized internal control management framework. Our aim is to establish internal control standard criteria in alignment with the regulations and sanctions implemented by supervisory authorities and to conduct detailed control performance assessments of all subsidiaries using these criteria, developing structured improvement measures as a result.

In the first half of 2025, we will submit our accountability chart finalized based on advice from the Financial Supervisory Service. This chart will be rolled out across the organization including non-banking subsidiaries starting from the latter half of the year, supporting a balanced enhancement of our overall internal control capabilities. These efforts will help us establish autonomous and consistent control practices while advancing sustainable, accountable management trusted by all stakeholders.

#### Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
**2024 Material ESG Topics**  
: BNK, driving strategic solutions to material issues

#### ESG Performance

#### ESG Data Pack

#### Appendix

## 1. Why We Care

The evolving digital financial landscape increasingly highlights the importance of protecting demographics underserved in accessing financial information as well as consumers exposed to potential financial fraud. BNK Financial Group views these challenges as a key management priority and is strengthening an integrated, Group-wide response framework. In particular, the exacerbating harm to younger generations, including individuals in their 20s who are increasingly targeted by voice phishing and other novel fraud schemes, has prompted us to go beyond mere loss prevention and to reflect the voice of customers in our systems and ensure practical rights protections, advancing a consumer-centered protection framework.

## 2. What We Do

### Reinforcing on-site response and the protection systems that deliver real benefits to consumers

To safeguard consumer rights, Busan Bank is establishing a real-time monitoring system, including enhanced internal controls at branches and night-time and holiday headquarters monitoring. To stay ahead of the increasingly sophisticated voice phishing crime, the bank is launching prevention campaigns for traditional market merchants and expanding tailored financial education for seniors and digitally-underserved groups. With the Chief Consumer Officer (CCO) playing a leading role, a company-wide risk prevention system is under operation, and internal procedures are continuously upgraded to minimize losses that may occur at customer contact points.

### Named an excellent company in the Korea Consumer Protection Index for 3 consecutive years

Busan Bank was named an excellent company in the 2024 Korea Consumer Protection Index (KCPI) published by Korea Management Association Consulting for three consecutive years. The KCPI evaluates the quality of products and services based on consumers' actual experiences. Busan Bank received high scores for its continued efforts and leadership in protecting financial consumers. This achievement widely recognizes Busan Bank's consumer protection framework as a credible and effective best practice as well as its achievements in driving customer-centric management.



Voice phishing prevention campaign



Distributing financial fraud prevention pamphlets and stickers with voice phishing hotline information



# 2024 Material ESG Topics

## Issue 3. Advancing a Consumer-centric Financial Protection Framework

Strengthening financial consumer protection capabilities through customer engagement

### 2. What We Do

#### Operating Financial Consumer Rights Promotion Advisory Group Meetings

Kyongnam Bank regularly hosts meetings of the Financial Consumer Rights Promotion Advisory Group composed of its Chief Consumer Officer (CCO) and external experts from academia, media, and consumer organizations. At the 12th meeting held in 2024, effective prevention measures were discussed under the topic of 'responding to voice phishing affecting those in their 20s' to share specific ways to block suspicious loan transactions, register user devices, and prevent fraud involving open banking services. The insights gathered through this process will be embedded throughout our institutional infrastructure through practical policy improvements and internal process upgrades.

#### Expanding the Coverage of Protection for Financially-underserved Groups

The 13th Financial Consumer Rights Promotion Advisory Group meeting held in March 2025 served to discuss practical ways to support financially-underserved groups, under the theme of 'improving financial access for foreigners and inmates'. Kyongnam Bank not only expands access to financial offerings for foreign workers and international students but also plans and provides tailor-made financial education to support the successful reintegration of inmates into society. This meeting marked a shift from one-off campaigns towards a more inclusive strategic approach to protecting individuals with limited financial access. The expertise and on-the-ground experience of Group members will continue to guide us in developing actionable solutions going forward.



Meeting of the Financial Consumer Rights Promotion Advisory Group

### 3. What's Next

To navigate the rapidly-shifting financial landscape and cater to increasingly sophisticated consumer expectations, BNK Financial Group is reinforcing a consumer protection framework centered around the voice of customers at the Group-wide level. This goes beyond mere prevention of losses to effectively reflect customer feedback in our policy and service improvements. We will also expand preliminary reviews and customized protective measures for high-risk products and digital financial services, establishing consumer-centric financial practices.

Our consumer protection governance is anchored on the participation of all subsidiaries of BNK Financial Group. This supports our commitment to fostering a responsible financial ecosystem trusted by customers and delivering sustainable financial services to grow together with local communities.

#### Introduction

#### ESG Management System

ESG management strategy  
ESG management framework  
Double Materiality Assessment  
**2024 Material ESG Topics**  
: BNK, driving strategic solutions to material issues

#### ESG Performance

#### ESG Data Pack

#### Appendix

# 2024 Material ESG Topics

## Issue 4. Responding to and Managing Climate Change Risks

Boosting regional collaboration and support to achieve net zero



### 1. Why We Care

Climate action and net zero are emerging as key priorities for financial institutions. To fulfill its responsibility as a regionally-based financial institution, BNK Financial Group advances green management by transparently disclosing environmental data and setting GHG emissions reduction goals. These efforts aim to promote shared growth with local communities and contribute to establishing a sustainable financial ecosystem.

### 2. What We Do

#### Laying a Structured Foundation to Advance Green Management

We enhance the effectiveness of our ESG management by reducing GHG emissions and transparently disclosing environmental data. Our ESG data platform and financed emissions measurement system enable precise monitoring of Scope 1, 2, and 3 emissions. We have also set globally-recognized goals of reducing direct/indirect emissions by 42% and financed emissions by 35% by 2030, which were validated by the Science Based Targets initiative (SBTi). We are the first in the financial industry to develop financial offerings exclusively for climate-tech companies, and are providing ESG training in on/offline formats to local businesses, paving the way to achieve net zero emissions in the broader private sector.

#### Winning the Environment Minister Award in the Environmental Disclosure and Green Bond Issuance Categories

BNK Financial Group's Group-wide ESG management performance was officially recognized at the Green Management and Green Finance Excellence Awards co-hosted by the Ministry of Environment and the Korea Environmental Industry & Technology Institute (KEITI). BNK Financial Group was honored with the Minister of Environment Award in the environmental disclosure category and Busan Bank the President of KEITI Award in the green bond issuance category, gaining external recognition for the Group-wide commitment to sustainability management.

BNK Financial Group was highly praised for developing and systematically managing scientifically-based GHG emissions reduction targets based on consistent ESG data and information transparency. We were specifically noted for launching products supporting climate-tech companies as the first in the financial sector and moving forward the green transition by facilitating local ESG training. These awards mark a meaningful milestone in our journey to position BNK Financial Group as a leading financial institution advancing regionally-based green finance.



Awarded for excellence in green management and green finance

Introduction

**ESG Management System**

- ESG management strategy
- ESG management framework
- Double Materiality Assessment
- 2024 Material ESG Topics**
- : BNK, driving strategic solutions to material issues

ESG Performance

ESG Data Pack

Appendix

# 2024 Material ESG Topics

## Issue 4. Responding to and Managing Climate Change Risks

### Boosting regional collaboration and support to achieve net zero

## 2. What We Do

### MOU to Achieve Net Zero and Energy Conservation

BNK Financial Group is proactively pursuing net zero and energy conservation efforts at the regional level through strategic partnerships with Korea Electric Power Corporation (KEPCO). Busan Bank and Kyongnam Bank are teaming up with KEPCO to provide enhanced financial incentives to customers participating in the energy cashback program, offering cashback rewards when using eco-friendly spending promotion cards as well as preferential rates to low-carbon practice installment savings. We also participate in a range of environmental protection initiatives, including donating end-of-use electronics and introducing sustainable air logistics services GOGREEN PLUS, driving green finance in so doing. These regionally-based, customized collaboration models enable us to strengthen ESG alignment between the financial sector and public energy organizations, making meaningful contributions to the sustainable development of local communities.

#### BNK Busan Bank

Sept. 2024

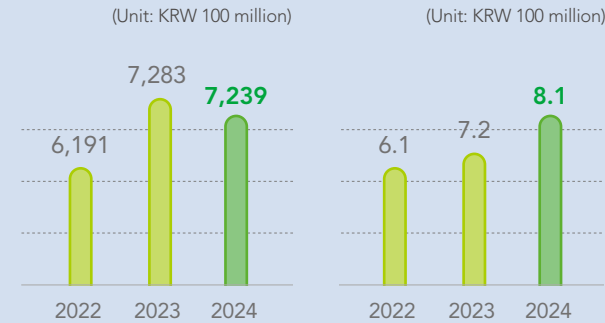
- Operate the energy cashback program in collaboration with KEPCO's Busan/Ulsan headquarters
- Offer up to KRW 30,000 cashback rewards when using eco-friendly spending promotion cards (Green Card, My Zone Green debit card)
- Offer additional preferential rates when signing up for Low-carbon Practice Installment Savings

#### BNK Kyongnam Bank

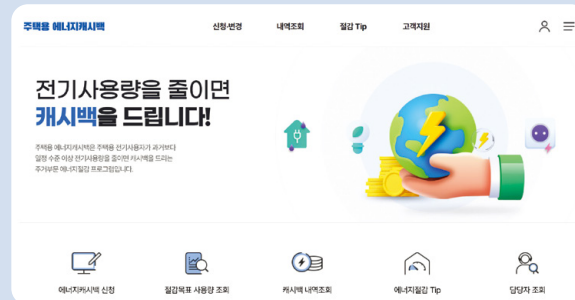
Jul. 2024

- Expand energy saving infrastructure under an MOU with KEPCO's Gyeongnam headquarters
- Provide flexible installment savings that offer preferential rates to customers participating in the energy cashback program
- Will hold cash rebate events for eco-friendly spending promotion card users

### • Green Card Sales Performance • Eco Money Points Supported



Anywhere Green debit card



Energy cashback for housing by KEPCO

### First in the Financial Sector to Provide Integrated Support for Companies with Carbon Reduction Technology

In partnership with Busan City and the Korea Technology Finance Corporation (KOTEC), BNK Financial Group established an integrated support framework for companies with carbon reduction technologies as the first in the financial sector, encouraging small/mid-sized companies to voluntarily participate in carbon mitigation efforts. Busan Bank and Kyongnam Bank provide low-interest rate loan products dedicated to these companies for two years, fully covering guarantee payments. Busan City supports all interest payments while KOTEC waives technology evaluation fees and offering ESG management consulting, helping to strengthen the sustainability capabilities of these companies.

Our integrated support framework is made available for small/mid-sized climate-tech companies in Busan, offering up to KRW 500 million per company. From July 2024 to the end of June 2025, a total of KRW 12.5 billion was provided to 27 companies. We plan to continue offering financial support by identifying companies with outstanding greenhouse gas reduction technologies. In addition, we provided free training to 150 employees of SMEs in the southeastern region on supply chain due diligence regulations and the Carbon Border Adjustment Mechanism (CBAM), supporting their practical capacity building. Building on this partnership, BNK Financial Group will remain committed to fostering a regional carbon reduction ecosystem and expanding sustainable ESG-driven growth models.

## 3. What's Next

BNK Financial Group will expand the issuance of green bonds, strengthen support for local eco-friendly businesses, and continue to foster lifestyle-linked green consumption programs such as 'Energy Cashback' in alignment with financial benefits. This will help us boost the actual execution of locally tailored green finance offerings and fulfill our essential role as a financial institution in shaping a sustainable future.

### Introduction

#### ESG Management System

- ESG management strategy
- ESG management framework
- Double Materiality Assessment
- 2024 Material ESG Topics**
- : BNK, driving strategic solutions to material issues

### ESG Performance

#### ESG Data Pack

#### Appendix

# ESG PERFORMANCE

Introduction

ESG Management System

ESG Performance

Environment \_ Green Finance

Social \_ Finance for Shared Growth

Governance \_ Ethical Finance

ESG Data Pack

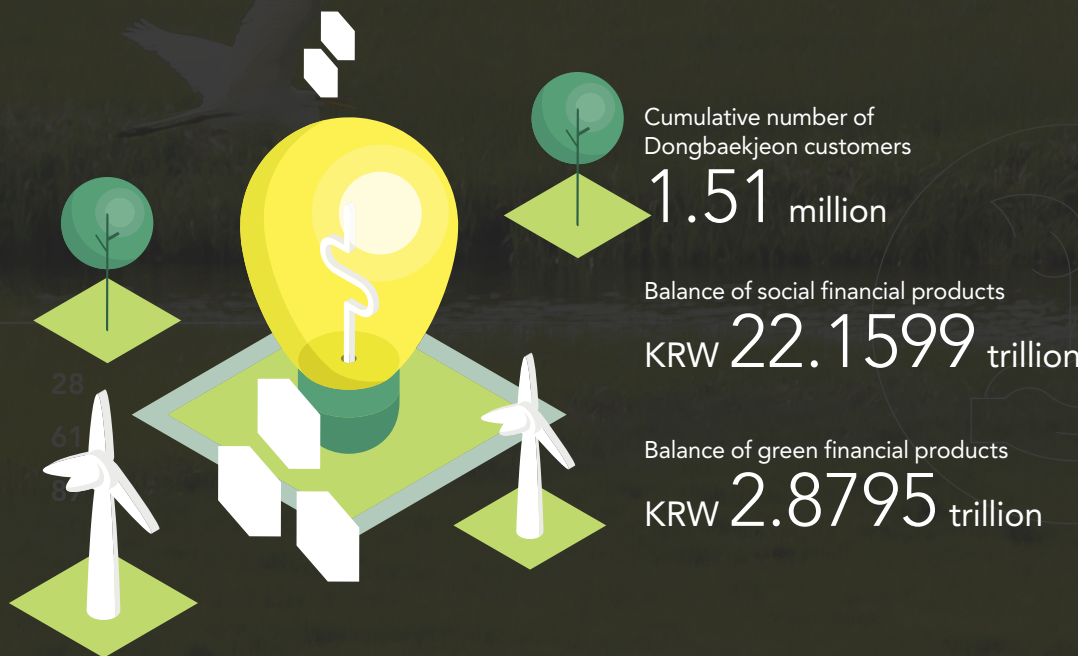
Appendix

ENVIRONMENT	28
SOCIAL	61
GOVERNANCE	87



# ESG PERFORMANCE

## Sustainable Touch

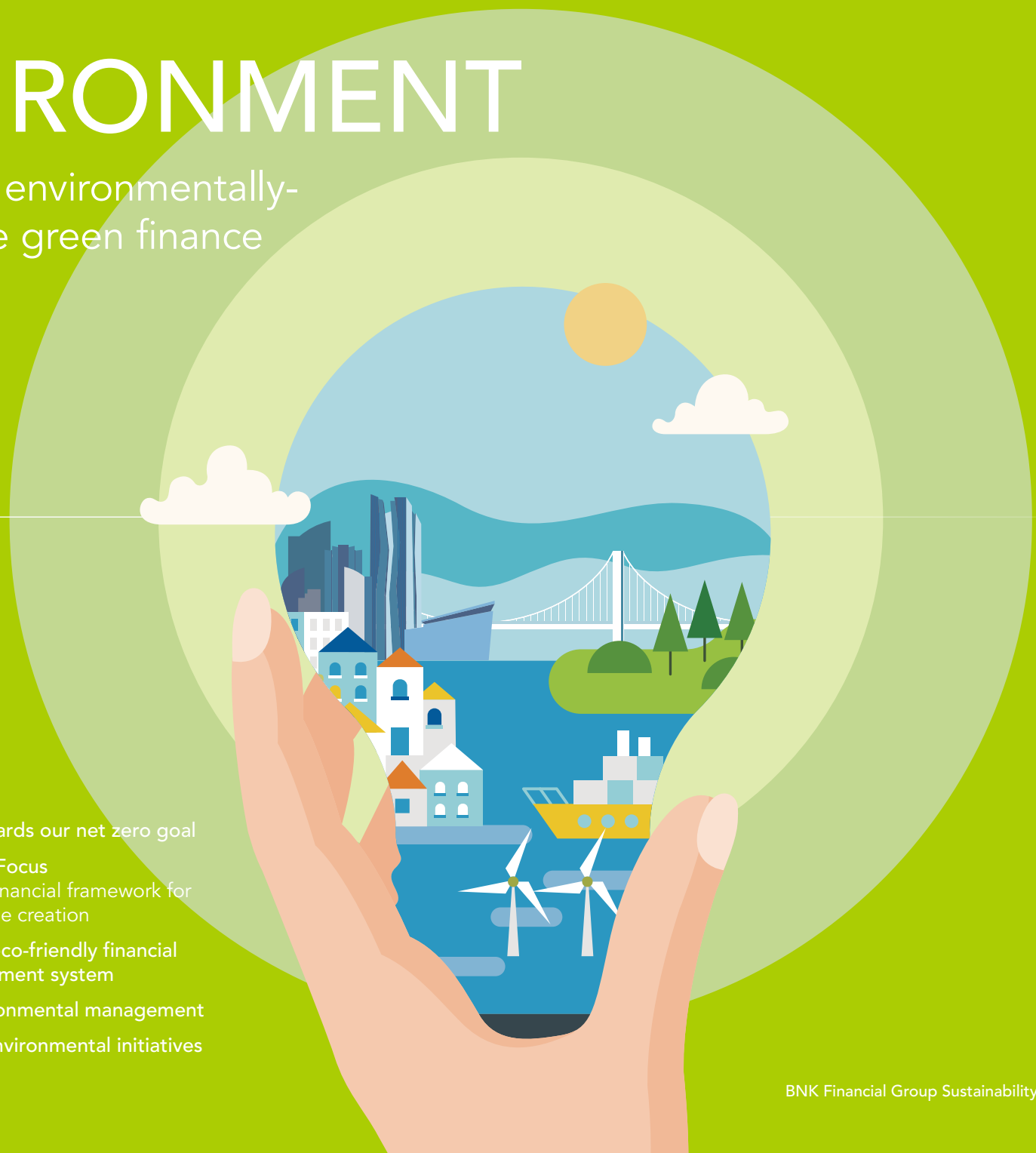


ENVIRONMENT  
SOCIAL  
GOVERNANCE



# ENVIRONMENT

: Advancing environmentally-  
responsible green finance



- 29 Progressing towards our net zero goal
- 40 Sustainability in Focus  
: Establishing a financial framework for  
sustainable value creation
- 42 Establishing an eco-friendly financial  
product management system
- 47 Advancing environmental management
- 52 Joining global environmental initiatives

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial  
product management system
- Advancing environmental  
management
- Joining global environmental  
initiatives

Social

Governance

ESG Data Pack

Appendix

# Progressing Towards Our Net Zero Goal

## Governance

### Governance for Climate Change Response

BNK Financial Group's governance structure for climate change response is centered on the Board of Directors, management, and responsible departments at BNK Financial Group and its subsidiaries.

#### Board of Directors (BoD) Level

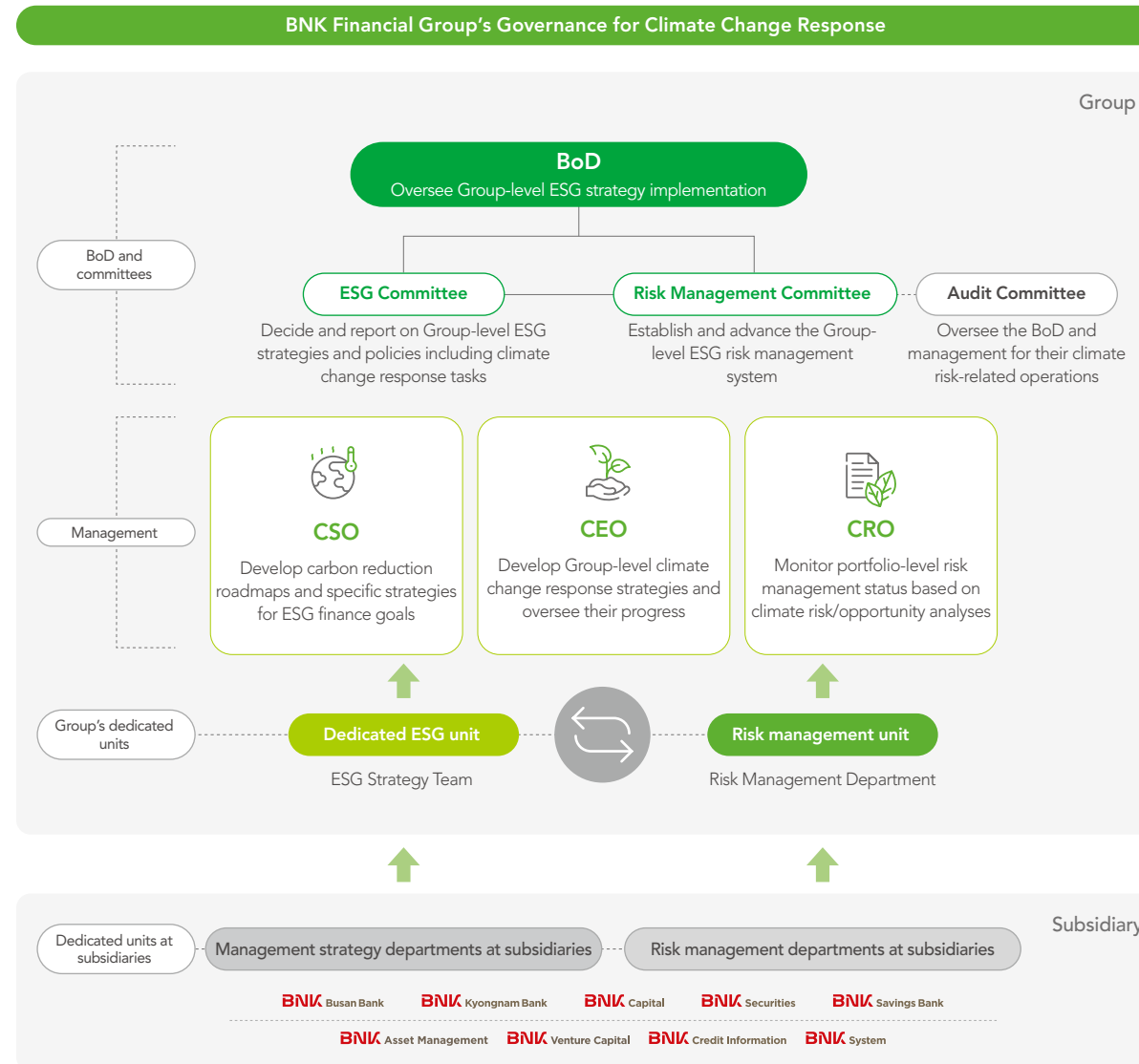
The ESG Committee and the Risk Management Committee under the Board of Directors play a central role in establishing and operating our Group-wide decision-making framework for climate change response. The ESG Committee deliberates and decides on Group-level ESG strategies and policies including climate change response tasks. The Risk Management Committee regularly reviews our response to emerging climate-related risks. Notably, findings from climate change scenario analyses are used to assess both financial and non-financial implications and set our risk appetite levels, strengthening the overall proactive response framework. The Risk Management Committee conducts a quarterly review of financed emissions and high-carbon sectors, including monitoring the status of environmental risk management. The Committee also reviews exception reports on an as-needed basis.

#### Management Level

The CEO of BNK Financial Group oversees the development of Group-wide climate change response strategies and monitors their implementation. The Group Chief Strategy Officer (CSO) is responsible for formulating specific response strategies, including the carbon reduction roadmap and ESG finance goals. The Group Chief Risk Officer (CRO) monitors portfolio-level risk management status based on climate risk and opportunity analyses.

#### Subsidiary Level

The ESG Strategy Team, a dedicated ESG unit of BNK Financial Group, develops climate change response strategies and monitors their progress. The Risk Management Department assesses relevant risks to analyze the information required to develop climate change response strategies. ESG departments across all Group subsidiaries ensure effective implementation of Group-wide climate strategies, customized according to the operational characteristics of each subsidiary.



- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- Joining global environmental initiatives
- Social
- Governance

# Progressing Towards Our Net Zero Goal

## Governance

### Committee Reporting System

The ESG Committee and the Risk Management Committee under the Board of Directors play a central role in approving climate change response strategies and goals and reviewing the implementation of ESG initiatives. The ESG Committee is responsible for determining and reporting Group-wide ESG strategies and policies, including climate change response tasks.

In April 2024, the ESG Committee approved the newly established mid- to long-term ESG strategies, and has been regularly monitoring the implementation of action plans for four priority tasks associated with 'Green Finance', one of the three strategic pillars of the Group's ESG strategies. The Committee assessed progress achieved in line with Group-level net zero strategies, reporting target achievement rates for operational and financed emissions.

#### • Roles and Responsibilities among Climate-related Functions

Category	ESG Strategy Team	Risk Management Department
Strategy	<ul style="list-style-type: none"> <li>Announce net zero commitments and establish strategies</li> </ul>	<ul style="list-style-type: none"> <li>Provide analysis information for strategy development</li> </ul>
Organization	<ul style="list-style-type: none"> <li>Operate the ESG Committee</li> </ul>	<ul style="list-style-type: none"> <li>Operate the Risk Management Committee</li> </ul>
Disclosure	<ul style="list-style-type: none"> <li>Publish sustainability reports and TCFD reports (in response to supervisory bodies and investors)</li> </ul>	<ul style="list-style-type: none"> <li>Provide analysis information within disclosure reports (in response to supervisory bodies)</li> </ul>
Assessment and management	<ul style="list-style-type: none"> <li>Set and monitor net zero goals</li> <li>Select and manage implementation tasks to achieve GHG emissions reduction targets</li> <li>Identify opportunities and develop implementation strategies</li> <li>Manage implementation performance of subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Implement climate risk management standards and guidelines</li> <li>Incorporate environmental factors in corporate credit rating assessments</li> <li>Respond to regulations of supervisory bodies</li> <li>Measure financed emissions and monitor their intensity</li> <li>Develop measures to select high-risk and high-carbon industries and manage exposure levels and limits</li> <li>Conduct scenario analyses</li> </ul>
System	<ul style="list-style-type: none"> <li>Operate ESG data platforms (Scope 1, 2)</li> <li>Monitor progress in achieving reduction targets</li> </ul>	<ul style="list-style-type: none"> <li>Operate a financed emissions measurement system (Scope 3)</li> <li>Operate corporate credit rating models</li> </ul>

### Executive Responsibilities Defined under the Accountability Chart

To ensure the systematic management of climate risks and other ESG issues, BNK Financial Group assigns the Chief Risk Officer (CRO) with direct oversight responsibility for ESG risk management, while the CEO holds ultimate responsibility for the overall ESG risk management framework. Executives at each subsidiary are responsible for identifying climate-related risks and opportunities within their areas of responsibility while developing corresponding strategies and overseeing their implementation. These roles and responsibilities are clearly defined in the Group's 'accountability framework', and are aligned with Board committees and the Group-wide risk management system.

### Incorporating Climate Change Metrics in Performance Appraisals

BNK Financial Group incorporates ESG targets into Group-wide management innovation tasks and key departmental business plans for performance evaluation and aligns these targets with financial incentives. Specifically, Busan Bank and Kyongnam Bank have defined their ESG metrics – achievement of energy consumption targets, reductions in paper and printer toner use, and reductions in GHG emissions – as part of their KPIs and apply these metrics in department-level performance evaluations. The KPIs of business headquarters are reflected in the performance assessment of headquarters executives, based on the progress achieved and efforts made in key operations. Looking ahead, BNK Financial Group will expand the application of ESG performance metrics across all subsidiaries and relevant departments.

### Climate Change Engagement

BNK Financial Group upholds the National 2050 Carbon Neutral Declaration in accordance with Paris Agreement and actively takes part in the global transition to sustainability by BNK Financial Group upholds the and strengthening the risk management system. Furthermore, given the consistency with the public policies aiming at achieving carbon neutrality targets, we are supporting and complying with the Paris Agreement by strategically allocating membership fees to relevant associations. BNK Financial Group has continuously reviewed the justifications for external donations and sponsorships such as executing membership fees so that we can establish responsible corporate governance aligned with the public goal of carbon neutrality.

The Group's leadership is responsible for managing and supervising the execution to ensure that it does not breach the global climate goals, including the Paris Agreement. We also

# Progressing Towards Our Net Zero Goal

## Strategies and Activities

regularly monitor whether the activities of the associations for which we have a membership are in line with those goals.

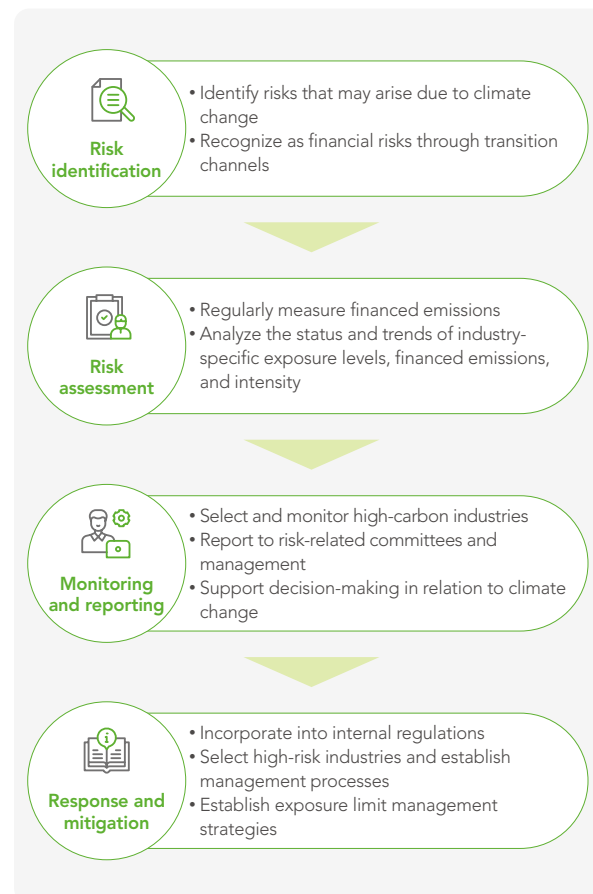
Additionally, if such activities are deemed inconsistent with the goals, we have an internal process in place to raise objections and request improvement. For example, in case where the activities of the Bankers' Association are found to conflict with the purport of the Paris Agreement, ESG strategy team under Strategic Planning Division of the Group will seek to resolve the issues with direct engagement with ESG Expert Committee of the Bankers' Association.

### Risk Management Framework

BNK Financial Group recognizes climate change-induced risks as significant financial risks, and is focused on advancing its risk management system to ensure both profitability and stability in investment operations. In line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations, we systematically identify environmental and social risks and conduct quantitative and qualitative assessments while establishing a financed emissions measurement system and building databases to enhance the consistency and credibility of relevant information. We have also aligned and reinforced our risk management governance and internal regulatory framework, solidifying the foundation for climate risk response.

To proactively address climate risks, we operate an integrated risk management process consisting four steps of risk identification, assessment, monitoring & reporting, and response & mitigation. This process is systematically implemented with the Group-wide Risk Management Committee playing a central role. We have also established relevant internal regulations – regulations for the Risk Management Committee, risk management regulations, and risk management guidelines – to stipulate internal standards

for climate change risk response. In 2024, these regulations were revised to strengthen our overarching climate risk governance framework. Looking ahead, we will continue exploring ways to align and apply these regulations to day-to-day operational processes including the selection of watchlist sectors and the management of exposure limits.



## Climate-related Risk and Opportunity Analysis

BNK Financial Group classifies climate-related risks into transition risks, which arise during the net-zero transition process, and physical risks, which result from the physical impacts of climate change. Physical risks in particular encompass both chronic impacts (such as sea level rise and changes in climate patterns) and acute events (such as typhoons, floods, and other extreme weather events).

Because climate risks can spread to financial risks through various economic transmission channels across multiple business sectors of a financial institution, they must be recognized as not merely environmental risks, but as financial risks. To that end, BNK Financial Group recognizes that both transition and physical risks can translate into credit, market, operational, liquidity, or reputational risks from both microeconomic and macroeconomic perspectives. This recognition serves as the foundation for the BNK Financial Group's structured risk management approach.

### • Transition Risk

Risk resulting from the transitioning into a low-carbon economy		
Climate policy	Technology	Investment-consumption
Energy policies, pollution regulations, resource conservation policies, and measures curbing GHG emissions	Technological transformations for decarbonization including batteries, EVs, and CO <sub>2</sub> capture technologies	Shifts in investment perceptions and consumption behaviors concerning climate change

### • Physical Risk

Risk occurring due to the economic ramifications of climate change	
Climate policy	Technology
Natural disasters such as heatwaves, floods, wildfires, typhoons, and heavy rainfall	Events such as rising sea levels, increases in average temperature, ocean acidification, and desertification

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Progressing Towards Our Net Zero Goal

## Risk and Opportunity Identification

### Risk and Opportunity Identification

BNK Financial Group analyzes climate-related risks and opportunities across different time horizons in line with Task Force on Climate-related Financial Disclosures (TCFD) recommendations. We define the short-term as up to 2030, the mid-term as up to 2040, and the long-term as up to 2050. Following the systematic identification of risks and opportunities that may arise due to climate change, we incorporate them into our financial planning process and continuously monitor them throughout the implementation stage. We also establish relevant management and mitigation strategies and develop specific action plans to advance progress in a phased manner.

#### Climate-related Risks

Importance Score: ● 80-100 ● 60-80 ● 40-60 ● 20-40 ● 0-20

Category	Risk	Importance	Timeline	Potential Impact	Our Response Plan
Transition risk	Policy/legal	Increase in carbon credit prices	Short/mid/long-term	<ul style="list-style-type: none"> <li>Increased credit risk</li> <li>Rising operational costs for investee companies</li> <li>Decline in asset value of investments in high-carbon sectors</li> <li>Increased portfolio transition risk</li> </ul>	<ul style="list-style-type: none"> <li>Monitor climate-related policies and risk management regulations and continue reviewing policies and procedures</li> <li>Establish robust governance through the ESG Committee and the Risk Management Committee</li> <li>Regularly assess exposure to assets in high-carbon sectors and set reduction targets</li> <li>Support corporate transition through the expansion of transition finance</li> <li>Advance integrated reporting aligned with external disclosure standards (ISSB, TCFD, CDP, etc.)</li> </ul>
		Increase in policy-driven costs such as carbon taxes			
		Enhanced emissions reporting obligations			
		Obligations and regulations on existing products and services			
		Exposure to litigation			
	Technology	Substitution of products/services with low-emission alternatives	Mid/long-term	<ul style="list-style-type: none"> <li>Increased expenses of investing companies</li> <li>Decline in asset value in investments in traditional manufacturing and energy sectors</li> <li>Potential deterioration in financial structure due to increased CAPEX of investee companies</li> <li>Credit rating downgrades due to weakened competitiveness of companies lacking technologies</li> </ul>	<ul style="list-style-type: none"> <li>Expand the development of and investment in eco-friendly technologies</li> <li>Monitor eco-friendly technologies</li> <li>Establish evaluation criteria for companies expanding investment in environmental facilities</li> <li>Plan to incorporate 'technology risk' in ESG-based preliminary review items</li> <li>Expand the application of green taxonomy standards and strengthen ESG evaluations</li> </ul>
		Increased capital expenditure for the development of eco-friendly, low-carbon technologies			
		Failed investment in new technologies			
	Market	Change in customer behavior	Mid/long-term	<ul style="list-style-type: none"> <li>Withdrawal of investment capital</li> <li>Stock price depreciation</li> <li>Increased risk of corporate insolvency due to surging costs</li> <li>Declining profitability of high-energy-consuming companies</li> </ul>	<ul style="list-style-type: none"> <li>Monitor consumer behaviors and market shifts</li> <li>Establish a financial risk impact analysis framework</li> <li>Expand preferential financing conditions for companies with outstanding environmental management practices</li> <li>Improve credit evaluation systems based on sector-specific ESG sensitivity criteria</li> <li>Establish a climate strategy adjustment system by linking strategy and risk management functions</li> </ul>
		Rising raw material costs			
		Rising energy costs			
		Uncertainty in market signals			
	Reputation	Heightened stakeholder concerns or increased negative stakeholder feedback	Mid/long-term	<ul style="list-style-type: none"> <li>Greenwashing issues</li> <li>Downgrade in ESG ratings</li> <li>Potential increase in capital financing costs</li> </ul>	<ul style="list-style-type: none"> <li>Disclose information through sustainability reports, TCFD reports, and CDP reports</li> <li>Clearly communicate climate strategies and strengthen communication with stakeholders</li> <li>Facilitate customer engagement and reinforce response capabilities</li> <li>Strengthen monitoring of stakeholders by high-risk issue</li> <li>Prepare for transition to ISSB-based integrated ESG disclosure</li> <li>Regularly share ESG strategies and performance with investors</li> </ul>
		Divestment by investors			
Shifting consumer preferences					
Physical risk	Chronic	Increase in average temperature	Long-term	<ul style="list-style-type: none"> <li>Declining profitability of climate-sensitive sectors</li> <li>Increased asset damage and insurance risk for companies located near coastal areas</li> <li>Decline in collateral asset value and difficulty in collateral recovery</li> </ul>	<ul style="list-style-type: none"> <li>Establish climate change response strategies by analyzing owned portfolios based on physical risk scenarios</li> <li>Advance ESG evaluation factors by incorporating heat risk</li> <li>Introduce collateral asset screening based on climate risk maps</li> <li>Develop guidelines to prepare for flood damage in coastal areas</li> </ul>
		Rising sea levels			
	Acute	Earthquakes	Mid/long-term	<ul style="list-style-type: none"> <li>Decline in collateral value</li> <li>Decline in operating profit</li> </ul>	<ul style="list-style-type: none"> <li>Identify buildings and branches owned by BNK Financial Group that are vulnerable to climate change and take action to prevent damage</li> <li>In light of the significant damage caused by wildfires which affected Busan, Ulsan, and Gyeongnam in 2025, assess the potential decline in collateral value of land, forests, and private property in these provinces and develop countermeasures</li> <li>Reassess collateral asset risks in disaster-prone areas</li> <li>Internalize industry-specific manuals for heavy snowfall and cold waves</li> <li>Review the development of an early warning system for wildfire-prone areas</li> </ul>
		Typhoons (extreme wind speeds), floods, heavy rainfall (inundation)			
		Cold waves, heavy snow			
		Wildfires, landslides			

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Progressing Towards Our Net Zero Goal

## Strategies and Activities

### Climate-related Opportunities

Importance Score: ● 80-100 ● 60-80 ● 40-60 ● 20-40 ● 0-20

Category	Opportunity	Importance	Timeline	Potential Impact	Our Response Plan
Resource efficiency	Efficient use of energy	●	Mid/long-term	<ul style="list-style-type: none"> <li>Reduction in operating expenses</li> <li>Improved profitability</li> <li>Increased financing opportunities in line with expanding EV infrastructure</li> <li>Increased investment opportunities in line with the growth of the resource circulation industry</li> </ul>	<ul style="list-style-type: none"> <li>Establish and implement ESG daily routines including internal energy efficiency and recycling rates for the holding company and Group subsidiaries</li> <li>Continue expanding eco-friendly remodeling of aging branches</li> <li>Expand investments linked to achieving internal carbon reduction targets</li> <li>Review participation in financing EV charging infrastructure projects</li> <li>Develop sector-specific strategies for companies in the waste/recycling industries</li> </ul>
	Expansion of eco-friendly building facilities	●			
	Expansion of low-emission transportation options	●			
	Use of recycling	●			
	Reduction in water consumption	●			
	Adoption of efficient production and distribution processes	●			
Energy source	Transition to distributed energy generation	●	Short/mid/long-term	<ul style="list-style-type: none"> <li>Reduced exposure to carbon taxes and increasing fossil fuel prices</li> <li>Growing financial demand for renewable energy projects</li> <li>Increased potential for launching policy-linked financial products</li> <li>Expanded financing opportunities due to increased investments in clean energy companies and facilities</li> </ul>	<ul style="list-style-type: none"> <li>Review the feasibility of using electricity generated from renewable energy at Group affiliates</li> <li>Identify companies in the decentralized energy sector and review launching dedicated financial products</li> <li>Consider developing financial products linked to government incentives</li> <li>Review financial products linked to domestic and international carbon markets</li> <li>Consider developing products linked to emissions volume</li> </ul>
	Utilization of support policy incentives	●			
	Use of low-carbon energy sources	●			
	Adoption of emerging energy technologies	●			
	Participation in carbon markets	●			
Products and services	Expanded development of low-carbon products and services	●	Mid/long-term	<ul style="list-style-type: none"> <li>Expansion of products and services in line with growing demand for ESG and green finance</li> <li>Increased selection of ESG-based financial financial options</li> <li>Opportunity to enhance brand trust</li> </ul>	<ul style="list-style-type: none"> <li>Continue to develop eco-friendly financial products</li> <li>Expand financial support for climate-friendly industries, strengthen partnerships for low-carbon transition in local industries, and advance climate-related financial products</li> <li>Systematize financial products based on each sector's contribution to carbon reduction</li> <li>Diversify products based on green taxonomy criteria</li> <li>Develop disaster recovery finance models incorporating ESG risks</li> </ul>
	Climate adaptation and insurance solutions	●			
	Changing consumer preferences	●			
	Diversification of business activities	●			
	Development of new products and services through R&D and innovation	●			
Markets	Entry into new markets related to climate change	●	Mid/long-term	<ul style="list-style-type: none"> <li>Growing corporate financing demand driven by the growth of low-carbon industries</li> <li>Potential to launch financial products linked to green transition policies of central and local governments</li> <li>Rising demand for insurance and guarantees due to increased climate-related disasters</li> </ul>	<ul style="list-style-type: none"> <li>Explore opportunities to tap into new financial markets created by climate change response</li> <li>Seek our climate finance-related incentive programs by central and local governments in line with expanding project financing support in relation to green industries and carbon reduction</li> <li>Consider expanding insurance coverage to assets and regions exposed to climate risks</li> <li>Strengthen asset evaluation capabilities based on climate-related risks</li> <li>Develop financial support strategies for climate-affected regions as a regionally-based financial institution</li> </ul>
	Leverage of public incentive programs	●			
	Access to new assets and geographies requiring insurance coverage	●			
Resilience	Support for investee companies' ESG efforts to enhance portfolio resilience	●	Mid/long-term	<ul style="list-style-type: none"> <li>Increased portfolio resilience</li> </ul>	<ul style="list-style-type: none"> <li>Review support for enhancing ESG management capabilities of investee companies</li> <li>Operate financial support programs for investing in energy efficiency improvement facilities</li> <li>Encourage low-carbon transition capacity-building through sustainable finance guidelines</li> </ul>
	Participation in renewable energy programs and adoption of energy efficiency measures	●			

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

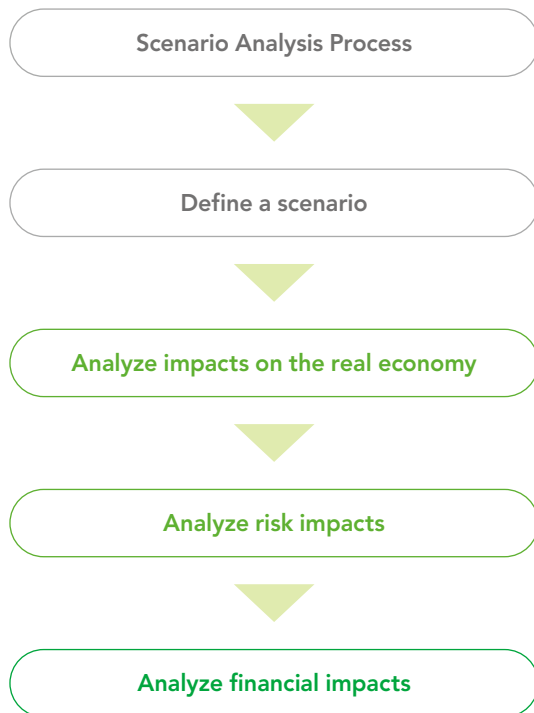
Appendix

# Progressing Towards Our Net Zero Goal

## Strategies and Activities

### Climate Change Scenario Analysis

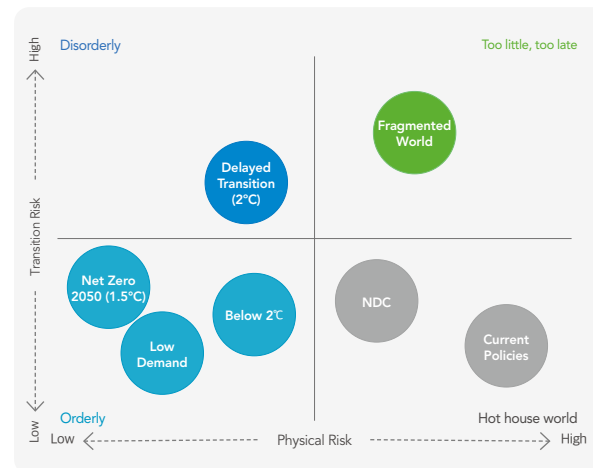
To assess the impact of climate change on the Group's portfolio, BNK Financial Group conducted scenario analyses on transition and physical risks, respectively. The scenarios were based on internationally recognized frameworks including NGFS Climate Scenarios and the IPCC's SSP and RCP pathways. The transition risk analysis evaluated financial impacts on companies in carbon-intensive sectors, driven by stricter regulations and rising costs. The physical risk analysis measured financial impacts resulting from natural disasters causing the destruction of tangible assets and the impairment of asset values.



### Transition Risk Scenario Analysis

Transition risks are considered highly probable during the transition to a low-carbon economy. Among the seven climate change scenarios presented by the NGFS, we focused on the 'Net Zero 2050 (1.5°C)' and 'Delayed Transition (2°C)' scenarios in analyzing transition risks. The NGFS provides GHG emissions trajectories and carbon pricing pathways for each scenario. Based on these datasets, we assessed the impact of rising carbon costs on corporate credit ratings under varying GHG emissions trajectories and carbon pricing assumptions, and incorporated the results into our projected financial impact analysis.

#### Climate Risk Scenario Matrix



#### Transition Risk Scenario Analysis Results (BIS ratio)

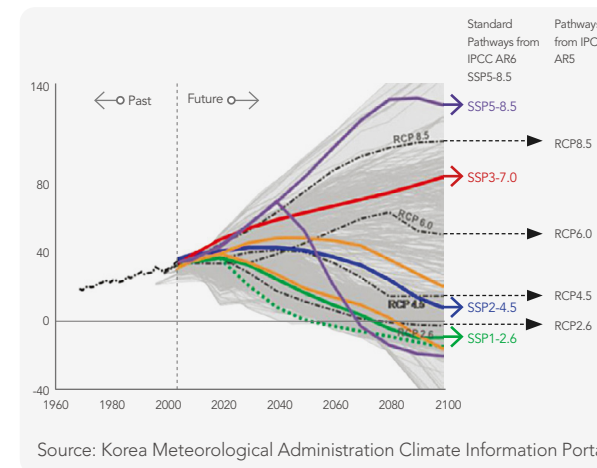
2024	Net Zero(1.5°C)			Delayed Transition(2°C)		
	2030	2040	2050	2030	2040	2050
14.13	13.90	13.59	13.04	14.12	13.80	13.07

### Physical Risk Scenario Analysis

In analyzing the financial impact of physical risks, we took into account the potential negative impacts of climate-driven physical changes on the Group's owned physical assets.

This analysis was conducted using the SSP5-8.5 scenario from the IPCC 6th Assessment Report. Among major natural disasters, we focused on the frequency and severity of precipitation events including heavy rainfall and typhoons that represent a significant share of losses. The results informed our efforts to quantify the impact of climate change on asset values in consideration of potential decline in the value of real estate collateral assets owned by the Group.

#### RCP and SSP Climate Scenarios



#### Physical Risk Scenario Analysis Results (BIS ratio)

2024	SSP5-8.5		
	2030	2040	2050
14.13	13.18	12.81	12.26

- Introduction
- ESG Management System
- ESG Performance
  - Environment
    - Progressing towards our net zero goal
    - Sustainability in Focus
    - Establishing an eco-friendly financial product management system
    - Advancing environmental management
    - Joining global environmental initiatives
  - Social
  - Governance

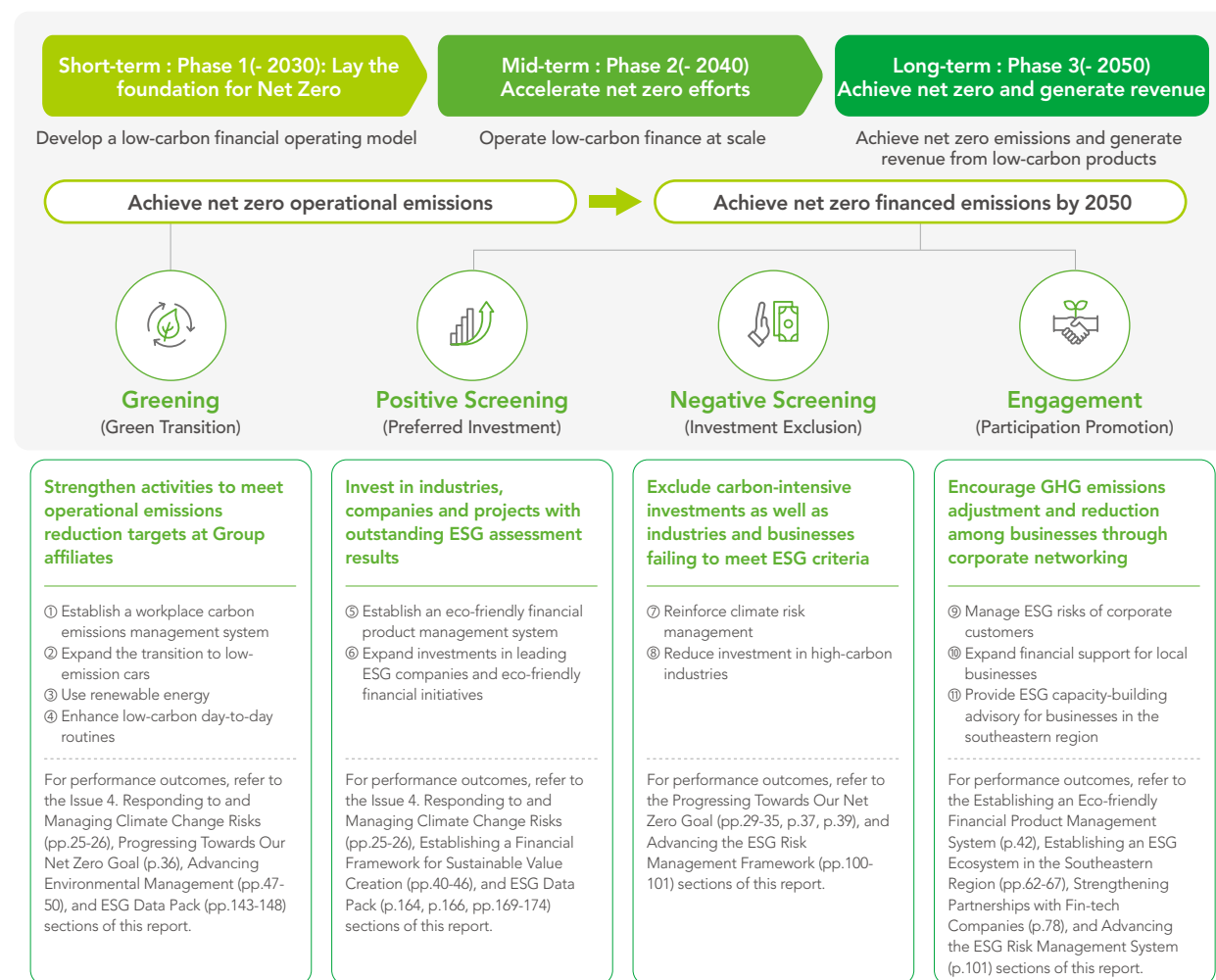
- ESG Data Pack
- Appendix

# Progressing Towards Our Net Zero Goal

## Strategies and Activities

### Carbon Emissions Reduction Roadmap and Our Progress

In line with its 'Mid- to Long-term ESG Strategy,' BNK Financial Group has established a mid- to long-term roadmap for achieving net zero and is actively implementing 11 detailed implementation tasks aligned with four strategic pillars - Greening (green transition), Positive Screening (preferred investment), Negative Screening (investment exclusion), and Engagement (participation promotion).



### Establishing a High-Carbon Industry Management Plan

BNK Financial Group defines high-carbon industries as those with a financial intensity score of 100 or higher, an exposure ratio of 5% or more, and a carbon intensity exceeding the average benchmark of 38.5. To strengthen risk management for high-carbon sectors, we will apply penalties in setting limits based on each subsidiary's portfolio starting in 2026, thereby progressively reducing our management limits for high-carbon sectors.

Category	Investment Balance (KRW 100 million)	Exposure Ratio	Financial Intensity
F&B	12,837	2.0%	190.6
Public service	11,792	1.8%	159.5
Non-ferrous and non-metallic	10,566	1.6%	157.9
Steel	10,525	1.6%	100.9
Construction	44,197	6.7%	84.3
Consumer goods distribution	40,267	6.1%	45.4

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

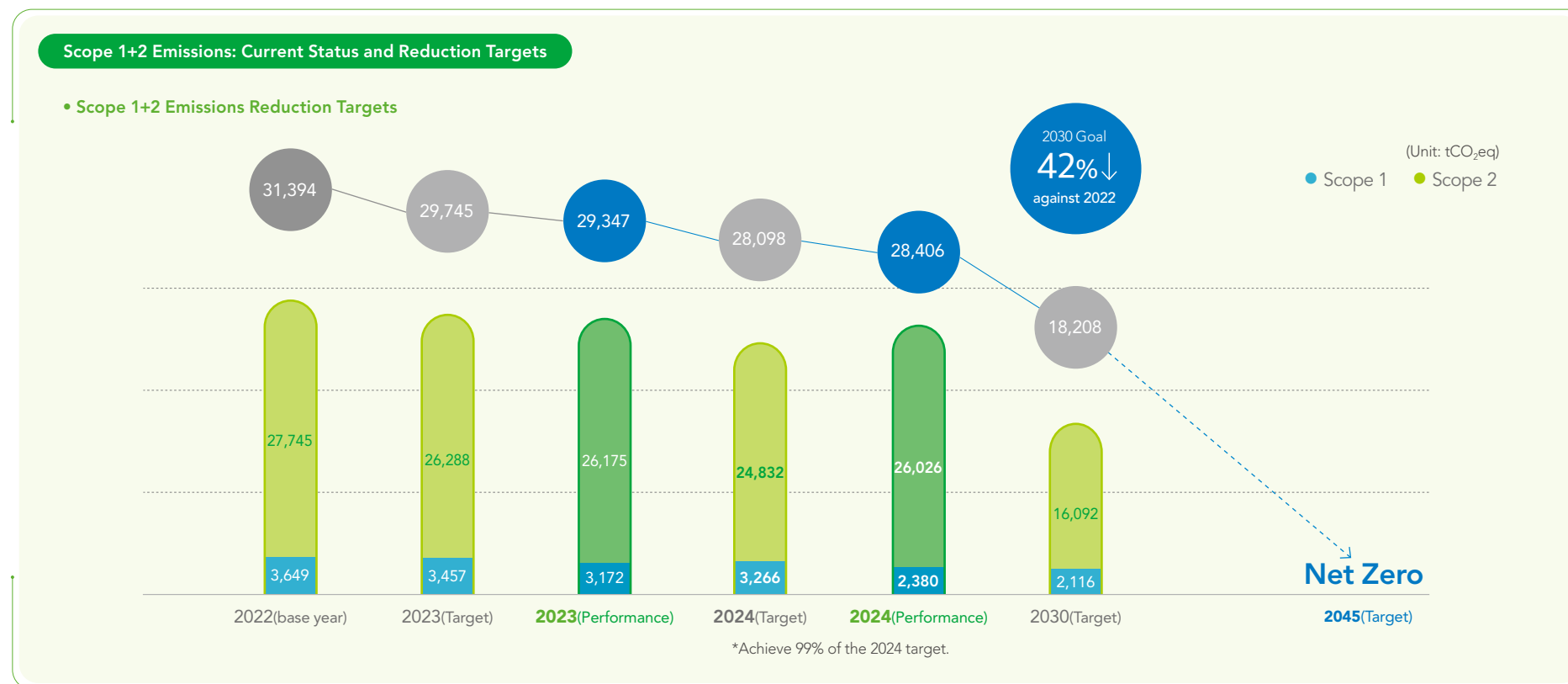
# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Operational Emissions Inventory and Reduction Targets

BNK Financial Group leverages an Environmental Management System (EMS) to manage its operational GHG emissions (Scope 1 & 2) generated from energy consumption. In 2025, we will advance our environmental management system to upgrade our GHG emissions measurement and monitoring methodology. The EMS will also support more timely assessments of our progress against the set targets for reducing operational emissions and delivery of our net zero commitments.

In March 2024, we established our net zero targets in alignment with the SBTi's Absolute Contraction Approach (ACA). Following the ACA, we aim to reduce our Scope 1 and 2 emissions by 42% by 2030 from the 2022 base year, and achieve net zero emissions by 2045.



# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Asset Portfolio Carbon Emissions (Financed Emissions) Inventory in alignment with PCAF Standards

BNK Financial Group joined the Partnership for Carbon Accounting Financials (PCAF) in 2022, establishing a Scope 3 financed emissions calculation framework aligned with global standards. In 2023, we introduced a dedicated financed emissions measurement system to manage emissions across seven asset classes, including listed equities, corporate bonds, business loans, project finance (PF), and commercial real estate. We primarily use corporate disclosure data, and if any data gap exists, we apply PCAF's industry-average emission factors by accounting for all Scope 1, 2, and 3 emissions.

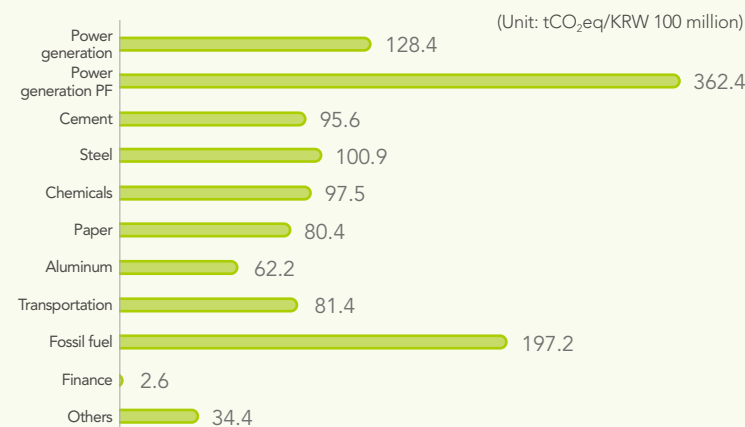
#### Financed Emissions (Scope 3) Inventory

(Unit: KRW trillion, 10,000tCO<sub>2</sub>e, tCO<sub>2</sub>e/KRW 100 million)

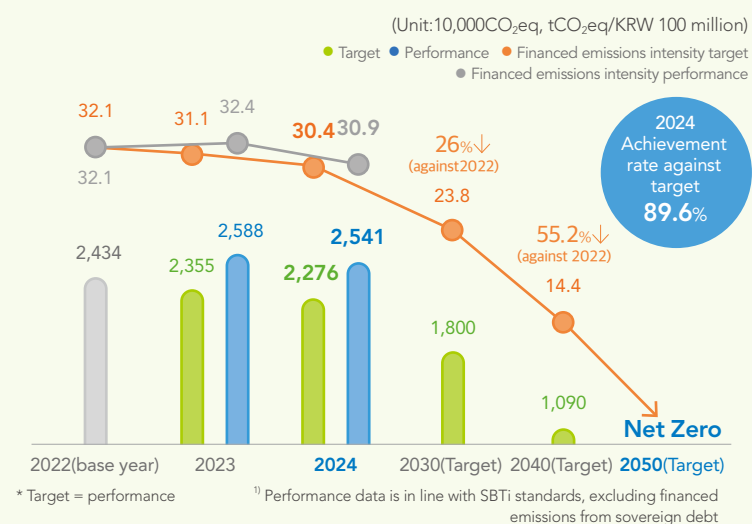
Category	2022			2023			2024		
	Measured Target	Financed Emissions	Financial Intensity	Measured Target	Financed Emissions	Financial Intensity	Measured Target	Financed Emissions	Financial Intensity
Listed equity and corporate bonds	5.7	131	23.2	6.3	166	26.3	6.8	145	21.2
Corporate loans and unlisted equity	53.8	2,228	41.4	57.3	2,370	41.4	58.7	2,344	40.0
Project finance	0.6	60	107.7	0.3	38	134.0	0.2	38	165.6
Commercial real estate	5.5	4	0.8	5.2	4	0.8	4.9	4	0.8
Mortgages	9.3	5	0.6	10.0	5	0.5	10.7	5	0.5
Automobile loans	0.9	6	7.1	0.9	5	5.9	0.9	5	5.3
Government bonds	4.1	140	33.6	5.6	189	33.6	6.1	166	27.4
Total (in line with SBTi standards, excluding sovereign debt)	75.8	2,434	32.1	79.9	2,588	32.4	82.2	2,541	30.9
<b>Total</b>	<b>79.9</b>	<b>2,574</b>	<b>32.2</b>	<b>85.5</b>	<b>2,777</b>	<b>32.5</b>	<b>88.3</b>	<b>2,707</b>	<b>30.7</b>

### Financed Emissions Inventory and Reduction Targets

#### Industry-specific Intensity



#### Finance Emissions Targets and Performance <sup>1)</sup>



Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Progressing Towards Our Net Zero Goal

## Targets and Metrics

### Reduction Target-setting Approach

In 2024, BNK Financial Group gained approval from the Science Based Targets initiative (SBTi) for its Scope 1, 2, and 3 carbon reduction targets. The SBTi methodology applies either the Sectoral Decarbonization Approach (SDA) or the Temperature Ratings Approach (TRA) depending on the asset class and sector.

In line with the 1.5°C scenario, we applied the SDA to the power generation Project Finance (PF) asset class as well as to the commercial real estate, cement, and power generation sectors within the corporate loan/bond/stock asset classes. For other asset classes and sectors, the TRA was applied. For non-power generation PF and Automobile loans sectors where no SBTi methodology currently exists, we adopted the Absolute Contraction Approach (ACA) that we also apply to our operational emission measurement to set reduction targets.



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

### Financed Emissions by Asset Class Covered by Sector-specific Reduction Targets

(Unit: KRW trillion, 10,000tCO<sub>2</sub>eq)

Asset Class and Sector		Target-setting Approach	Target Asset	Financed Emissions
Individual loans	Mortgages	SDA <sup>1)</sup>	10.7	5
	Auto loans	ACA <sup>2)</sup>	0.9	5
Project finance	Power generation PF	SDA	0.1	38
	PF outside power generation (SOC)	ACA	0.1	0
Corporate loans/bonds/equities	Commercial real estate	SDA	4.9	4
	Power generation		0.6	77
	Cement		0.4	39
	Steel	TRA <sup>3)</sup>	1.1	106
	Chemicals		0.8	74
	Paper		0.3	22
	Aluminum		3.8	237
	Transportation-passenger		0.6	22
	Transportation-cargo		0.6	64
	Transportation-aviation		0.0	10
	Fossil fuels (oil & gas)		0.3	61
	Financial business		5.9	15
Other businesses	51.2	1,762		
<b>Total</b>			<b>82.2</b>	<b>2,541</b>

<sup>1)</sup> SDA : Applied the 1.5 °C pathway to the mortgage, commercial real estate, power generation and cement sectors where methodologies and tools already exist

<sup>2)</sup> ACA: Adopted the Absolute Contraction Approach in setting reduction targets to achieve net zero emissions by 2050 for PF outside power generation and auto loans, as no SBTi-defined methodologies currently exist for these sectors

<sup>3)</sup> TRA : Set reduction targets and trajectories to align with a 1.5 °C temperature rating by 2040

# Progressing Towards Our Net Zero Goal

## Targets and Metrics

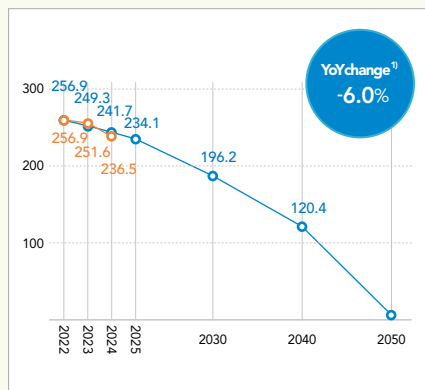
### SBTi-aligned Sector-specific Emissions Reduction Targets

#### SBTi-aligned Sector-specific Emissions Reduction Targets

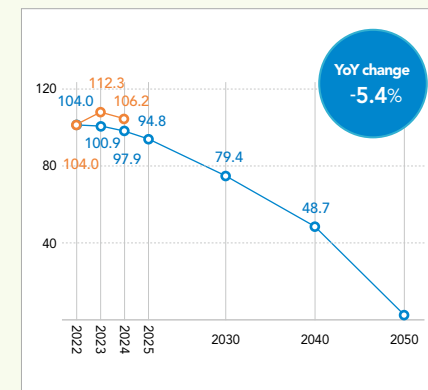
(Unit: 10,000 tCO<sub>2</sub>e)

— SBTi-aligned reduction targets — BNK Financial Group's emissions

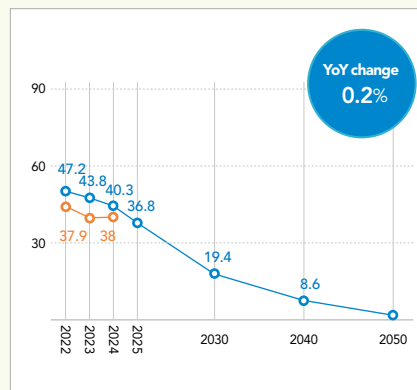
#### Aluminum



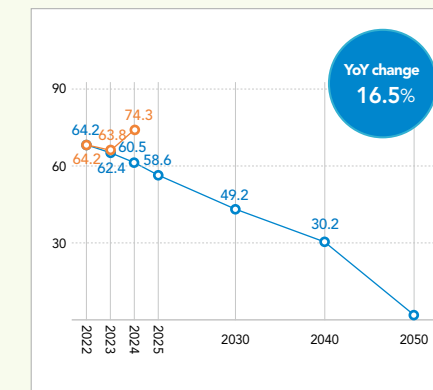
#### Steel



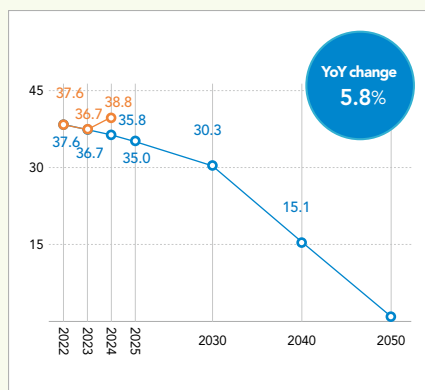
#### Power generation PF



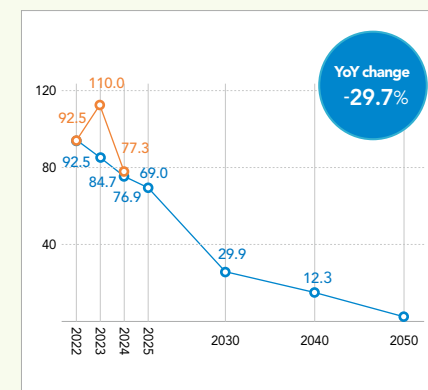
#### Chemical



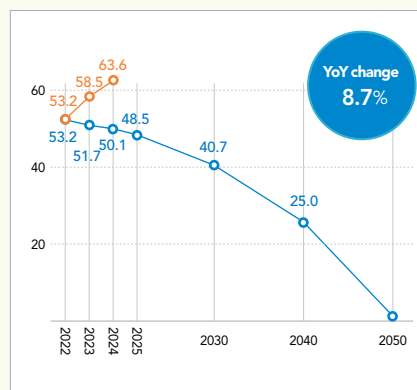
#### Cement



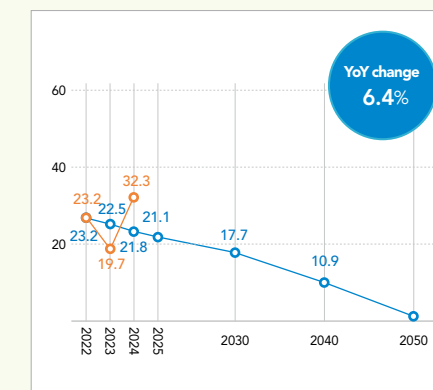
#### Power generation



#### Transport- Freight



#### Transport – Passenger and Aviation



<sup>1)</sup> YoY change (2023 vs. 2024)

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

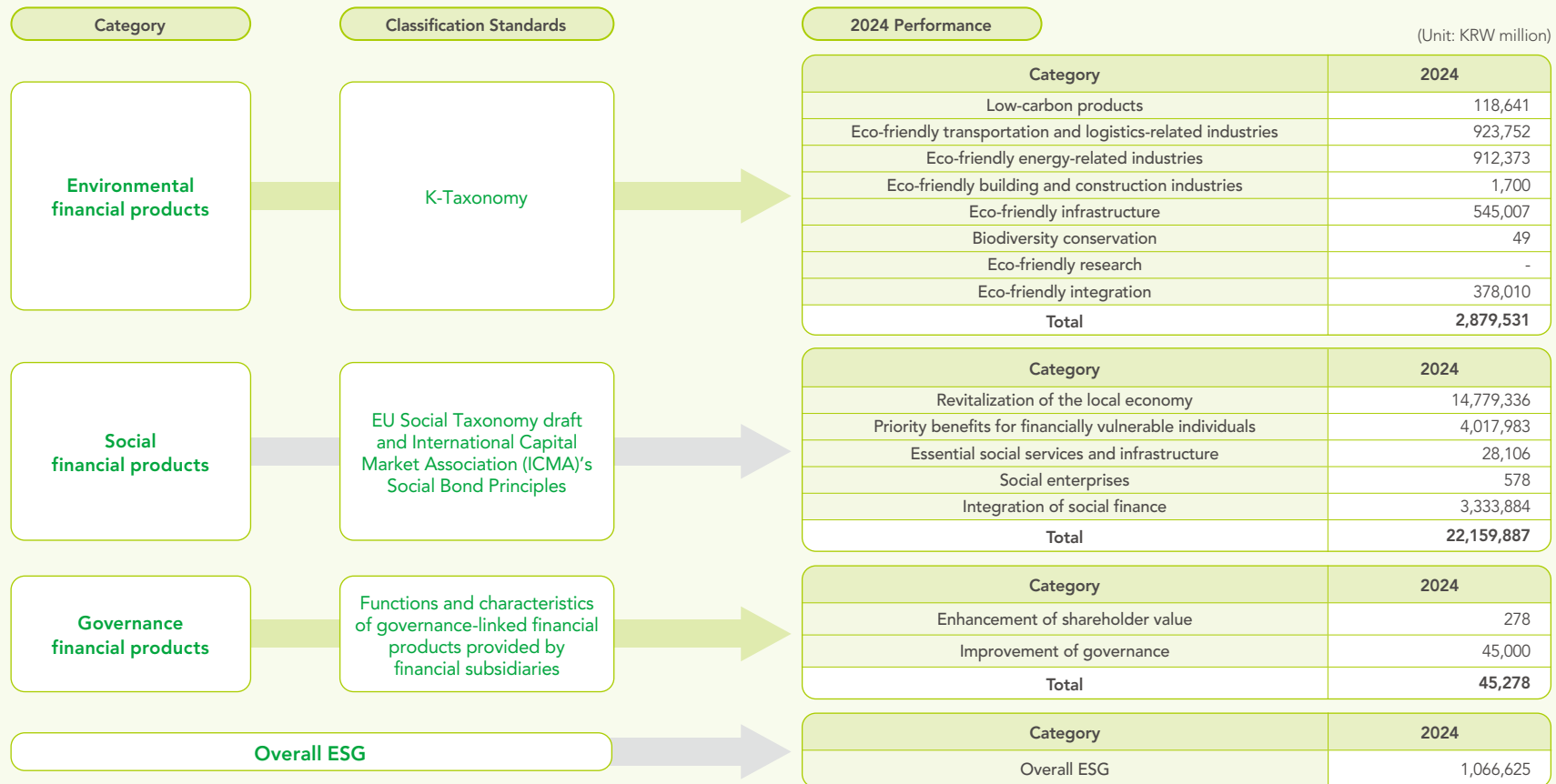
## Establishing a Financial Framework for Sustainable Value Creation

To fulfill our role as a sustainable financial institution, BNK Financial Group is committed to incorporating ESG considerations throughout our entire financing process, setting definitions and standards for sustainable finance and systematically developing assessment procedures.

### Sustainable Finance Taxonomy

In 2024, BNK Financial Group established a sustainable finance taxonomy covering its entire financial products for their systemic management. Financial products are classified into three pillars of environmental, social and governance and a separate category was added for integrated products that span overall ESG areas to ensure financial products are classified and managed according to their category-specific characteristics. To maintain its relevance, we regularly keep this taxonomy up to date with the amendments made to the K-Taxonomy, and

will assess its validity in line with shifting market conditions while continuously extending its scope and standards accordingly. These efforts for systemic classification management lay the groundwork for clearly identifying the environmental, social, and governance contributions of our financial instruments and efficiently managing sustainable financial assets.



Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

## Establishing a Financial Framework for Sustainable Value Creation

### ESG Performance-based Financial Product Investment and Management Framework

#### Incorporating ESG Considerations in the Investment Process

BNK Financial Group incorporates ESG considerations into the financial product and investment process of its key subsidiaries, further embedding sustainability into its financing operations.

Busan Bank and Kyongnam Bank utilize an ESG checklist to assess the environmental, social and governance performance of businesses, extending credit or approving investments only for those that meet predefined criteria. For businesses failing to meet such criteria, advice from external experts is sought to support final decision-making. BNK Asset Management has stipulated that portfolio allocation of its funds align with overall ESG ratings, ensuring its investment decision-making reflects ESG considerations as well as the financial analysis of portfolio companies.

#### • Sustainable Financial Product Performance

(Unit: KRW 100 million)

Category	Product	2023 <sup>1)</sup>	2024
Loan	Loans to support innovative SMEs	103,402	105,197
	Loans to support co-prosperity for low-income people	23,065	27,332
	Loans to support local small business owners	10,250	6,857
	Loans to support youth startups and job creation	4,141	4,350
	Green loans	3,711	6,237
Deposit	Deposits for low-income groups	22,152	24,337
	Deposits to support SMEs, small business owners, and local residents	6,903	8,060
	Green savings/deposit products	2,225	3,626
Bond	ESG bond issuance	6,800	6,000
	ESG bond investment	31,754	30,845
	ESG bond underwriting	2,796	2,194
PF	PF investment, green SoC investment	532	864
Investment	Green principal investment (PI)	2,816	3,053
Card	Cards for low-income groups	10,851	13,513
	Green cards	9,742	9,471
Fund	ESG funds/green fund sales and management	4,124	9,576

<sup>1)</sup> Restated the 2023 data to reflect change in calculation criteria

#### Providing Preferential Financial Products Aligned with Sustainability Performance

BNK Financial Group provides financial products offering preferential benefits tied to a company's sustainability performance. In the environmental area, companies are assessed on their performance in climate change response, resource efficiency, pollution management. In the social area, preferential treatment is provided to companies supporting socially vulnerable groups – low-income individuals, individuals with disabilities, and women affected by career disruptions – or creating social value. In the governance area, benefits are made available to companies demonstrating outstanding performance in shareholder rights protection, transparent governance practices, and roles of the board of directors in accordance with the OECD Principles of Corporate Governance and Korea's Corporate Governance Best Practices.

These assessments help us prioritize companies with strong sustainability value, expand the sustainable finance ecosystem by offering differentiated financial benefits linked to ESG performance, and provide full support to companies with exceptional ESG achievements.

#### • Preferential Benefits Available for Sustainable Finance in Alignment with ESG Assessment Criteria

Assessment Area	Assessment Criteria	Preferential Benefits
Environmental	Environmental management performance and relevant certifications in the areas of climate change, water pollution, and waste management among others	Provide preferential interest rates to businesses with outstanding environmental management
Social	Social services provided to vulnerable groups including low-income individuals, individuals with disabilities, and women suffering career discontinuation	Provide financial benefits to companies delivering social value
Governance	Shareholder rights protection and BOD operation in accordance with the OECD Principles of Corporate Governance and Korea's Corporate Governance Best Practices	Provide preferential financial products to companies with exceptional governance

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal

- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Establishing an Eco-friendly Financial Product Management System

## Governance

### ESG Financing Guidelines

Recognizing the social and environmental impacts of finance, BNK Financial Group has established the ESG Financial Policy to solidify the strategic foundation for sustainable finance. This policy marks a shift from a mere declaration towards actional measures to effectively embed core ESG values into the Group's overall business decision-making framework and integrate these values across the entire business processes spanning products and services, loans, and investments.

Notably, this policy plays a pivotal role in articulating our Group-level ESG management framework and adapting this framework to the distinct business context of each subsidiary,

scaling sustainable finance throughout all dimensions. Such efforts go beyond financial practices focusing on short-term profits: rather, this forms part of our proactive response strategy to identify and manage environmental and social risks, such as environmental pollution, climate change, and social inequalities, that may spill over to the financial sector. Backed by the ESG Financial Policy, BNK Financial Group will redefine the intrinsic role of finance, build trust with local communities and stakeholders, and continuously strengthen the institutional and cultural foundation for sustainable growth and responsible finance.

[ESG Finance Policy](#) →

#### • ESG Financial Policy

Area	Specific Guidelines
Loans	<ul style="list-style-type: none"> <li>Develop ESG loan products and services and strengthen inclusive finance (support for small business owners, underserved groups, and financially vulnerable groups)</li> <li>Apply an integrated financial/non-financial risk management process to loan decision-making</li> <li>May reject or suspend transactions suspected to pose significant ESG risks</li> <li>Review the ESG risks and opportunities of loan products and communicate with customers to improve ESG performance</li> </ul>
Deposits	<ul style="list-style-type: none"> <li>Develop deposit products and services aimed at contributing to the environment and society</li> <li>Provide eco-friendly and inclusive financial products and services</li> <li>Transparently communicate risks and opportunities associated with products and services (customers and other stakeholders)</li> </ul>
Bonds	<ul style="list-style-type: none"> <li>Expand support for renewable energy, vulnerable groups, and low-income groups through ESG bond issuance</li> <li>Apply a systemic approach to ESG bond management, including the use of proceeds, target project evaluation and selection, fund management, and follow-up reporting</li> <li>Disclose the Investor Guide containing information on the use of bond proceeds and the economic, environmental and social impacts (through the corporate website or the Socially Responsible Investment Bonds website)</li> </ul>
Project financing	<ul style="list-style-type: none"> <li>Regularly review and monitor the environmental and social risks of selected projects</li> </ul>
Investment	<ul style="list-style-type: none"> <li>Expand the analysis and assessment of environmental and social risks (active/passive investment, asset management, financial product brokerage, and all other investment activities)</li> <li>Communicate and engage to improve the ESG performance of investee companies</li> </ul>

### Best Practices for Environmental and Social Risk Management

In line with the Environmental and Social Risk Management Best Practices established in 2024, BNK Financial Group prioritizes and manages the environmental and social impacts associated with the business activities of financial institutions, proactively addressing a range of potential risks in the environmental and social areas. These best practices apply to all products and services provided by BNK Financial Group and its financial subsidiaries (corporate lending, retail banking, private banking, investment banking, project finance, and asset management among others). Specifically, if an on-going project falls under the exclusion or watchlist categories in relation to agriculture, power utilities, mining, oil & gas, and forestry, these practices grant us the binding authority to suspend credit and investment-related operations for the purpose of risk management.

[Best Practice for Environmental and Social Risk Management](#) →

#### We adhere to the following principles for environmental and social risk management.

- We recognize the importance of environmental and social risk management for sustainable growth.
- We recognize environmental and social risks and operate measurement and management systems to incorporate these risks into our investment and credit decision-making.
- We select sectors with significant negative environmental and social impacts as exclusion or watchlist areas and manage them accordingly.
- We assess the environmental and social impacts of large-scale development projects. If significant negative impacts are identified through assessments, we develop measures to mitigate these impacts to reduce relevant risks.
- We transparently disclose key policies relating to environmental and social risk management to proactively communicate with stakeholders.
- We raise awareness of environmental and social risks through engagement and training targeting all employees and strive to enhance their risk management capabilities.

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus

- **Establishing an eco-friendly financial product management system**

- Advancing environmental management
- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Establishing an Eco-friendly Financial Product Management System

## Strategies and Activities

### Offering Products Linked to Environmental Performance

BNK Financial Group develops and delivers financial products that provide preferential benefits linked to environmental performance. Busan Bank offers the 'ESG Excellent Enterprise Loan' which provides preferential terms to companies rated BBB or higher in environmental performance assessments by the Korea Environmental Industry & Technology Institute, companies certified as social enterprises, and companies rated B+ or higher in governance assessments by the Korea Corporate Governance Service.

Kyongnam Bank's 'E-Green Loan' offers preferential interest rates and increased loan limits to companies in eco-friendly sectors such as renewable energy and green mobility and also certified to Green Certification, ISO 14001 and other environmental certification programs.

### Supporting Eco-friendly Infrastructure Deployment through Financial Instruments

BNK Financial Group actively supports lending to companies in need of eco-friendly investments. Busan Bank and Kyongnam Bank provide policy funding support through 'energy use rationalization funds', 'natural gas supply facility installation funds' and 'recycling industry promotion funds', facilitating corporate efforts for energy efficiency and resource recycling. BNK Capital pursues strategic partnerships with renewable energy companies while supporting the asset securitization of construction and power generation receivables for solar power generation, ESS, and other renewable energy-related projects. In 2024, BNK Capital provided KRW 24.1 billion for 149 projects, including solar power generation plants and LED lighting installations.



### Providing Financial Expense Support for SMEs Owning Carbon Reduction Technology

In July 2024, BNK Financial Group signed an MOU with Busan City and the Korea Technology Finance Corporation (KOTEC) to become the first in the financial industry to fully support financing costs for companies owning carbon reduction technologies. This MOU targets small/mid-sized companies based in Busan which fall under the external carbon reduction category of KOTEC's carbon value evaluation guarantee program.

Under this MOU, Busan Bank and Kyongnam Bank extend up to KRW 20 billion of exclusive low-interest loans and fully cover guarantee fees for two years while Busan City supports interest payments in full for two years and KOTEC subsidizes technology evaluation fees and guarantee fees along with ESG management consulting services.

BNK Financial Group will leverage the MOU to uncover and support small/mid-sized climate tech companies possessing carbon reduction technologies, revitalizing the local economy and continuing with contribution to the net zero initiative.

### Efforts to Mainstream Green Mobility

BNK Financial Group provides a range of benefits including preferential interest rates to eco-friendly companies working to improve energy efficiency, reduce environmental pollution, and expand renewable energy. Busan Bank offers 'green bus purchase loans' to bus operators wishing to purchase eco-friendly buses powered by CNG and electricity, providing increased loan limits and preferential loan interest rates.

BNK Capital raises loan limits by 20% for auto-secured loans with eco-friendly vehicles as collaterals. In 2024, BNK Capital financed KRW 259 billion for 5,544 eco-friendly vehicle operations and KRW 160.3 billion for 4,546 cases of auto financing for eco-friendly vehicles.

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management
- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Establishing an Eco-friendly Financial Product Management System

## Strategies and Activities

### ESG Investing

#### PF for CGN Daesan Power's LNG Combined Cycle Power Plant Construction

Busan Bank provided project financing to CGN Daesan Power for the construction of a 557MW-capacity LNG combined cycle power plant in the Daesan Petrochemical Complex in Seosan, Chungnam Province. Construction began in November 2023 and is scheduled for completion in July 2026.

#### PF for K&D Energen's Hydrogen Production Facility Construction for S-Oil Supply in the Ulsan Onsan Industrial Complex

Busan Bank extended project financing to K&D Energen, a joint venture between Kukdong Oil & Chem and Deokyang Energen, for the construction of an outsourced hydrogen manufacturing facility to supply hydrogen to the Shaheen Project undertaken by S-Oil. The Shaheen Project will become the world's first to commercially deploy Thermal Crude to Chemical (TC2C) technology which is optimized for increasing the production of petrochemical feedstocks such as naphtha while enabling the manufacturing of low-carbon petrochemical products compared to conventional petrochemical processes.

#### BNK Sustainable ESG Securities Investment Trust No.1

The BNK Sustainable ESG Securities Investment Trust No.1, managed by BNK Asset Management, allocates over 60% of its assets in domestic equities, primarily targeting companies that meet high standards in the Environmental, Social, and Governance areas. The Trust also selectively invests in companies expected to improve in ESG indicators, aiming to achieve excess returns against its benchmark index (KOSPI\*95% + Call\*5%).

#### BNK Green Bio Investment Fund (Biomass)

Busan Bank, Kyongnam Bank and BNK Venture Capital made principal investments (PI) in the BNK Green Bio Investment Fund, which directs investments towards businesses engaging in five major green bio industries – microbiome, alternative and medical foods, seed industry, veterinary pharmaceuticals and other life science materials. The Fund also invests in small/mid-sized agrifood businesses with fewer than 100 full-time employees or annual revenue of KRW 10 billion or under.

#### BNK Particulate Matter Resolution Investment Fund

Busan Bank, Kyongnam Bank, BNK Capital, and BNK Venture Capital jointly made principal investments totaling KRW 15.4 billion in the BNK Particulate Matter Resolution Investment Fund. This Fund is committed to allocating more than 70% of its assets in non-listed SMEs and venture firms that manufacture products or possess exceptional technologies aimed at addressing particulate matter (PM) pollution by reducing PM emissions and promoting emissions management and response.

#### BNK-Gyeongnam Smart Innovation Investment Fund

BNK Venture Capital established the BNK-Gyeongnam Smart Innovation Investment Fund to invest in companies driving smart farming through next-generation smart farm systems, agricultural robotics and automation, big data and AI data solutions, and traceability and distribution platforms. The Fund also targets companies owning net-zero technologies applicable to agriculture and livestock sectors such as biomass resource utilization, low-methane feed development and distribution, precision-smart farming, biochar development and distribution, heat pumps using unused heat, and energy efficiency improvement in agricultural machinery.



#### Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- **Establishing an eco-friendly financial product management system**
- Advancing environmental management
- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

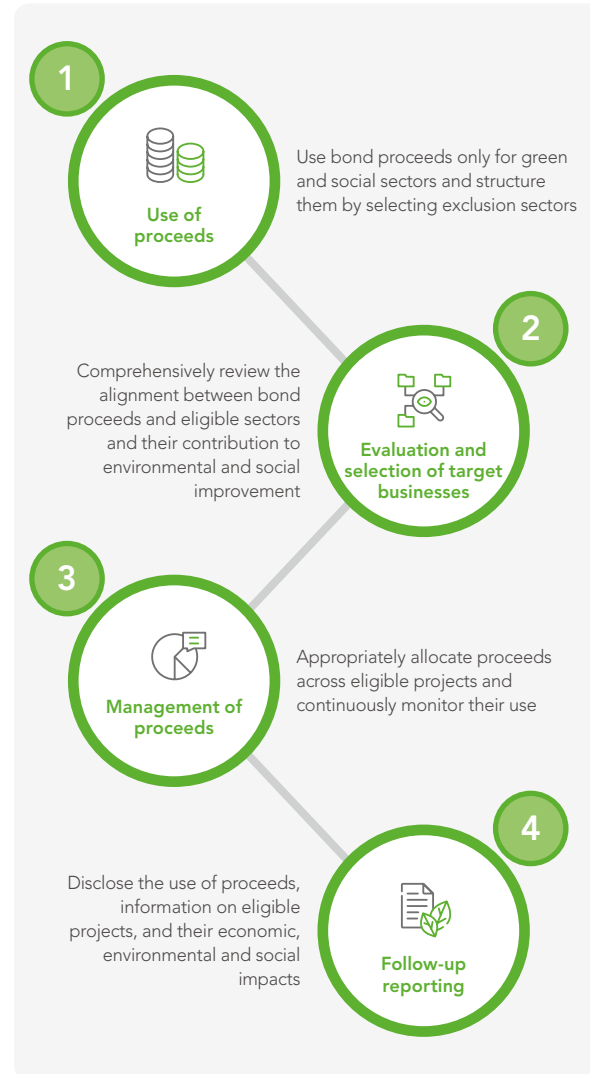
# Establishing an Eco-friendly Financial Product Management System

## Strategies and Activities

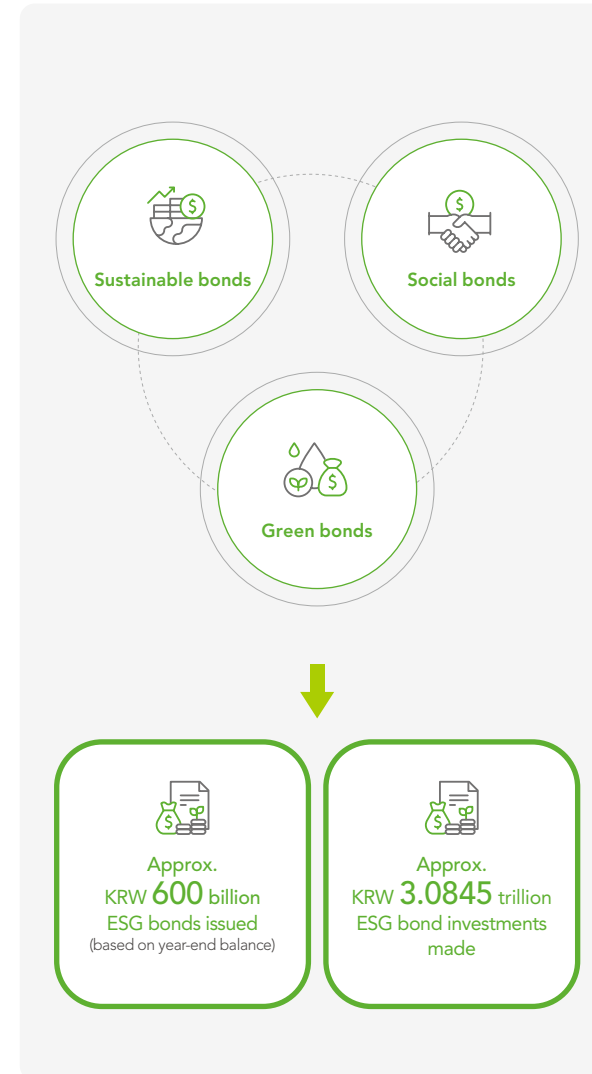
### ESG Bonds

BNK Financial Group operates an ESG bond management system designed to align with the Green Bond Guidelines of the Ministry of Environment and the Financial Services Commission, the K-Taxonomy Guidelines of the Ministry of Environment, and the Green Bond Principles, Social Bond Principles, and Sustainability Bond Guidelines by the International Capital Market Association (ICMA). All ESG bonds issued by BNK Financial Group limit the use of proceeds in line with this management system and ensure their credibility through certifications awarded by independent rating agencies. Following issuance, we track the specific allocation and utilization of proceeds and transparently disclose the economic, environmental, and social impacts of supported projects along with third-party review findings. These disclosures are accessible on our corporate website and the Korea Exchange's ESG bond platform. The funds raised through green bond issuance are structured to support green projects, financing for ESG-leading companies, and the sale of eco-friendly financial products, thereby establishing a virtuous cycle in the process.

#### • ESG Bond Management System



#### • ESG Bond Balance as of the End of 2024



Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus

- Establishing an eco-friendly financial product management system

- Advancing environmental management
- Joining global environmental initiatives

Social  
Governance




ESG Data Pack

Appendix

# Establishing an Eco-friendly Financial Product Management System

## Strategies and Activities

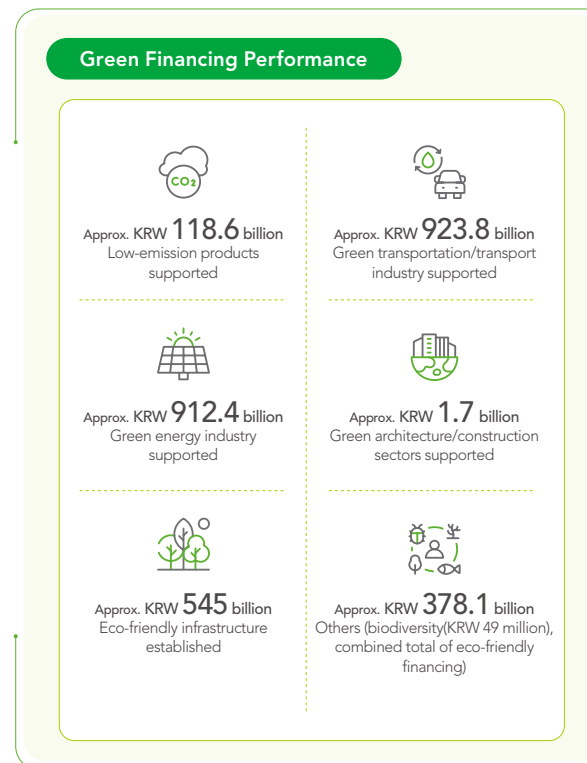
### • Sectors Eligible for ESG Bond Financing

Green	Busan Bank, BNK Capital	Kyongnam Bank
	<ul style="list-style-type: none"> <li>• Industry</li> <li>• R&amp;D</li> <li>• Energy generation</li> <li>• Transportation</li> <li>• Urban buildings</li> <li>• Agriculture</li> <li>• Water</li> <li>• CO2 capture</li> <li>• Climate change adaptation</li> <li>• Resource recycling</li> <li>• Use of methane gas</li> <li>• Air pollution prevention and treatment</li> <li>• Marine pollution prevention and treatment</li> <li>• Biodiversity</li> </ul>	<ul style="list-style-type: none"> <li>• Renewable energy</li> <li>• Energy efficiency improvement</li> <li>• Eco-friendly consumer goods</li> <li>• Eco-friendly means of transport</li> <li>• Climate change adaptation</li> <li>• Environmental pollution prevention and improvement</li> <li>• Sustainable environmental management for the use of land and natural resources</li> <li>• Sustainable environmental management for the use of water resources</li> <li>• Eco-friendly cities and buildings</li> </ul>
Society 	<ul style="list-style-type: none"> <li>• Job creation</li> <li>• Revitalization of the local economy</li> <li>• Support for SMEs, venture firms, and social enterprises</li> </ul>	<ul style="list-style-type: none"> <li>• Support for basic livelihoods and infrastructure for vulnerable groups and low-income individuals</li> <li>• Housing supply for vulnerable and low-income groups</li> </ul>
Exclusion 	<ul style="list-style-type: none"> <li>• Luxury sectors (jewelry, artworks, antiques, golf, etc.)</li> <li>• Nightlife establishments and adult entertainment</li> <li>• Exploitation of child labor</li> </ul>	<ul style="list-style-type: none"> <li>• Weaponry, tobacco, alcohol</li> <li>• Fossil fuels, nuclear power, large-scale hydropower exceeding 25MW</li> </ul>

## Metrics and Targets

### Metrics and Targets for Green Financial Product Management

To support Korean companies in their transition to a low-carbon economy and promote the growth of eco-friendly industries, BNK Financial Group is expanding its green finance offerings. We assess ESG factors embedded in our existing offerings and classify green financial products containing such factors and manage them accordingly. We also plan to set targets for green financial products and actively expand our green assets by 2030. This will be achieved by continuous monitoring of performance against targets and quantify our progress in expanding green financial products.



### In Focus

**BNK** Busan Bank

#### Issuing Korea's 1st Green Bond in the Form of Tier 2 Subordinated Capital

In 2024, Busan Bank became the first in the domestic banking industry to issue a Korean green bond in the form of hybrid capital securities, raising funds for rechargeable battery makers and waste disposal service providers to support their facility investments. According to environmental impact analysis results, the construction of new plants for prototype production, mass-production, and technology development of new rechargeable batteries lead to the expanded supply of EVs and help reduce GHG emissions and ultrafine particulate matter emissions. This also results in improvements in wastepaper recycling processes and the expansion of waste recycling through plant and landfill purchases, contributing to reducing GHG emissions generated from resource recycling and the production and processing of raw materials.

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- **Establishing an eco-friendly financial product management system**

- Advancing environmental management

- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

# Advancing Environmental Management

## Governance

### Eco-friendly Management Policy and System

BNK Financial Group has established its environmental management policy to reduce potential adverse environmental impacts while generating positive impact throughout its operations. This policy directs our efforts to manage and reduce GHG emissions generated across all our operations. In particular, we ensure the efficient use of resources, including consumables and customer-distributed items, in line with our resource recycling policy, reducing energy consumption and minimizing waste generation. We also implement our biodiversity policy that promotes Corporate Social Responsibility initiatives to safeguard biodiversity and regularly assess our approaches to nature and biodiversity.

At BNK Financial Group, a systemic eco-friendly management system is up and running. Owing to such efforts, Busan Bank certified its operations to internationally-recognized environmental management system standards including ISO 14001 (environmental management) in 2019 and ISO 50001 (energy management) in 2022. We have since remained certified through annual surveillance audits and are maintaining and advancing our operational systems.

Environment Policy 



ISO 14001(environmental management) certificate



ISO 50001(energy management) certificate

### Implementation Organization for Eco-friendly Management

To advance our eco-friendly management strategy, we regularly discuss environmental management issues with the ESG Committee under the Board of Directors playing a pivotal role. The ESG Committee compiles, reviews, and reports Group-level environmental management tasks and ESG action plans at the subsidiary level. The Committee established and implemented strategic tasks in reflection of these inputs.

In 2024, we prioritized ‘advancing green finance’ as the core pillar of our mid-to long-term ESG strategy, and elaborated on relevant strategic priorities, including achieving net zero targets, establishing an eco-friendly financial product management system, and enhancing environmental management. The Group’s ESG Strategy Team regularly reports consolidated progress achieved by each subsidiary in implementing environmental management to the ESG Committee. ESG departments at respective subsidiaries support eco-friendly practices at the onsite, departmental, office, and branch levels.



## In Focus

### BNK Financial Group ESG Data Platform

The ESG Data Platform that we established in 2023 enables us to systematically collect and manage Scope 1 and 2 GHG emissions, Scope 3 emissions data (purchased goods, business travel) and other key environmental data. This platform drives our efforts to measure Group-wide environmental management performance and continuously monitor progress in delivering on our net zero roadmap. We also align this system with the ERP systems of our subsidiaries, upgrading the platform and enhancing the efficiency of data management in so doing.

To improve the accuracy of our financed emissions (Scope 3 Category 15) data, we operate a separate financed emissions measurement system. Aligned with the PCAF methodology, this platform enables us to collect emissions data by asset class and regularly update external emission factors, ensuring the numerical integrity of data. Together with the ESG Data Platform, this platform will support us to closely track progress in achieving Scope 3 reduction targets as well as targets for Scope 1 and 2 emissions, laying the groundwork for advancing sustainable finance.

- Introduction
- ESG Management System
- ESG Performance
  - Environment
    - Progressing towards our net zero goal
    - Sustainability in Focus
    - Establishing an eco-friendly financial product management system
    - Advancing environmental management
    - Joining global environmental initiatives
  - Social
  - Governance
- ESG Data Pack
- Appendix

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- **Advancing environmental management**
- Joining global environmental initiatives

# Advancing Environmental Management

## Strategies and Activities

### Training to Raise Environmental and ESG Awareness

Under the leadership of the Talent Development Institute of BNK Financial Group, we provide annual training to help employees implement eco-friendly practices and raise ESG awareness. In 2024, ESG training was included into training designed for promoted employees and new hires as well as in cross-functional training conducted for all Group employees.

Furthermore, 13 ESG personnel from each subsidiary completed the ESG expert course provided by the Federation of Korean Industries and became qualified ESG professionals. We also support our employees in freely attending eco-friendly educational programs made available through the Korea Banking Institute (KBI FLEX), including 'Strategy for a Sustainable Environment', and 'Zero Carbon Footprint'.

#### • ESG Training Provided

Category	Target	Completed by	Topic
Online	ESG personnel from each Group affiliate	13 persons	<ul style="list-style-type: none"> <li>• Acquisition of the ESG expert certification issued by the Federation of Korean Industries</li> <li>- ESG-related laws, disclosures, tests, etc.</li> </ul>
	All employees	5,559 persons	<ul style="list-style-type: none"> <li>• ESG concept and history</li> <li>• ESG regulatory trends</li> <li>• Introduction to climate change</li> <li>• Net zero and carbon reduction</li> <li>• Renewable energy investment, etc.</li> </ul>
Offline	Employees promoted to grade 3 and 4 positions in H2 2024	60 persons	<ul style="list-style-type: none"> <li>• Necessity of ESG and its global trends</li> <li>• Progress made in advancing ESG and case studies</li> <li>• Key priorities for ESG response</li> </ul>
	New hires in 2H of 2024	85 persons	

### Building a Culture of Environmental Management

We promote ESG practices that employees can easily incorporate into their work and daily lives while launching relevant campaigns to encourage their engagement in eco-friendly management. The first and third Fridays of each month are designated as 'Zero Single-Use Product Day' and 'Zero Food Waste Day' respectively, promoting the use of reusable tumblers at in-house cafes and the reduction of food waste in company cafeterias, fostering widespread engagement in ESG practices across the organization.

#### • BNK Financial Group's Eco-friendly Management Campaigns

Group Affiliate	Campaign
Busan Bank	<ul style="list-style-type: none"> <li>• Resource Conservation Challenge</li> <li>• Nighttime lights-off for branch signs and the headquarters building, promotion of public transit use</li> </ul>
Kyongnam Bank	<ul style="list-style-type: none"> <li>• BNK Earth Hour Campaign</li> <li>• Together Green Training Center, We go paperless-</li> <li>• Conduct training using tablet PCs and reduce paper use</li> </ul>
BNK Capital	<ul style="list-style-type: none"> <li>• Energy saving – Unplug devices after work, take the stairs</li> <li>• ESG Practice Day campaigns (Zero Disposables Day, Zero Food Waste Day)</li> </ul>
BNK Securities	<ul style="list-style-type: none"> <li>• Weekly ESG campaign</li> <li>- Encourage the use of personal tumblers, manage power of office equipment, minimize unnecessary printing</li> </ul>
BNK Savings Bank	<ul style="list-style-type: none"> <li>• Encourage the use of personal tumblers, minimize the use of paper cups</li> <li>• Energy saving campaign</li> <li>- Prioritize recycled and eco-friendly products, promote stair use for floors three and below, maintain indoor temperature at 26°C, unplug unused electrical devices</li> </ul>
BNK Asset Management	<ul style="list-style-type: none"> <li>• ESG Practice Day campaigns</li> <li>- Zero Disposables Day (1st and 3rd Friday of each month), Monitor Off initiative</li> <li>• Department-level energy guardians</li> <li>• Sorting recyclables</li> </ul>
BNK Venture Capital	<ul style="list-style-type: none"> <li>• Maintain recommended indoor temperatures: 26°C in summer, 20°C in winter</li> <li>• Save power in unused meeting rooms to reduce unnecessary power consumption</li> </ul>
BNK Credit Information	<ul style="list-style-type: none"> <li>• Observe Personal Tumbler Day</li> </ul>
BNK System	<ul style="list-style-type: none"> <li>• Save, Share, Exchange and Reuse campaign</li> <li>• Participate in the Bye Bye Plastic Challenge by the Ministry of Environment to reduce unnecessary everyday plastic use</li> <li>• Observe 'BNK System's Green Day' at the IT Center (first Friday of each month)</li> </ul>

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- Joining global environmental initiatives

# Advancing Environmental Management

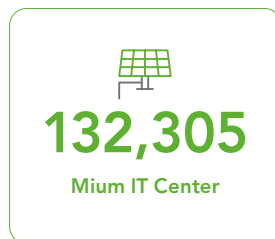
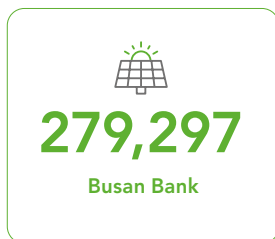
## Strategies and Activities

### Adopting Green Buildings

We choose certified green building materials as well as high-efficiency equipment and electrical devices during construction. Our Mium IT Center is equipped with LED lighting and geothermal heater pumps and is powered by fuel cells and renewable energy sources. We have also installed inverters, hybrid lighting systems, and high-efficiency energy equipment designed to reduce actual power consumption for the Center.

#### • Electricity Generated through Solar Power Generators

(Unit: kWh)



### Introducing the GoGreen Plus Service

BNK Financial Group participates in the GoGreen Plus program of DHL, an international express delivery company, joining hands in expanding the use of Sustainable Aviation Fuels (SAF). This program promotes eco-friendly logistics services reducing GHG emissions by up to 80% over the lifecycle compared to conventional jet fuel. Under this initiative, customers contribute to offsetting the additional cost of adopting SAF.

In 2024, Busan Bank and Kyongnam Bank subscribed to this service as the first in the Korean banking industry, taking tangible actions to reduce carbon emissions generated from the delivery process.

### Business Fleet Transition to Low- and Zero-emission Vehicles

BNK Financial Group is transitioning its business fleet to green vehicles to reduce carbon emissions. Our roadmap was designed to fully convert the entire business fleet to green vehicles by 2029. In 2024, we transitioned six vehicles to zero-emission vehicles, achieving 120% of the set target.

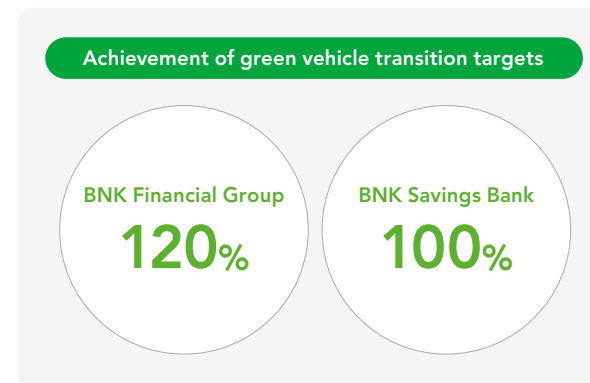
Kyongnam Bank and BNK Capital joined the K-EV 100 initiative, establishing their mid-to long-term roadmaps to fully transition to green vehicles by 2030. Kyongnam Bank has transitioned to six zero-emission and one low-emission vehicles for its corporate fleet vehicles since 2022 while deploying six EV chargers. BNK Capital added 432 vehicles towards its target of 3,108 zero-emission vehicles and plans to expand this number to 4,990 in 2025.

As of the end of December 2024, BNK Savings Bank transitioned 11 out of its 20 business fleet vehicles to low-emission vehicles and aims to add three more by the first half of 2025. The proportion of green vehicles amounted to 64.3% at BNK System and 50% at BNK Venture Capital. BNK Securities plans to replace nine vehicles out of 46 with low-emission ones as their leases expire and will progressively pursue the transition until the entire fleet is converted to green vehicles.

#### • Proportion of Green Vehicles <sup>1)</sup> in 2024

Group Affiliate	Number of Green Vehicles (A)	Number of all Business Fleet Vehicles (B)	Proportion of Green Vehicles (C=A/B)
BNK Financial Group	6	21	29%
Busan Bank	263	331	79%
Kyongnam Bank	7	223	3%
BNK Capital	24	56	43%
BNK Asset Management	0	46	0%
BNK Savings Bank	12	20	60%
BNK Venture Capital	4	7	50%
BNK Credit Information	0	3	0%
BNK System	9	14	64%

<sup>1)</sup> Green vehicles: Zero-emission and low-emission vehicles



# Advancing Environmental Management

## Strategies and Activities

### Biodiversity Conservation Initiatives

As part of the BNK Corporate Social Responsibility (CSR) Day initiative, BNK Financial Group plans and implements environmental clean-ups and ecological conservation activities that directly engage employees.

Busan Bank has forged a partnership with the Nakdong River Management Headquarters to combat invasive species and created a 3,045m<sup>2</sup>-sized green park near the Nakdong River. On CSR Day in April 2024, nearly 700 employees volunteered to remove Tall Goldenrod and Humulus japonicus while planting 27,500 plants of seven native species, including Korean aster, a nationally protected species, and mug wort in the ecological park.

Kyongnam Bank engaged in clean-up efforts along the banks and in the waters of the Sanho Stream in Changwon, with nearly 400 employees participating in improving the local environment. In addition, over 130 volunteers and their children threw approximately 5,000 mud balls containing EMs (Effective Microorganism) into idle areas to improve water quality and eliminate odors. In 2024, The bank created eco-friendly yellow soil walking paths near local streams (Sanho Stream and Samho Stream), riverside areas (Taehwa River National Garden), and ecological parks (Juchon Rainbow Park, Urban Wind Path Forest), promoting public health across local communities. In partnership with Changwon City, Kyongnam Bank also supports a public-private-academic partnership for biodiversity conservation, fostering a harmonious ecosystem between people and nature. In April, the bank sponsored the Gyeongnam Eco Nuri Voucher Program offering ecological exploration and experience opportunities in Ramsar-designated wetlands in Gyeongnam Province, including Upo Wetland in Changnyeong, Junam Reservoir in Changwon, and Hwapo Stream in Gimhae, raising environmental awareness among socially vulnerable groups.

Furthermore, BNK Financial Group regularly engages in environmental clean-ups with voluntary employee participation. These include 'plogging' on trails, hiking paths and underwater using biodegradable bags and 'beach combing' collecting coastal trash and raising awareness on marine pollution caused by microplastics and cigarette butts, contributing to environmental preservation and ecosystem restoration.



Green park creation



Throwing EM mud balls into the Sanho Stream



Environmental cleanup along the Haeundae beach

### Efforts to Reduce Resource Consumption

BNK Financial Group is committed to reducing paper consumption across its overall operations. Each subsidiary conducts meetings using tablets, laptops and other electronic devices to eliminate the need for printed materials. We are implementing an electronic approval system and are digitizing internal documents to minimize the usage of business paper.

### Promoting Resource Circularity through Upcycling

BNK Financial Group strives to foster a culture of resource recycling through upcycling on multiple fronts. These efforts include the issuance of cards made from green materials to minimize environmental footprint. For instance, our card plates are manufactured using R-PVC (Recycled-PVC) produced by recycling waste plastic and BIG, a PVC-free synthetic resin which helps reduce environmental pollution throughout its lifecycle. Busan Bank issued a total of 149,027 green material cards in 2024 alone, covering six types of cards including DingDing credit cards, Dongbaekjeon prepaid cards (2 types), Today's e-cards (2 types), and Green Cards.

In November 2024, Busan Bank participated in opening Our Neighborhood ESG Center No. 3 in Bansong-dong, Haeundae-gu, Busan, advancing locally-based resource circularity initiatives. This Busan City-led initiative provides a circularity-driven ESG platform: waste plastics sorted and discharged by local residents are collected by senior workers, repurposed into LED lights and safety handrails, and distributed back to local communities.

Kyongnam Bank signed an MOU with Gyeongnam Province to establish a sustainable resource circulation system through the 'Together with Public Agencies, Emptying, Sharing, and Filling' initiative. Under this MOU, we collected over 80 pieces of used electronic equipment, including monitors, massage devices, and vacuum cleaners from employees, and donated them to e-Circulation Governance. The bank also supported the production of single-use container collection bins for public facilities such as the Gimhae Self-Sufficiency Center, contributing to reducing plastic waste.

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- Joining global environmental initiatives

##### Social

##### Governance

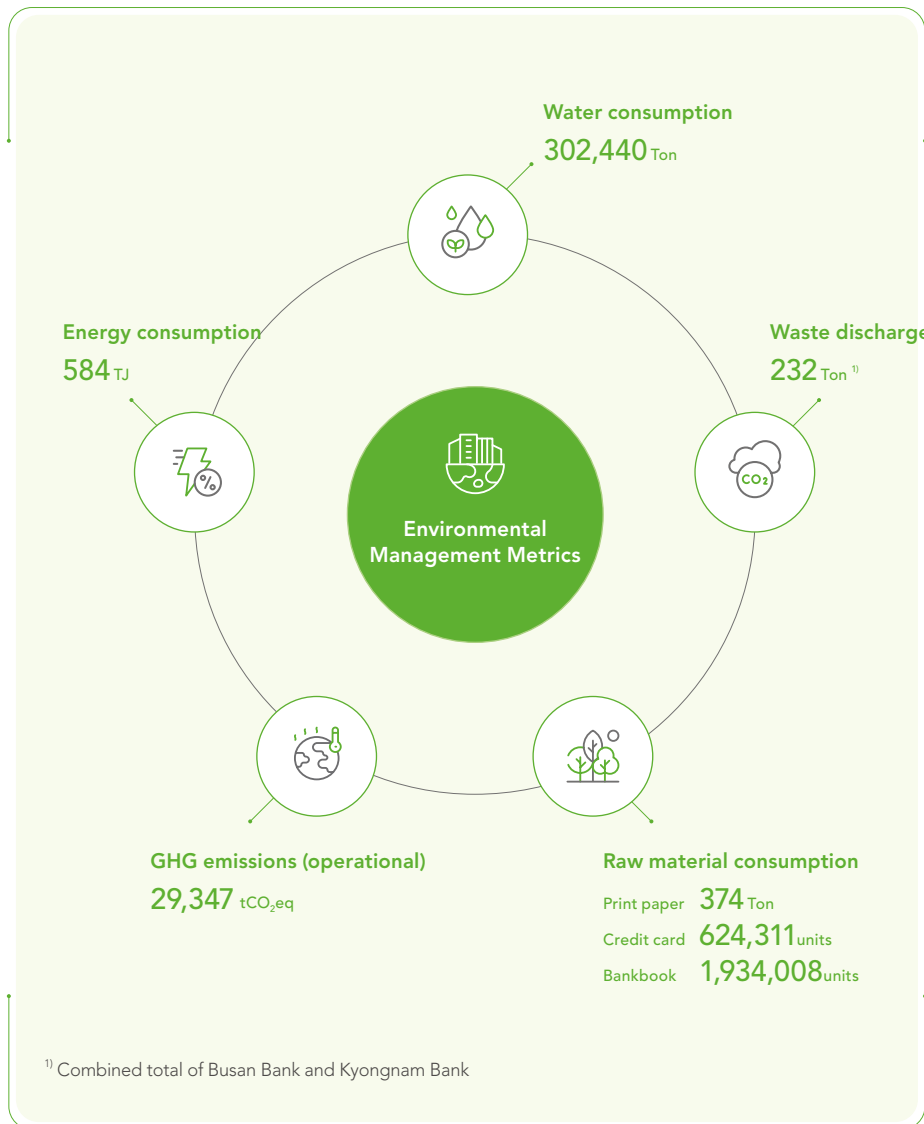
#### ESG Data Pack

#### Appendix

# Advancing Environmental Management

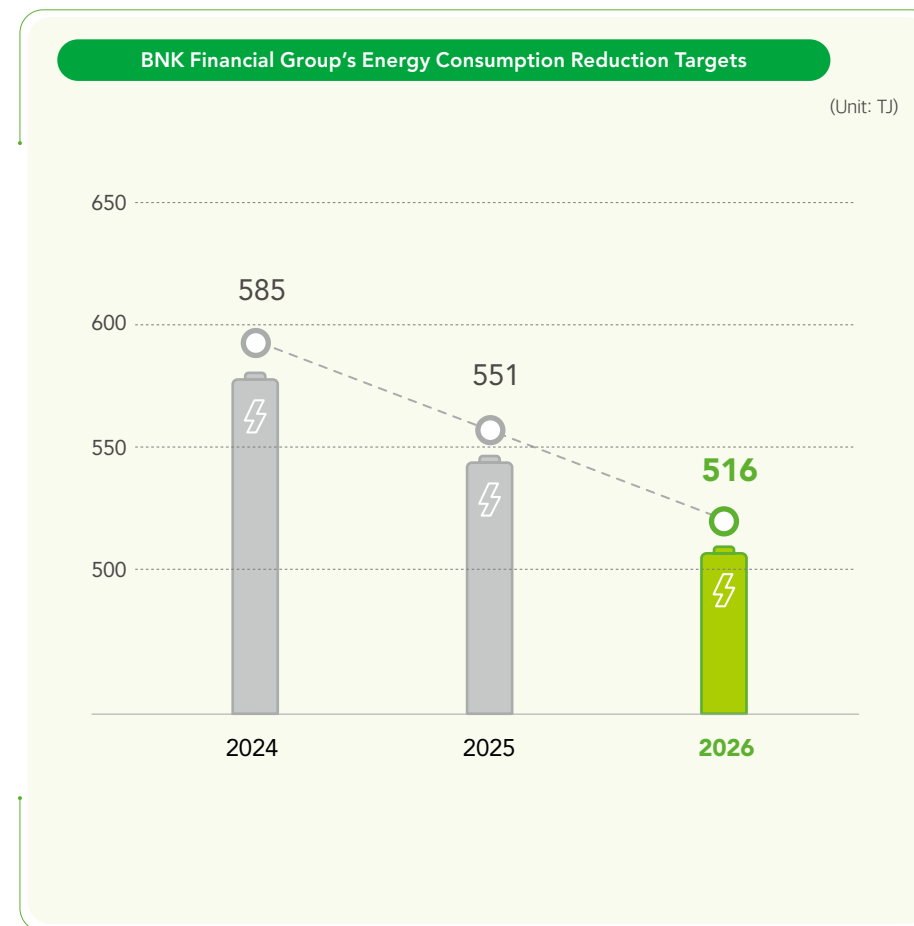
## Metrics and Targets

### Environmental Management Metrics



### Energy Consumption Reduction Plan

BNK Financial Group had established a 3-year energy reduction plan starting in 2023. In 2024, our energy consumption totaled 584TJ, achieving a reduction of over 0.17% compared to the target of 585TJ to exceed the set goal. In 2025, we plan to manage our electricity use which accounts for the majority of our energy consumption to successfully meet the final target of our 3-year plan.



Introduction

ESG Management System

**ESG Performance**

**Environment**

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- Joining global environmental initiatives

Social

Governance

ESG Data Pack

Appendix

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**

## Joining Global Environmental Initiatives

### Disclosure Related to Natural Capital

#### BNK Financial Group's Relationship with Natural Capital: Impacts and Dependencies

Natural capital encompasses both renewable resources such as plants, animals, air, water, soil, and minerals as well as non-renewable ones, providing goods and services of value to people and society. BNK Financial Group impacts natural capital in the course of its business conduct while also depending on natural capital for its operations. Likewise, the Group's customers – who received investments or loans from BNK Financial Group – affects natural capital as they engage in their own operations while relying on it to support their operations.

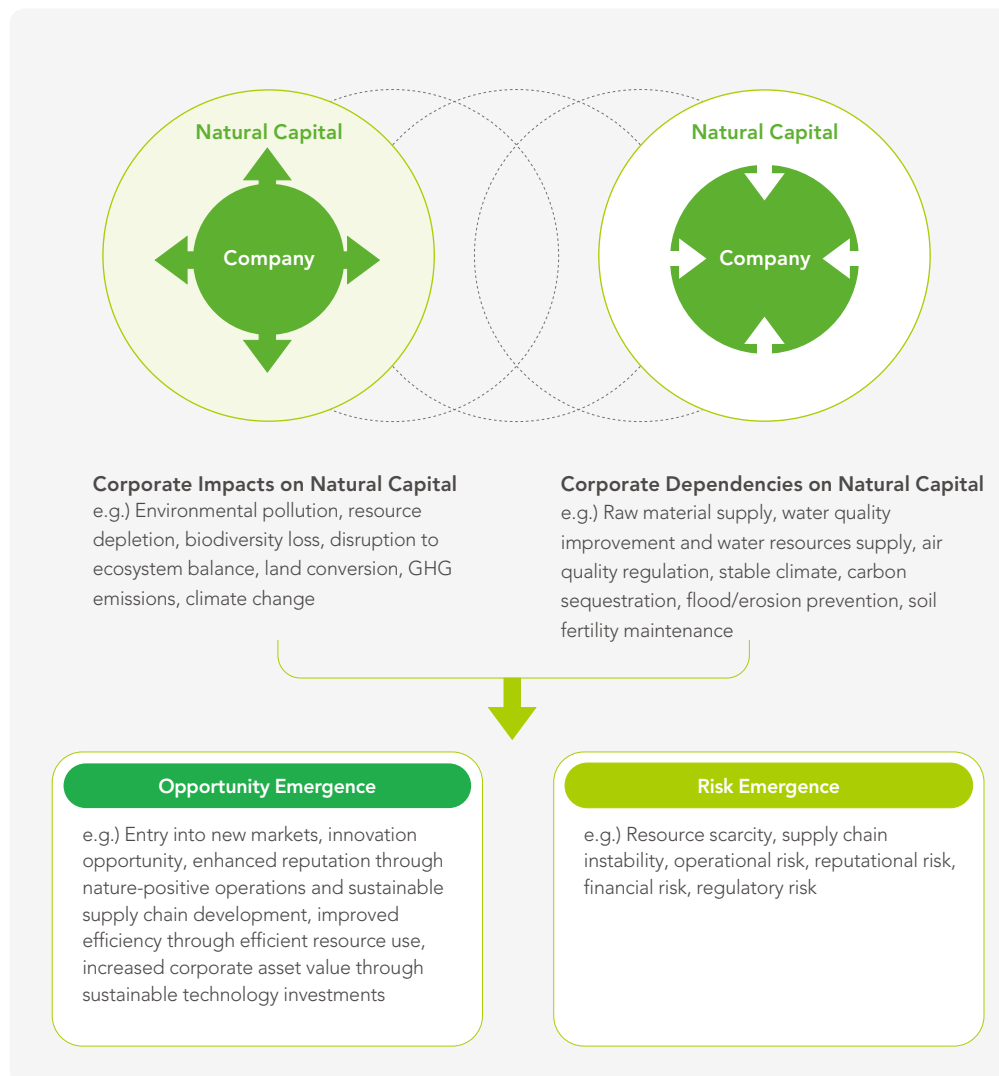
#### Risk and Opportunity Management

A company's impacts and dependencies on natural capital bring a range of risks and opportunities. As such, effectively managing these risks and opportunities is critical in ensuring the company's sustained profit generation. For financial institutions such as BNK Financial Group, this means managing not only its own nature-related dependencies, impacts, risks and opportunities, but also those of its customers to whom it provided loans and investments is essential for effective risk management.

#### Nature-related Financial Disclosures

The Taskforce on Nature-related Financial Disclosure (TNFD) was launched in 2021 as a global environmental initiative under the leadership of the UN Environment Programme Finance Initiative (UNEP-FI), the UN Development Programme (UNDP), and the World Wide Fund for Nature (WWF). In 2023, the TNFD announced its final recommendations for nature-related financial disclosures. The TNFD recommends that companies systematically assess, manage, oversee and disclose their nature-related impacts, dependencies, risks and opportunities, with an ultimate goal of encouraging decision-making that contributes to nature-positive outcomes. In line with the TNFD recommendations, BNK Financial Group aims to assess and manage its own and its customers' impacts and dependencies on natural capital as well as related risks and opportunities while disclosing key relevant information.

#### • Corporate Impacts and Dependencies on Natural Capital



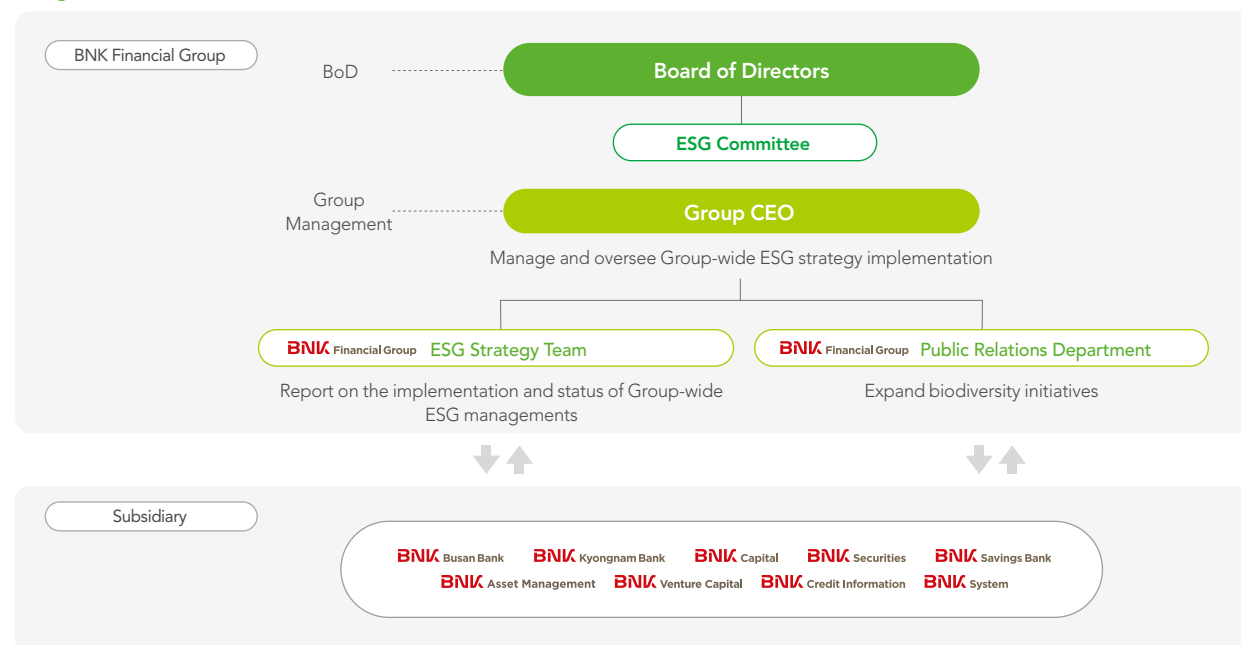
# Joining Global Environmental Initiatives

## Biodiversity Governance and Policy

### Biodiversity

Biodiversity is one of the most critical components of natural capital. Biodiversity represents the diversity of all living organisms, including animals and plants, and collectively refers to genetic, species, and ecosystem diversity. If biodiversity losses occur due to pollution, habitat destruction, and climate change, this undermines the balance and resilience of the ecosystem. As a result, natural capital loses its ability to deliver essential ecosystem services, severely affecting the business operations of companies depending on natural capital. BNK Financial Group is keenly aware of the importance of biodiversity to business activities and society at large and is committed to proactively managing biodiversity risks and opportunities.

### • Organizational Chart



### Biodiversity Governance

BNK Financial Group manages key environmental issues—such as environmental management and biodiversity—under its integrated environmental management governance framework. Policies and strategies related to biodiversity are reviewed and approved by the ESG Committee under the Board of Directors, and the Group CEO oversees the overall implementation of these strategies. Group-wide strategy development and implementation is led by the ESG Strategy Team, a dedicated ESG department, and the Public Relations Department collaborating in alignment with respective subsidiaries. Relevant issues are regularly reported to the ESG Committee.

### Biodiversity Policy

BNK Financial Group established its biodiversity policy in 2024, defining basic principles and implementation plans to advance sustainable finance in harmony with the natural environment.

We uphold the protection and conservation of the natural environment, ecosystems, and biodiversity while taking specific actions across our entire Group operations. We set forth our ESG Financial Policy and this bases our efforts to lay the necessary groundwork to manage biodiversity risks in our corporate lending and investment processes. We expect our customers and portfolio companies to abide by biodiversity-related global conventions depending on the size of their business and level of risk exposure. When non-compliance is identified and the circumstances do not allow, we refrain from making direct investments or offering related financial products and services.

Our biodiversity policy equally applies to BNK Financial Group and all subsidiaries. We recommend our business contractors to comply with this policy or other equivalent policies.

### Introduction

### ESG Management System

### ESG Performance

#### Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**
- Social
- Governance

### ESG Data Pack

### Appendix

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**

## Joining Global Environmental Initiatives

### Biodiversity Risk and Impact Management

#### Analyzing Biodiversity-related Risks and Opportunities

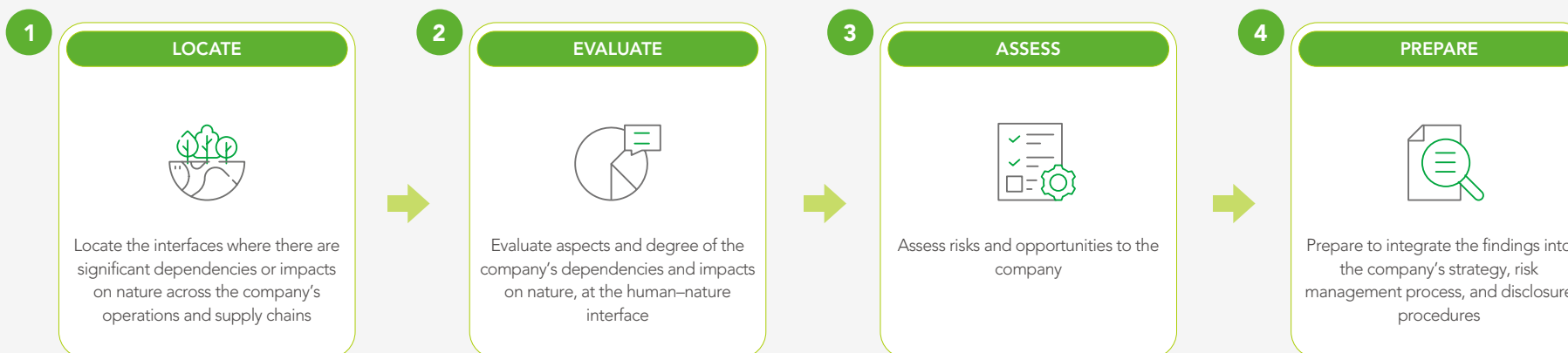
BNK Financial Group effectively manages its own and its customer's nature-related risks and opportunities to drive the Group's stable and sustainable growth. This also aims to share with our stakeholders key information on our biodiversity strategies and our management of relevant risks and opportunities. In this respect, we chose one specific case among our key green investment projects with financial implications to assess its nature-related risks and opportunities using the LEAP approach proposed by the TNFD (Taskforce on Nature-related Financial Disclosures). The results of this assessment are disclosed in this report. The case study focuses on the Clean Energy Center in Siheung City, for which Kyongnam Bank committed a principal investment worth KRW 29 billion. The following outlines the analysis of this project's dependencies and impacts on natural capital as well as associated risks and opportunities. BNK Financial Group will continue to advance its nature-related risk and opportunity management framework, doing its utmost to contribute to fostering a sustainable financial ecosystem.

#### Case Study – Overview of the Clean Energy Center in Siheung City

The Clean Energy Center in Siheung City is a waste treatment facility processing sewage sludge, food waste, and human waste generated in nearby areas in an environmentally friendly manner. This facility also supports circular energy generation, producing eco-friendly energy (biogas) from organic waste. Its construction took three years and three months starting from March 2021, with operations commencing in June 2024 following completion. The Clean Energy Center is capable of treating 540 tons of sewage sludge, 145 tons of food waste, and 60 tons of human waste on average per day while extracting and refining 30,000 Nm<sup>3</sup> of biogas per day to produce 12,600 Nm<sup>3</sup> of city gas, which is sufficient to supply energy to over 8,283 households.

#### LEAP Approach

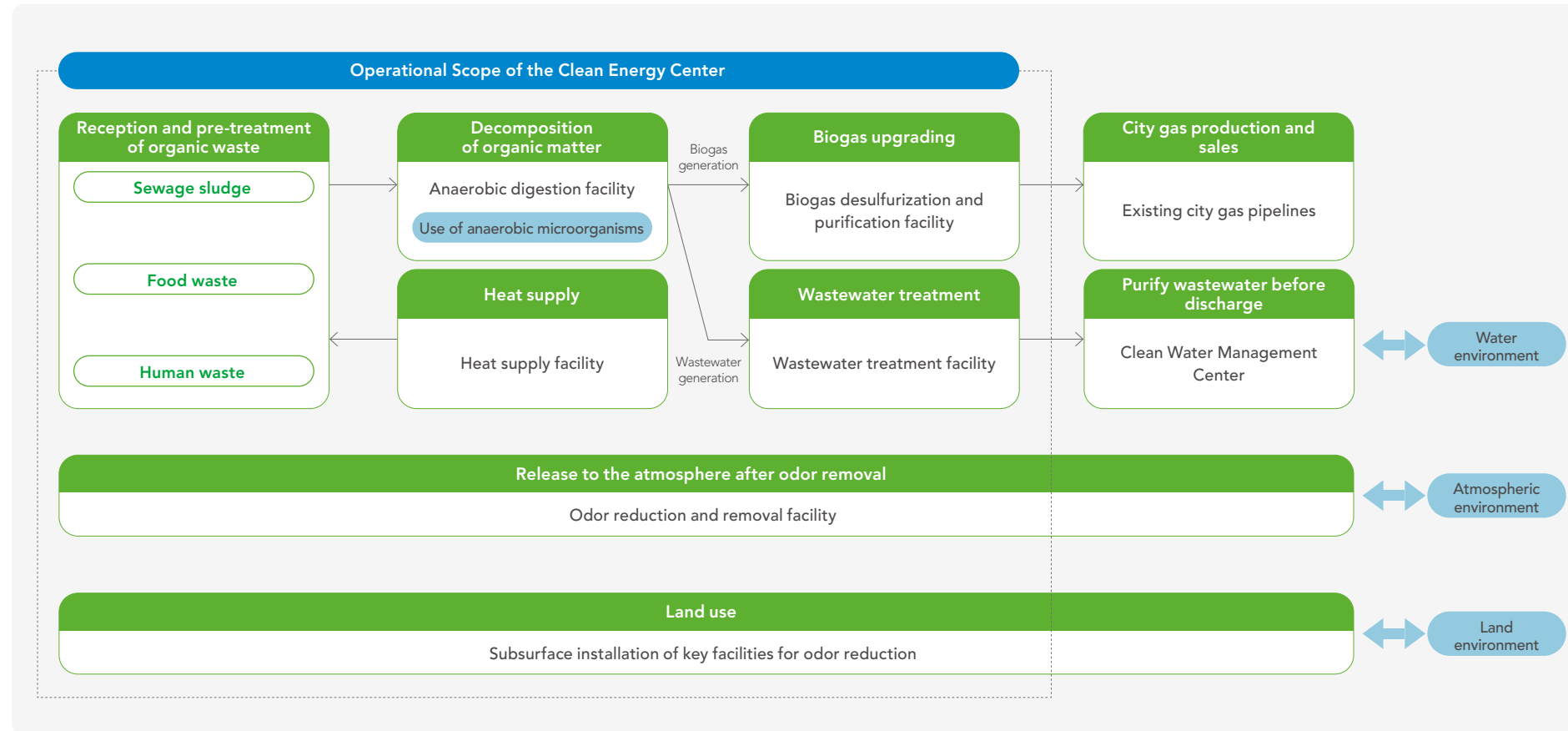
The LEAP approach is a methodology proposed by the TNFD to help companies systematically assess nature-related risks and opportunities and transparently disclose related information. LEAP stands for Locate, Evaluate, Assess, and Prepare, and consists of the following four steps.



### (1) Locate the interface with nature (1/2)

The Clean Energy Center was constructed within the Water Management Center in Siheung City, Gyeonggi Province, with total floor areas of 33,430m<sup>2</sup>. The facility officially initiated operations in June 2024 following trial operations after completion. Thus, this report focuses on its interface with nature arising in its operational phase rather than the construction phase.

#### • Overview of the Clean Energy Center Supply Chain and Its Interface with Nature



- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**

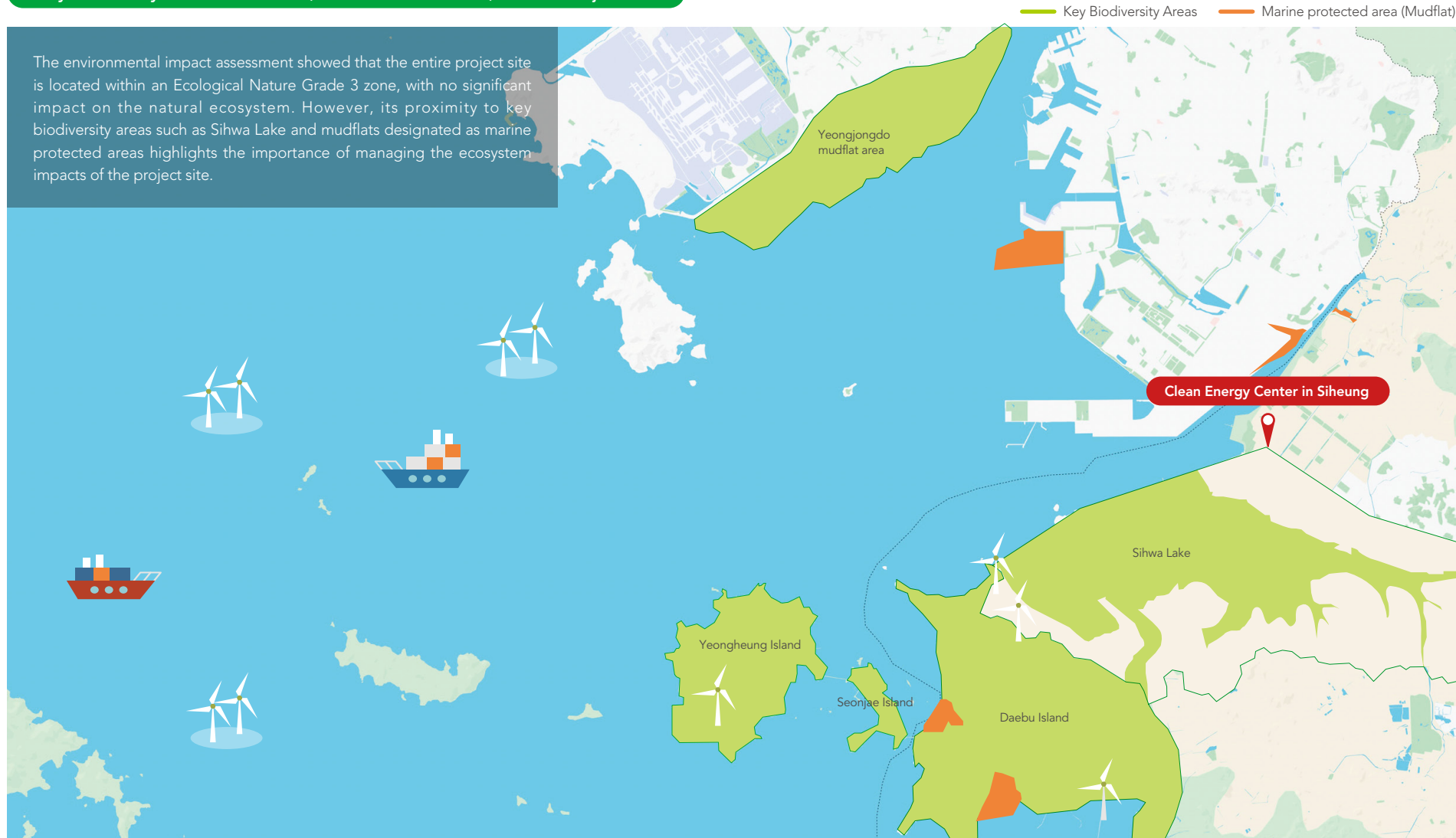
# Joining Global Environmental Initiatives

## Biodiversity Risk and Impact Management

### (1) Locate the interface with nature (2/2)

#### Key Biodiversity Areas and Mudflats(Marine Protected Areas) Near the Project Site

The environmental impact assessment showed that the entire project site is located within an Ecological Nature Grade 3 zone, with no significant impact on the natural ecosystem. However, its proximity to key biodiversity areas such as Sihwa Lake and mudflats designated as marine protected areas highlights the importance of managing the ecosystem impacts of the project site.



Source: World Database of KBAs, Marine Environment Information Portal

Introduction

ESG Management System

**ESG Performance**

**Environment**

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**

Social

Governance

ESG Data Pack

Appendix

## Biodiversity Risk and Impact Management

### (2) Evaluate dependencies and impacts on nature

BNK Financial Group assessed the Clean Energy Center's dependencies and impacts on nature using the ENCORE database, environmental impact assessment data, and business data. This revealed that the Center is relatively highly dependent on such natural capital as bio, land, and water resources. Specifically, biological resources play an essential role in the organic waste treatment and biogas production processes. As its key facilities are built underground, it is also critical to maintain a stable land environment. The center is heavily dependent on water resources across the entire supply chain from the supply of organic waste to the treatment and discharge of wastewater. The Clean Energy Center's operations bring both positive and negative impacts to the land, water, and atmospheric environments. While its facility operations entail no harm to nature resulting from the extraction of natural resources, inadequate pollutant management may negatively impact the ecosystem of surrounding areas, underscoring the need for risk management.

#### Assessing Dependencies on Nature

Natural Capital	Key Ecosystem Services Relied Upon	Dependency Description	Level of Dependency	Response
Biological resources	Anaerobic microbes break down organic waste and generate methane gas (energy) as byproduct	<ul style="list-style-type: none"> <li>Treat waste</li> <li>Produce eco-friendly energy</li> </ul>	High	Need for risk/opportunity management (detailed description on the following page)
Land environment	Maintain a stable land environment	<ul style="list-style-type: none"> <li>Construct key facilities underground</li> <li>Prevent odors through the underground placement of key facilities</li> </ul>		
Water environment	Basis for organic waste materials, water supply and flow regulation, self-purification capacity	<ul style="list-style-type: none"> <li>Supply and transport organic waste</li> <li>Supply water</li> <li>Discharge treated wastewater and purify water</li> </ul>		
Atmospheric environment	Air self-purification capacity	<ul style="list-style-type: none"> <li>Treat odor-causing substances and purify emitted air</li> </ul>	Medium	

#### Assessing Actual and Potential Impacts on Nature

Category	Impact Description	Cause	Level of Impact	Response
Positive impact (actual)	Reduced soil, water, and air pollution	<ul style="list-style-type: none"> <li>Reduced sludge volumes through eco-friendly treatment of organic waste</li> </ul>	High	Need for risk/opportunity management (detailed description on the following page)
	Atmospheric environment protection	<ul style="list-style-type: none"> <li>Reduced GHG emissions through eco-friendly energy generation</li> </ul>		
	Prevention of fossil fuel extraction and resource depletion	<ul style="list-style-type: none"> <li>Use of waste as an energy source (resource circulation)</li> </ul>		
Negative impact (potential)	Water pollution and soil contamination	<ul style="list-style-type: none"> <li>Water and soil pollutants generated following the treatment of organic waste</li> </ul>	High potential impact	
	Air pollution	<ul style="list-style-type: none"> <li>Generation of air pollutants and odors</li> </ul>		
	Harm to local ecosystems	<ul style="list-style-type: none"> <li>Potential negative impacts to the local ecosystem due to inadequate pollutant treatment and management</li> </ul>		

Introduction

ESG Management System

**ESG Performance**

**Environment**

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**
- Social
- Governance

ESG Data Pack

Appendix

## Biodiversity Risk and Impact Management

### (3) Assess risks and opportunities

We assessed nature-related risks and opportunities based on the location of the Clean Energy Center, using WWF's Risk Filter Suite. In identifying key risks, we comprehensively took into account the impact of such risks on our financial performance and corporate reputation as well as the likelihood of risk occurrence, based on environmental impact assessment results and industry understanding. Key opportunities focused on those that arise in line with the expansion of eco-friendly business, including the Clean Energy Center.

#### • Key Risk Management

Category	Type of Risk	Risk Management Approach
Physical risk	Reduced vitality of biological resources, biodiversity loss	<ul style="list-style-type: none"> <li>• Conduct research and specialized management for key biological resources such as anaerobic germs required for business operations</li> <li>• Conserve biodiversity</li> </ul>
	Damage to facilities due to extreme weather conditions such as floods, typhoons and earthquakes and geophysical events	<ul style="list-style-type: none"> <li>• Conduct regular safety inspections of facilities</li> <li>• Ensure safe handling of biogas and waste</li> <li>• Engage in climate mitigation and ecosystem conservation efforts</li> </ul>
	Water resource stress and fuel procurement disruption due to droughts and floods	<ul style="list-style-type: none"> <li>• Manage nearby streams, groundwater, and marine resources and develop scenario-based contingency plans</li> <li>• Prevent water pollution and climate change through safe waste management</li> </ul>
Reputational risk	Complaints raised due to wastewater discharges and odors	<ul style="list-style-type: none"> <li>• Ensure trust from local residents through regulatory compliance and enhanced monitoring (regular measurement and analysis of water quality and atmospheric impacts)</li> <li>• Continue developing and introducing technology for wastewater treatment and odor reduction</li> </ul>
	Hygiene and public health concerns	<ul style="list-style-type: none"> <li>• Conduct regular risk and impact assessments on hazardous substances</li> <li>• Develop scenario-based contingency plans</li> </ul>

#### • Key Opportunity Management

Opportunity	Opportunity Management Approach
Rising number of projects with high dependencies and impacts on nature	<ul style="list-style-type: none"> <li>• Establish nature-related investment criteria and a risk monitoring framework to support effective investments in eco-friendly business such as resource circulation and GHG emissions reduction</li> <li>• Explore investment opportunities and expand investments in sustainable projects</li> </ul>
Expanding government regulations and support for eco-friendly projects	<ul style="list-style-type: none"> <li>• Serve as a bridge between government agencies and eco-friendly businesses amid the expanding regulations and support for green projects such as biogas and hydrogen production</li> <li>• Participate in policy-making processes and provide feedback as a major financial institution</li> <li>• Create an investment ecosystem for eco-friendly projects</li> </ul>
Increasing need for specialized talent	<ul style="list-style-type: none"> <li>• Redefine job descriptions for internal workforce and support their competency and career development to identify new investment opportunities and manage risks</li> <li>• Invest in talent development to support the transition from fossil fuel-based industries to green ones</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management

- **Joining global environmental initiatives**

Social

Governance

ESG Data Pack

Appendix

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**

## Joining Global Environmental Initiatives

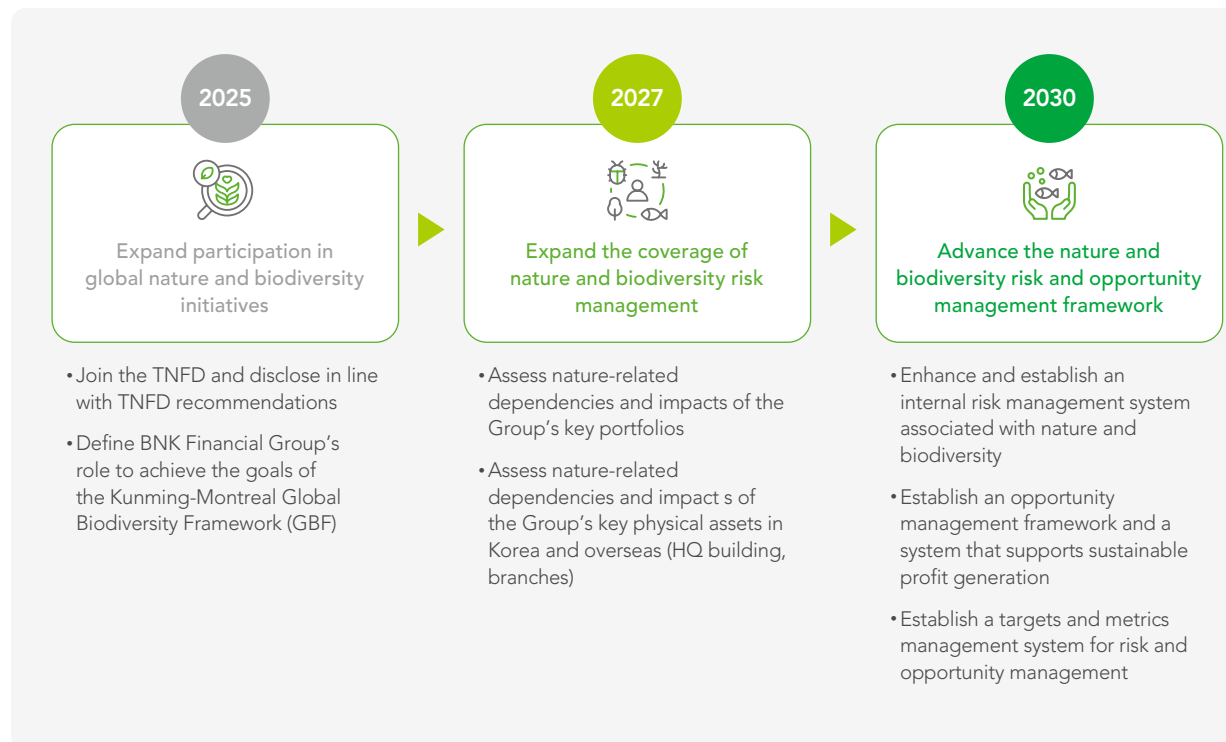
### Biodiversity Risk and Impact Management

#### (4) Prepare for response and disclosure

As part of our risk assessment and management efforts for eco-friendly business, BNK Financial Group conducted a LEAP analysis of the Clean Energy Center in Siheung City, a principal investment project led by Kyongnam Bank, and disclosed the findings in this report. It was revealed that the Clean Energy Center is highly dependent on biological, land, and water resources, with its operations impacting the water, soil, and air ecosystems both positively and negatively. Considering the impacts and dependencies of this project on nature, it is vital to manage risks for biological, land, and water resources to ensure the stable operations of facilities. It is equally important to manage wastewater treatment, odor control, and hygiene/public health. As investment opportunities increase for eco-friendly business, BNK Financial Group will establish nature-related investment criteria and a monitoring framework to support effective opportunity management while playing an active role in fostering an ecosystem for green investment and expanding support for the development of a specialized workforce.

The following outlines our mid-to long-term nature goals for natural capital and biodiversity. In progressing towards these goals, we are currently developing Group-level mid-to long-term strategies and expanding our participation in global initiatives. Going forward, we will broaden the coverage of nature and biodiversity risk management and advance our risk management framework. We are fully committed to the conservation of nature and biodiversity while achieving sustainable growth at the Group level as a responsible and innovative financial institution.

#### • Mid-to Long-term Goals for Nature and Biodiversity



# Joining Global Environmental Initiatives

## In Focus

### Embedding ESG into Day-to-Day Routine by Joining Global Initiatives

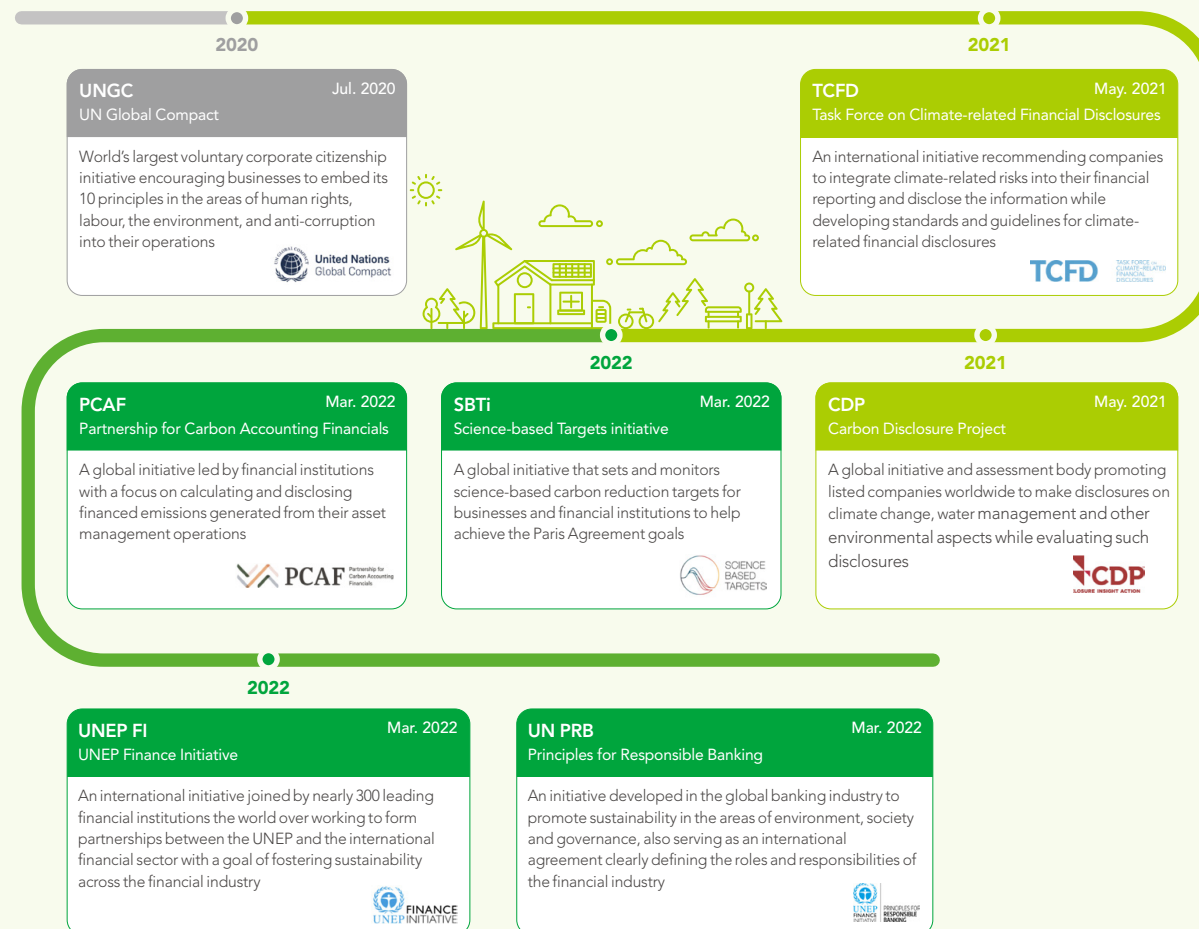
To align ESG management with global standards, BNK Financial Group participates in a wide array of international initiatives. In so doing, we strengthen our role as a responsible community-rooted financial institution and contribute to tackling climate change and advancing sustainable finance.

In July 2020, BNK Financial Group joined the United Nations Global Compact (UNGC), demonstrating its commitment to achieving the UN Sustainable Development Goals (SDGs) and building a sustainable future. In June 2021, we hosted the “BNK ESG Declaration Ceremony” under the slogan “ESG BNK, Creating Sustainable Finance Together,” with executives from all subsidiaries in attendance. At the event, we endorsed the TCFD (Task Force on Climate-related Financial Disclosures) and became a signatory to the Carbon Disclosure Project (CDP) <sup>1)</sup>, signaling its strong commitment to achieving net zero emissions.

In March 2022, we subsequently joined several global initiatives, including the Partnership for Carbon Accounting Financials (PCAF), the Science Based Targets initiative (SBTi), and the United Nations Environment Programme Finance Initiative (UNEP FI). These efforts have allowed us to further advance our ESG management system in alignment with global initiatives and strengthen our science-based carbon reduction efforts and climate risk response capabilities.

<sup>1)</sup> Joined in May 2021, made a public declaration in June that year

### • Our Involvement in Global Initiatives



## Introduction

### ESG Management System

### ESG Performance

#### Environment

- Progressing towards our net zero goal
- Sustainability in Focus
- Establishing an eco-friendly financial product management system
- Advancing environmental management
- **Joining global environmental initiatives**
- Social
- Governance

### ESG Data Pack

### Appendix

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - Protecting the rights and interests of financial consumers
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

# SOCIAL

: Fostering finance for shared growth together with local communities



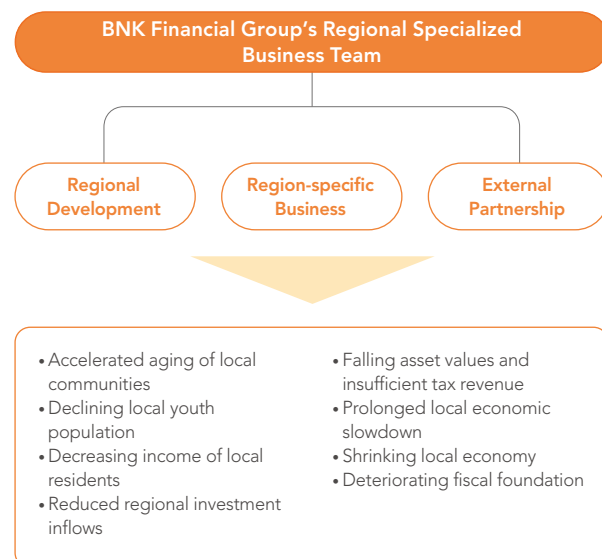
- 62 Establishing an ESG ecosystem in the southeastern region
- 65 Promoting finance for co-prosperity and inclusion
- 68 Protecting the rights and interests of financial consumers
- 76 Digital financial innovation
- 81 Sustainability in Focus  
: Expanding regionally-based digital infrastructure
- 82 Fostering regional social value creation

# Establishing an ESG Ecosystem in the Southeastern Region

## Governance

### Launching a Regional Specialized Business Team

In 2024, BNK Financial Group launched the Regional Specialized Business Team to drive Group-wide innovation and deliver tailored value to local communities, taking the lead in tackling complex social challenges in the southeastern region, including an aging population, industrial concentration and youth outmigration. As a dedicated function responsible for planning and executing locally-based, problem-solving initiatives, the Team aims to make tangible contributions to local communities. Specifically, our Regional Specialized Business Team pursues co-prosperity between industry and finance, promoting customized financial models that reflect local specificities and sentiment. The Team also helps revitalize the local economy while continuing with external partnerships. BNK Financial Group goes beyond financial support to establish a self-sustaining economic ecosystem and a structure for sustainable mutual growth across local communities.



## Strategies and Activities

### Supporting Local Businesses through Partnership among Government, Private Sector and Public Enterprises

To help local companies undergoing restructuring normalize their operations while creating quality jobs and improving recruitment practices, BNK Financial Group signed a trilateral MOU between Busan City and Korea Asset Management Corporation (KAMCO) in November 2024. This allowed us to build a multifaceted and effective model to support local companies as a regionally-based financial group promoting the growth of Busan-based SMEs and providing much-needed liquidity to companies facing operational challenges.

#### • MOU among Busan City-BNK Financial Group-KAMCO

Program		BNK Financial Group's Cooperation Measure
S & L B	Direct acquisition	Asset acquisition and leaseback Busan (Kyongnam) Bank: Recommend companies facing liquidity crisis
	Indirect acquisition	Asset securitization Busan Bank: Recommend companies, support securitization guarantees BNK Securities: Support capital raising through asset-backed securities (ABS) issuance
		Business restructuring <sup>1)</sup> support Recommend companies, make joint investment with KAMCO in asset management (factories) through trust services
Movable asset-backed loans		Support short-term loans backed by movable assets
Loans for companies under rehabilitation		Extend guaranteed loans for companies under rehabilitation
Joint loans		KAMCO/Busan (Kyongnam) Bank support joint loans for companies undergoing restructuring
Preferential interest rates for post-restructuring companies		Busan (Kyongnam) Bank: Extend loans for repurchasing assets by companies that completed restructuring
Family-friendly company employment certification program		Support policy financing for family-friendly companies (up to KRW 10 million)
Busan 50+ Internship		Provide KRW 2 million per company hiring senior workers aged 50 or above (up to KRW 10 million)

<sup>1)</sup> For companies seeking funding for R&D and other operations in connection with its changing business areas, the Ministry of Industry conducts screenings to provide financial and tax support.

### ESG Talent Development Training for SMEs in the Southeastern Region

In 2024, BNK Financial Group partnered with the Financial Supervisory Service to conduct 'ESG talent development training for SMEs in the southeastern region', offering SME employees online ESG training at no cost as well as offline training on global supply chain due diligence regulations and the EU's Carbon Border Adjustment Mechanism. More than 150 executives and employees from SMEs in Busan and nearby areas participated in the offline training. Those who completed online training and submitted proof of course completion were offered interest rate discounts through Busan Bank's 'ESG Excellent Company Loan' and Kyongnam Bank's 'E-Green Loan.' Through this initiative, we actively supported local SMEs with ESG management and enhanced motivation for ESG implementation by providing tangible incentives.

## Establishing an ESG Ecosystem in the Southeastern Region

### Strategies and Activities

#### Financial Support for Regional Industry Promotion

To drive the sustainable development of key regional industries, BNK Financial Group signs MOUs with varying organizations and operates effective financial support programs. We specifically focus on promising SMEs in facilitating technology financing. Busan Bank and Kyongnam Bank offer preferential loan products actively to help spur the growth of innovative companies. In addition, we provide funding support through MOUs and fundraising aimed at advancing core regional industries, delivering a range of financial solutions to boost the overall competitiveness of the regional industry.



#### • Support for the Development of Key Regional Industries

Subsidiary	Key Support Measures
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>Established and operated a co-prosperity fund through the financial support MOU for mutual growth signed with the Korea Shipowners' Association, Korea Ocean Business Corporation, and Busan Urban Corporation</li> <li>Provided KRW 81.4 billion to SMEs facing liquidity shortage following the signing of the financial support MOU for regional co-prosperity of SMEs in core strategic industries</li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>Provided KRW 50 billion in financial support through the financial support MOU for fostering the nuclear industry in Gyeongnam signed with Gyeongnam Province and the Korea Technology Finance Corporation</li> <li>Signed an MOU with the Korea Credit Guarantee Fund for guarantee fee support to facilitate joint project guarantees</li> <li>Provided guarantee support to companies jointly participating in highly innovative and commercially viable projects led by large/mid-sized companies</li> <li>Signed an MOU with the Korea Credit Guarantee Fund to facilitate domestic investments made with large businesses</li> <li>Mandated a minimum interest rate reduction of 0.5% based on the MOU</li> <li>Special working capital support for Ulsan City</li> <li>Provided liquidity support to SMEs in Ulsan engaging in the city's key industries – automotive, shipbuilding, petrochemicals, and hydrogen</li> </ul>
<b>BNK</b> Venture Capital	<ul style="list-style-type: none"> <li>BNK-Now Busan Regional Innovation Fund</li> <li>Invest in companies that meet eligibility criteria as Busan-based businesses</li> </ul>

#### • Financial Support for Innovative Technology

Subsidiary	Key Support Measures
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>Provided special loans for SMEs to support innovative finance</li> <li>Reached KRW 1.8 billion in 'Giteuk-Loan', a technology finance preferential loan, and KRW 137.7 billion in loan balance, and piloted simplified IP value evaluations in 2024</li> <li>Supported 18,247 companies including 5,679 new technology finance recipients in 2024</li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>Expanded the supply of technology finance to tenant companies in technology industrial complexes in the southeastern region</li> <li>Established a big data-based search system for tech companies in Gyeongnam and Ulsan</li> <li>Launched the Joint Journey &amp; Dream Loan in 2024</li> <li>Expanded financial support for regional strategic industries and new growth/future high-potential industries</li> <li>Signed an MOU with the Korea Technology Finance Corporation to promote the innovative growth of the data industry</li> <li>Facilitated the MOU to recognize valid datasets as acceptable collateral</li> <li>Signed an MOU to help small/mid-sized shipbuilders enhance their order-taking competitiveness</li> <li>Provided financial support including the expansion of refund guarantees to help the nation's shipbuilding industry increase orders and re-emerge</li> <li>Signed a new MOU for the national high-tech strategic industry technology innovation loan program</li> <li>Offered low-interest loans to semiconductor, rechargeable battery, display, and bio industries to strengthen their competitiveness and maintain dominant leadership</li> </ul>
<b>BNK</b> Securities	<ul style="list-style-type: none"> <li>BNK-Hyundai Defense Technology Innovation Fund (KRW 40 billion), For Human Life CDMO New Technology Business Investment Fund (KRW 3 billion)</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region

- Promoting finance for co-prosperity and inclusion

- Protecting the rights and interests of financial consumers

- Digital financial innovation

- Sustainability in Focus

- Fostering regional social value creation

Governance

ESG Data Pack

Appendix

# Establishing an ESG Ecosystem in the Southeastern Region

## Strategies and Activities

### Revitalizing the Regional Startup Ecosystem

To support the sustainable growth of local startups, BNK Financial Group operates an integrated support system encompassing both financial and non-financial areas. We provide a suite of growth solutions, including business assessment, investment matching, mentoring, specialized training, and global networking programs, along with management and financial consulting provided through our dedicated branches. In so doing, we play a role in revitalizing the local startup ecosystem and laying the groundwork for high-potential companies to scale up their business.

#### • Support for Startups

Subsidiary	Program Description
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>• Sum Incubator program</li> <li>- Selected 113 companies since July 2019 through 2024</li> <li>- Supported them in connection with BNK fund investments</li> <li>- Supported office spaces in partnership with Shared Office 0.9M</li> <li>- Provided financial and management consulting through dedicated startup branches (Bujeon-dong Financial Center)</li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>• CHAIN-G program</li> <li>- Selected the 1st cohort of 17 startups in April 2024</li> <li>- Supported them with business model assessment, investment matching, networking, and expert mentoring</li> <li>- Hosted the IR Demo Day for southeastern region startups through industry-academia partnerships (Sept. Oct.)</li> <li>- Hosted 'Connecting with US', a networking event featuring IR presentations by prominent local startups and inviting investors from the Seoul Metropolitan region (Dec.)</li> </ul>

### Expanding the Basis for Youth Employment in Busan, Ulsan, and Gyeongsang Province

BNK Financial Group recognizes creating jobs for youth as a critical regional issue and provides financial incentives to companies demonstrating excellent performance in hiring young people in Busan, Ulsan and Gyeongnam Province. These companies are supported with preferential loans, guarantee payments, and tailored consulting to build the foundation for sustainable employment and local talent retention. In so doing, BNK proactively responds to the risk of regional decline and play a constructive role as a financial platform committed to shared growth with local communities.

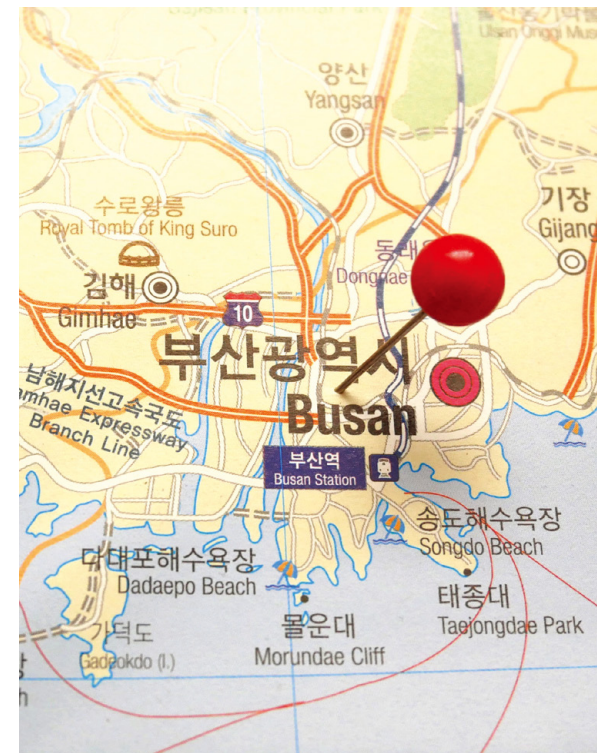
#### • Financial Support for Companies Creating Jobs for Youth

Subsidiary	Key Support Measures
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>• BNK credit guarantee fund agreement loan for job creation and new growth company support</li> <li>- Provided financial support for companies falling under 275 product categories based on new growth common standards and companies with outstanding performance in job creation</li> <li>• Agreement guarantees for job creation (Credit Guarantee Fund/Korea Technology Finance Corporation)</li> <li>- Provided financial support for companies creating jobs, social enterprises, and self-employed businesses</li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>• Guarantee agreement loans</li> <li>- Provided loans to companies eligible for the issuance of guarantee certificates by KODIT and KOTEC and recognized for job creation</li> <li>• External institution agreement loans</li> <li>- Provided loans to support job creation and social finance</li> <li>• Financial support for excellent employers</li> <li>- Supported companies recognized by central/local governments and public institutions as an outstanding employer</li> </ul>

## Targets and Metrics

### Targets and Metrics for Establishing an ESG Ecosystem in the Southeastern Region

BNK Financial Group will continue to provide financial support to prominent startups and SMEs in key regional industries and innovative high-tech industries, establishing an ESG ecosystem in the southeastern region beyond the revitalization of the local economy.



# Promoting Finance for Co-prosperity and Inclusion

## Governance

### Declaration for Inclusive Finance

In line with our inclusive finance declaration, BNK Financial Group is expanding financial products and services designed for financially-underserved groups - seniors, people with disabilities, foreigners, and small business owners. As a regionally-based financial institution, we work on multiple fronts to boost the local economy and address regional depopulation.

[Inclusive Finance Declaration](#) →

### Implementation Organization for Inclusive & Co-prosperity Finance

In 2024, BNK Financial Group established the 'Regional Mutual ESG Promotion Committee' with the direct participation of subsidiary CEOs, to discuss and decide on inclusive finance strategies with an aim to pursue mutual growth with local communities and meet the needs of financial-underserved groups, strengthening its governance framework as a result.

As part of our broader ESG strategic directions, the Committee has selected 'co-prosperity finance' as a key implementation task, and defined goals that include promoting partnerships with local businesses, supporting the financially-underserved, and establishing an ESG ecosystem in the southeastern region. The Committee for ESG Implementation for Regional Co-prosperity enables us at BNK Financial Group to foster ESG management across local communities while offering full advisory and support services to assist local businesses in introducing and strengthening ESG management, solidifying our role as a leader in the southeastern ESG ecosystem.

## Strategies and Activities

### Financial Support for Local Small Business Owners

In 2024, BNK Financial Group continued to expand tailored financial support to help revitalize the local economy and stabilize business for small business owners. In 2025, the banking industry collectively introduced the mutual preferential interest rate program for small business owners, providing a 0.2%p interest rate discount to those who became eligible following their completion of consulting programs by the Small Enterprise and Market Service when they apply for new ONE credit loans, self-employed loans or SOHO mid-rate loans.

#### • Financial Products and Services for Local Small Business Owners

Subsidiary	Key Support Measures
<b>BNK Busan Bank</b>	<ul style="list-style-type: none"> <li>• Provided up to KRW 100 million to selected BNK franchise loan preferred partners (Aug. 2024)</li> <li>- Selected three high-performing franchises (One Katsu, Butcher's Table, Homa) as preferred partners for the BNK franchise loan, and offered limit and interest rate benefits to current and prospective franchisees</li> <li>• Launched Small Business Owner Hope Savings</li> <li>- Organized events for co-prosperity support savings for local traditional markets and small business owners</li> </ul>
<b>BNK Kyongnam Bank</b>	<ul style="list-style-type: none"> <li>• Provided emergency liquidity support for small business owners</li> <li>- Special contribution to the regional credit guarantee foundation (KRW 8 billion, guarantee limit of KRW 120 billion)</li> <li>- Guaranteed loan provided: KRW 294.7 billion</li> <li>• Small Business Hope Sharing Co-prosperity Finance</li> <li>- Provided low-interest loans to local micro businesses by significantly relaxing terms under agreement with local governments</li> <li>- Total fund/loan amount: KRW 30 billion / KRW 22.5 billion</li> <li>• Special loan for fire victims at Masan fish and produce markets (Aug. 2024)</li> <li>- Support provided : KRW 200 million</li> </ul>
<b>BNK Capital</b>	<ul style="list-style-type: none"> <li>• Business-use vehicle purchase loan</li> <li>- Provided financial limit support for small business owners (individual business operators) purchasing cargo trucks (0.5 ton or more) or vans</li> <li>• Long-term rental car program for small business owners</li> <li>- Provided financial limit support to small business owners (individual business owners) renting long-term domestic vehicles priced under KRW 40 million</li> </ul>

### Management Consulting and Training Support for Small Business Owners and Self-employed Individuals

BNK Financial Group supports the sustainable business operations of small business owners and self-employed individuals who form the backbone of the local economy. Busan Bank has been operating the Comprehensive Support Center for the Self-Employed since January 2019 and signed an MOU for the Self-Employed Hopeful High Project in April 2022 to support local business owners through comprehensive support. Under this MOU, Needer, a recruitment platform, provided free recruitment services and the Busan Regional Tax Association supported tax affairs while Busan Bank launched special credit loans for self-employed individuals along with the production and distribution of free promotional videos.

Kyongnam Bank has established the Small Business Hope Dream Center to support small business owners and self-employed individuals who lack access to financial services in the Gyeongnam and Ulsan region, providing management consulting and a range of training programs. The Center runs the Hope Dream Training School which supports practical training programs for market analyses, taxation, labor relations, laws, and marketing trends as well as the Hope Dream Academy focused on practical social media marketing. In 2024, the Hope Dream Center supported 233 small business owners. In recognition of such efforts, Kyongnam Bank was honored with the Mid/small-sized Banking Group Institutional Award in the SME support category and the small business owner management consulting support category at the 2024 Inclusive and Co-prosperity Finance Awards hosted by the Financial Supervisory Service.



'BNK Kyongnam Bank's recruitment notice for the 6th Class of Hope Dream Center for Small Business Owners

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
  - **Promoting finance for co-prosperity and inclusion**
  - Protecting the rights and interests of financial consumers
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

ESG Data Pack

Appendix

## Promoting Finance for Co-prosperity and Inclusion

### Strategies and Activities

#### Improving Access to Financial Services for Financially-underserved Groups

To enhance access to finance for financially-underserved groups, we continue to broaden tailored financial products and services. Specifically, we deliver inclusive financial products for customers with low credit ratings or limited credit histories while establishing an internal monitoring system to track key risk indicators such as delinquency rates and credit score changes to ensure the financial soundness of our operations.

#### Financial Products and Services for Financially-underserved Groups

Subsidiary	Key Support Measures
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>Launched the BNK Welcome Global Loan for foreign workers (Oct. 2024)</li> <li>Launched a customized loan product for foreign workers</li> <li>BNK Hope Cultivation Savings                             <ul style="list-style-type: none"> <li>Provided high interest rates to help build financial reserves for basic livelihood security recipients, child heads of household, North Korean defectors, single-parent homes, marriage immigrants (multicultural families), and people with disabilities</li> </ul> </li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>Provided KRW 86.9 billion in New Hope Spore Loans</li> <li>Expanded the provision of policy-based financial products for low-income individuals                             <ul style="list-style-type: none"> <li>KRW 71.2 billion in Sunshine Loan Bank (up KRW 47.1 billion y-o-y)</li> <li>KRW 680 billion in private mid-rate loans (up KRW 450 billion y-o-y)</li> </ul> </li> <li>Special savings accounts for low-income youth                             <ul style="list-style-type: none"> <li>Offered in collaboration with local governments in Gyeongnam, Changwon, and Ulsan</li> </ul> </li> <li>Hope-gathering Savings                             <ul style="list-style-type: none"> <li>Provided preferential interest rates for low-income and underprivileged groups, including youth preparing for independent living</li> </ul> </li> </ul>
<b>BNK</b> Capital	<ul style="list-style-type: none"> <li>Funding support for financially-underserved groups                             <ul style="list-style-type: none"> <li>Provided financial products to platform workers such as Baemin delivery riders (KRW 10 billion in total support limit)</li> </ul> </li> </ul>

#### In Focus

In recognition of its steady contributions to financially supporting low-income individuals and vulnerable groups, Busan Bank received the Excellence Award in Supporting Financial Low-income Individuals' in the small/mid-sized bank category for 2 consecutive years at the 2024 Inclusive and Co-prosperity Finance Awards 2024 hosted by the Financial Supervisory Service. Kyongnam Bank also won the Mid/small-sized Group Bank Institutional Award both in the SME support and self-employed management consulting support categories at the Awards.

**BNK** Busan Bank

**Won the Excellence Award**  
in Supporting Low-income Individuals  
in the small/mid-sized bank category  
for 2 consecutive years

**BNK** Kyongnam Bank

**Won the Excellence Award**  
in Supporting Low-income Individuals  
both in the SME support  
and self-employed management  
consulting support categories

#### Supporting Local Residents with Asset Building

In addition to deposit and loan products that offer preferential interest rates to support asset-building, BNK Financial Group provides products and services that bring tangible benefits to the daily lives of local residents, including the Multi-Children Love Card specialized for families with multiple children, the Braille Card for the visually impaired, and the Citizen Happiness Card which can be used for various government-issued vouchers.



#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
  - **Promoting finance for co-prosperity and inclusion**
  - Protecting the rights and interests of financial consumers
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

# Promoting Finance for Co-prosperity and Inclusion

## Strategies and Activities

## Targets and Metrics

### • Asset-building Financial Products and Services for Local Residents

Subsidiary	Key Support Measures
<b>BNK</b> Busan Bank	<ul style="list-style-type: none"> <li>• Provided financial benefits specialized for youth                             <ul style="list-style-type: none"> <li>- Provided financial benefits through co-prosperity products aligned with Busan City's youth policies, including 'Busan Bank Youth Leap Account' and 'Busan Youth Double Happiness Account'</li> </ul> </li> <li>• Launched special mortgage loan programs                             <ul style="list-style-type: none"> <li>- Supported new loans totaling KRW 1.5 trillion</li> <li>- Provided preferential interest rate reductions (0.20%p in H1, 0.25%p in H2)</li> </ul> </li> <li>• Reduced prepayment fees for household loans                             <ul style="list-style-type: none"> <li>- Fixed-rate mortgage loans: 1.50% → 0.71%</li> <li>- Variable-rate credit loans: 1.00% → 0.11%</li> </ul> </li> <li>• Launched preferential loans for long-term employees (Jun. 2024)                             <ul style="list-style-type: none"> <li>- Provided increased loan limits and preferential rates based on the years of employment</li> </ul> </li> <li>• BNK Baby Angel Savings                             <ul style="list-style-type: none"> <li>- Provided high interest rates for proof of childbirth or multiple children</li> </ul> </li> <li>• Happy Tomorrow Card                             <ul style="list-style-type: none"> <li>- Supported vocational high school students with employment</li> </ul> </li> </ul>
<b>BNK</b> Kyongnam Bank	<ul style="list-style-type: none"> <li>• Launched the BNK With-us Free Savings Account                             <ul style="list-style-type: none"> <li>- Provided preferential rates to customers who have moved into the region</li> </ul> </li> <li>• Launched Hope Installment Savings for shipbuilding employees in Ulsan                             <ul style="list-style-type: none"> <li>- Launched installment savings products for shipbuilding workers in Ulsan under the MoU with Ulsan City</li> <li>- The local government provided financial support while the bank supported through preferential rates</li> </ul> </li> <li>• Youth support cards aligned with local governments                             <ul style="list-style-type: none"> <li>- Supported activity and business operating expenses for job-seeking youth in Gyeongnam, Ulsan, and Changwon (Gyeongnam Youth Dream Card, Ulsan Youth 1919 Card, Youth Startup Support Card in Changwon)</li> </ul> </li> </ul>

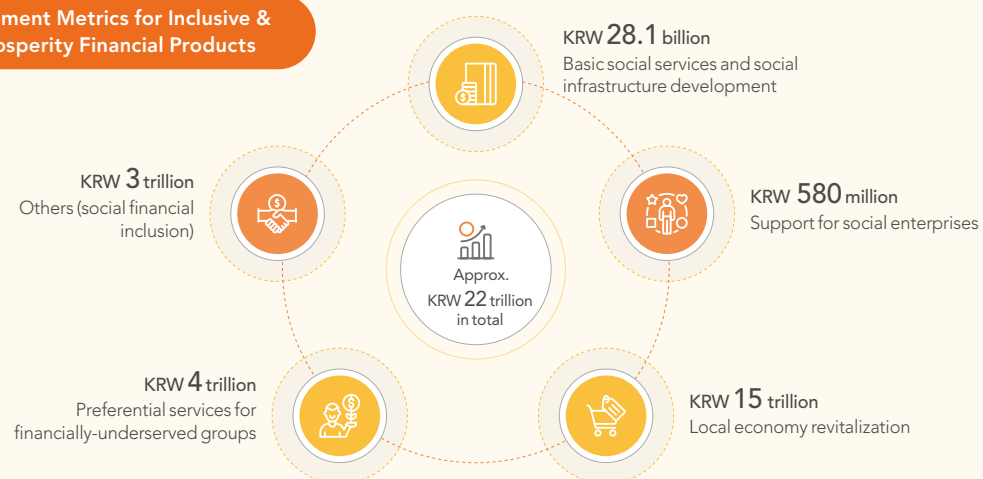
### Management Metrics for Inclusive & Co-prosperity Financial Products

#### Products and Services for Inclusive Finance

**BNK** Busan Bank **BNK** Kyongnam Bank

Category	Loan	Transaction Account	Savings Account	
Product	<ul style="list-style-type: none"> <li>• Sunshine Loan Bank</li> <li>• Stepping Stone Mid-Range-Interest Rate Loan</li> <li>• New Hope Seed Loan</li> <li>• Safety Net Loan</li> <li>• Sunshine Loan 15-17</li> <li>• Regional Guarantee Loan, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Baekse Youth Pension Account</li> <li>• BNK Happiness Keeper Account</li> <li>• My Steady Pension Account</li> <li>• BNK Hope Keeper Account</li> <li>• BNK Happiness Keeper Account, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• BNK Hope Fostering Installment Savings</li> <li>• Busan Bank Youth Leap Account</li> <li>• Busan Youth Double Happiness Account</li> <li>• BNK Baby Angel Installment Savings</li> <li>• Baekse Youth Silver Savings</li> <li>• Changwon City Youth Tomorrow Account</li> </ul>	<ul style="list-style-type: none"> <li>• BNK Gyeongsangnam-do Mutual Growth Deduction Installment Savings</li> <li>• Hope-gathering Savings</li> <li>• ModaDream Youth Savings Account</li> <li>• My Steady Pension Deposit</li> <li>• Together 100-Year Pension Savings Plan, etc.</li> </ul>
Target	Low-income individuals, borrowers with low to medium credit scores, youth, small business owners, self-employed, etc.	Socially-marginalized groups, low-income individuals, the elderly, etc.	Socially-marginalized groups, low-income individuals, the elderly, youth, etc.	
Number of customers	91,727	52,993	92,437	
Number of transactions	105,634	52,999	92,595	

#### Management Metrics for Inclusive & Co-prosperity Financial Products



### Introduction

### ESG Management System

### ESG Performance

#### Environment

#### Social

- Establishing an ESG ecosystem in the southeastern region
  - **Promoting finance for co-prosperity and inclusion**
  - Protecting the rights and interests of financial consumers
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

### ESG Data Pack

### Appendix

# Protecting the Rights and Interests of Financial Consumers

## Governance

### Financial Consumer Protection Policy

Pursuant to the Act on the Protection of Financial Consumers, BNK Financial Group has stipulated the Internal Control Regulations on Financial Consumer Protection, systematically managing overall matters related to consumer protection including internal control standards and operational compliance requirements. In 2024, BNK Financial Group established the Fair Advertising Policy to ensure that its advertising prioritizes the rights of financial consumers as well as basic principles and implementation guidelines. In line with this policy, each subsidiary provides at least one annual briefing or training sessions for employees on key advertising considerations while issuing official notices on advertising regulations and securities registration requirements and conducting advertising reviews and monitoring. Furthermore, we affirm our commitment to abiding by the Financial Consumer Protection Act through the 'Our Resolution' initiative, and prioritize and advance the delivery of top-tier financial services that earn consumer trust and satisfaction.

### Operational System for Financial Consumer Protection

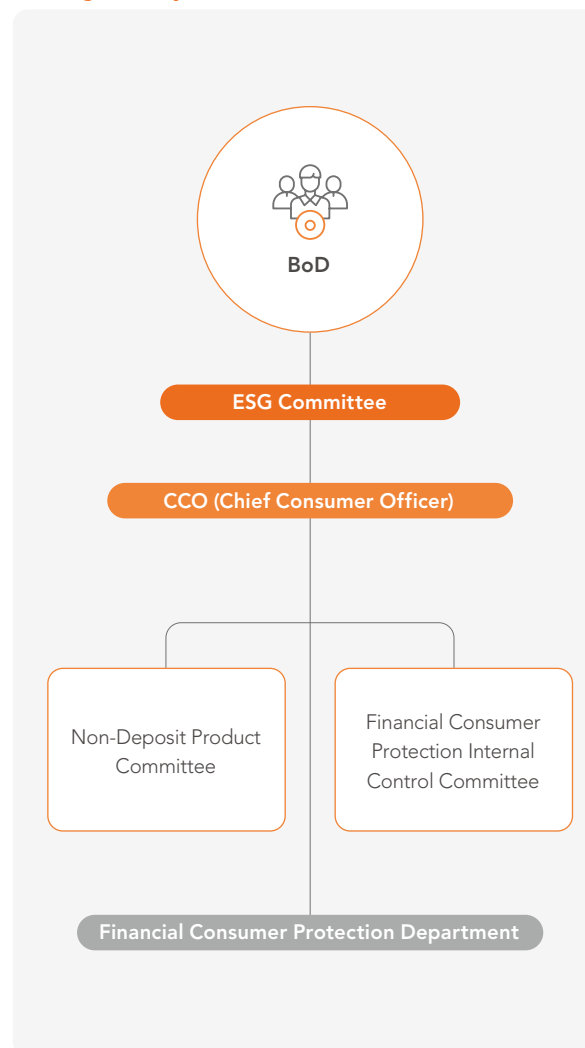
#### Financial Consumer Internal Control Committee

To safeguard the rights and interests of financial consumers, BNK Financial Group is establishing an internal control system that is independent from the sales function, further reinforcing financial consumer protection. Busan Bank, Kyongnam Bank, BNK Capital, and BNK Savings Bank have appointed the Chief Consumer Officer (CCO) who directly reports to the CEO, ensuring the systematic oversight of operational implementation at all levels of the company. The Financial Consumer Protection Internal Control Committee composed of key executives also convenes semiannually, and its operational outcomes are reported to the Board of Directors to enable policy and risk reviews at the BoD level.

#### Proactive Inspection and Prevention

Leveraging its internal control system, BNK Financial Group conducts rigorous policy and risk reviews and monitoring for proactive inspection and prevention. Busan Bank and Kyongnam Bank operate the internal control inspection team under the Financial Consumer Protection Department, an independent unit which reports directly to the president, while conducting checklist-based inspections on branches and relevant headquarters departments. The results are reported to the bank president and the Internal Control Committee to enhance the effectiveness of the internal control system. The Non-Deposit Product Committee, composed of the CCO and key executives, convenes as needed to oversee the entire lifecycle of non-deposit products, from their selection to sales and post-sales management, preventing financial consumer harm associated with investment product offerings. In addition, major consumer complaints are escalated to the Board of Directors through the Internal Control Committee, ensuring they are reviewed and managed at the highest governance body.

#### • Management System for Financial Consumer Protection



Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

ESG Data Pack

Appendix

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

### Enhancing Financial Consumer Protection Capabilities

#### Employee Training on Financial Consumer Protection

To protect financial consumers, BNK Financial Group conducts training programs for all customer-facing employees at least annually with a focus on key product features and pertinent laws and regulations. In addition to product training, we regularly provide mandatory job training covering topics such as financial consumer protection laws. At Busan Bank and Kyongnam Bank, only employees who have completed this training are authorized to sell financial products. Sales of investment or guarantee-based products are restricted to employees who hold the required external certifications. In launching new products, our employees are required to complete separate pre-launch training.

BNK Capital designates 10th day of every month as 'Day of Financial Consumer Protection' to conduct company-wide training while reinforcing the prevention of mis-selling through on-site inspections of sales agents and brokers. BNK Asset Management provides training focused on financial consumer protection laws and complaint prevention procedures while BNK Securities conducts annual financial consumer protection training for all employees, along with visiting branches quarterly for training and producing internal training videos to help prevent mis-selling.

#### Enhancing Capabilities of Customer-facing Personnel

To improve customer satisfaction, BNK Financial Group operates a range of customized training programs aimed at enhancing employees' customer satisfaction (CS) capabilities. In 2024, Busan Bank provided a monthly 'CS coaching program' for 489 customer-facing personnel across 57 branches while offering one CR Refresh session and one basic/advanced (certification) session for 104 employees. Kyongnam Bank publishes a monthly CS Magazine and provides CS guides for standardized customer services while conducting 443 sessions of in-person CS training, including annual offline training for CS Angels and onboarding training. BNK Capital conducted one session of CS training for all employees and promotes its service quality by recognizing high-performing customer service staff and operating a customer compliment mileage program.

#### • Financial Consumer Protection Training for Employees

Subsidiary	Timeline	Target	Topic
BNK Busan Bank	Jan. 26, 2024	All employees	Understanding of the Financial Consumer Protection Act and internal control items for financial consumer protection
	Oct. 2 – Oct. 31, 2024	All employees	Details and features of financial products (prohibition of unfair solicitation)
BNK Kyongnam Bank	Jan. – Dec. 2024	All employees	Understanding of the Financial Consumer Protection Act and internal control items for financial consumer protection, details and features of financial products (prohibition of unfair solicitation), Observe 'Financial Consumer Protection Day' and conduct quarterly self-assessments and monthly internal training sessions
BNK Capital	Jan. – Dec. 2024	All employees	Financial Consumer Protection Act and complaint prevention
	Jun.- Dec. 2024	Branch employees (240 persons)	Financial Consumer Protection Act in general (sales procedures and sales agent/intermediary management)
	Sept. 2024	Compliance personnel (40 persons)	Financial Consumer Protection Act in general
BNK Securities	Oct. 28 – Nov. 8, 2024	All employees	Key details of the Financial Consumer Protection Act, sales regulations, duty to explain, cases of complaints, etc.
BNK Savings Bank	Oct. 1 – Oct. 31, 2024	All employees	Financial consumer protection in general and financial fraud prevention policies (online training)

#### • CS Trainings and Programs for Enhanced Customer Service Capabilities

All subsidiaries	<ul style="list-style-type: none"> <li>• Mandatory training on the Financial Consumer Protection Act</li> </ul>
BNK Busan Bank	<ul style="list-style-type: none"> <li>• Virtual branch training on financial consumer protection</li> <li>• Job training by financial product category</li> <li>• Regular training on door-to-door sales of deposit/loan products</li> </ul>
BNK Kyongnam Bank	<ul style="list-style-type: none"> <li>• Annual group training for financial consumer protection personnel at all branches</li> <li>• Publish the CS Magazine monthly or more often for complaint prevention and CS training</li> </ul>
BNK Capital	<ul style="list-style-type: none"> <li>• Designate Day of Financial Consumer Protection (10th day of each month) and provide training on the Financial Consumer Protection Act and complaint prevention</li> <li>• Provide CS training for new hires in the credit management department (debt collection)</li> <li>• Provide CS training for all employees</li> </ul>
BNK Securities	<ul style="list-style-type: none"> <li>• Provide financial consumer protection training to all employees annually or more often</li> <li>• Conduct quarterly training to branch sales personnel</li> </ul>
BNK Savings Bank	<ul style="list-style-type: none"> <li>• Provide cyber financial consumer protection training to branches and dedicated staff (11H)</li> <li>• Conduct monthly training to all employees on complaint prevention (semiannual), protection of and response to financially-underserved groups, and procedures for exercising financial consumer rights</li> </ul>
BNK Asset Management	<ul style="list-style-type: none"> <li>• Financial Consumer Protection Act- overview, targets, key details, and recent amendments</li> <li>• FAQ for the Financial Consumer Protection Act</li> </ul>

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

### Customer-centric Consumer Protection System

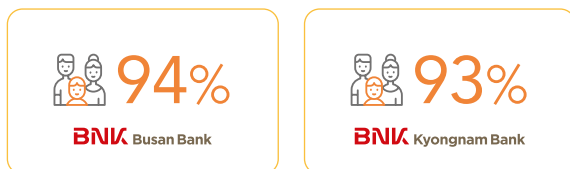
#### Customer Grievance Collection and Complaint Response Systems

BNK Financial Group receives customer complaints via wide-ranging channels, including the corporate website, phone, and fax, and fully integrates this feedback to improve products and services. If a complaint is raised, we swiftly resolve the issue through direct communication with customers, along with system improvements to prevent similar issues. Specifically, a preliminary consultation process is implemented for similar complaints in developing new products. Major complaints are shared across the board each month to prevent their recurrence. At Busan Bank and Kyongnam Bank, progress in handling complaints is reported to the president four times a year, along with quarterly complaint reporting led by the president. Significant cases and actions taken are reported to the Board of Directors through the Financial Consumer Protection Internal Control Committee on a semiannual basis to support systemic issue management.

Customer Complaints Handled and Customer Satisfaction Rates		
	Customer Complaints Submitted and Handled	Customer Complaint Resolution Rate
<b>BNK</b> Busan Bank	952 cases	100%
<b>BNK</b> Kyongnam Bank	582 cases	100%

Complaints Proactively Registered and Prevented	
Complaints proactively registered	Complaints prevented from escalating to the FSS
108	102

#### Customer satisfaction rate in 2024<sup>1)</sup>



<sup>1)</sup> Customer Satisfaction Rate = Number of satisfied respondents to the customer satisfaction survey / Total number of respondents to the customer satisfaction survey

### In Focus

**BNK** Busan Bank

#### Identifying and Managing the Risk of Violating Consumer Rights and Interests

BNK Financial Group systematically identifies and manages complaints that may potentially violate consumer rights and interests. Busan Bank analyzes received complaints to detect relevant risks such as voice phishing and product safety concerns while taking proactive and robust actions to prevent such risks.

Notably, risks are proactively assessed in the product selection phase, and the adequacy of post-sales management is reviewed in light of financial market volatility. In addition, risk mitigation measures are implemented through the analysis of customer complaints, in-depth branch interviews on frequent complaints, monthly complaint status updates, and quarterly mentor-mentee consultation notices. We have set a goal of reducing complaints by a specified rate against the average of the past three years in 2025. To achieve this target, we regularly evaluate the effectiveness of measures taken based on reductions in complaints and consumer satisfaction improvements.

**BNK** Securities

#### Rigorous Management of Complex Financial Products

To further safeguard financial consumers, BNK Financial Group is advancing its pre-screening and post-sales review systems covering the entire process of developing and selling complex financial products, establishing responsible financial sales practices driven by internal controls.

The Complex Product Approval Committee chaired by the Chief Consumer Officer grants prior approval for the development and sale of complex financial products exceeding 20% in potential principal loss. In 2024, the Committee approved two ELS products, one DLS product, one IRS product, one CRS product, and one FX forward & swap product. Approved products undergo post-sales reviews more than once a year to manage their risk beyond the point of sales. The former Internal Control Council was elevated to the Financial Consumer Protection Internal Control Committee which deliberates on systems and key matters relating to financial consumer protection. Annual checklist-based reviews are conducted on departments involved in the sale of financial products to address deficiencies and findings are reported to the Committee.

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

## Protecting the Rights and Interests of Financial Consumers

### Strategies and Activities

#### Reaching Closer to Financial Consumers

##### Operating the Customer Panel System

To deliver customer satisfaction through open communication, BNK Financial Group operates the customer panel system. Busan Bank collects varying feedback on new product planning and development as well as the improvement of existing products and services through its customer panel program 'CX Explorer'. Selected members of the panel present improvement ideas from the consumer viewpoint on monthly assignments and free topics. Actionable ideas are reviewed at the CX Association chaired by the Head of the Management Strategy Group. In 2024, the CX Association met 10 times in total, discussing 96 improvement ideas, out of which 75 were implemented.

Kyongnam Bank also operates a locally-based customer panel to directly capture the voice of customers. Discussion outcomes for a variety of ideas – enhancing mobile banking convenience, difficulties in branch use, prevention of telecommunication-based financial fraud, and metaverse-related ideas – are relayed to relevant departments to drive tangible improvements. In 2024, the 9th cohort of the customer panel

consisting of 12 local customers was launched to engage in discussions on a wide range of topics, including increases in core deposits, feedback on business channel usage, card issuance processes, and service for vulnerable groups. These insights were communicated to relevant departments. In 2025, the 10th cohort is under operation, composed of 13 customers from across the country including people with disabilities and seniors.

##### Financial Consumer Rights Promotion Advisory Group

BNK Financial Group engages in various initiatives to protect the rights and interests of financial consumers and build customer trust. In March 2025, Kyongnam Bank hosted a discussion meeting of the Financial Consumer Rights Promotion Advisory Group composed of seven experts from the business sector, consumer organizations, academia, and the media. This served for participants to present their varying ideas on the topic of 'supporting the enhancement of financial well-being for foreigners and incarcerated individuals'. Their insights will be incorporated into our relevant operations, which will help further strengthen our consumer protection policy.

##### Reinforcing Communication Channels for Financially-underserved Groups

BNK Financial Group continues its efforts to reach closer to financially-underserved groups on multiple fronts. In response to the growing proportion of senior customers, Busan Bank has designated branches tailored to senior customers since 2019. These branches are staffed with Senior Supporters who previously worked as branch managers at commercial banks or as government officials to help serve senior customers. As of 2024, the number of these senior-friendly branches rose to 26 with five additional supporters assigned, ensuring each branch is supported by one full-time senior supporter. Senior supporters provide customized services to customers unfamiliar with banking services, including guidance on how use ATMs and help with paying utility bills. These supporters work four hours a day, up to 10 days per month, allowing us to contribute to creating quality jobs for local seniors.



Kyongnam Bank's Customer Panel Recruitment Notice



Senior Supporters at Busan Bank

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

### Financial Literacy Education for Financial Consumers

To protect the rights and interests of financial consumers and enhance their financial literacy, BNK Financial Group operates a broad range of financial literacy programs tailored to diverse demographics and vulnerable groups. In 2024, we leveraged the power of virtual reality technology to provide metaverse-based, immersive financial education. We also provide specialized financial education covering a broad audience from teens to general financial consumers in partnership with the Korea Exchange, Financial Supervisory Service, Bank of Korea, and other specialized financial and economic institutions, expanding the reach of professional and credible financial education content.

Busan Bank earned the educational donation career experience certification mark from the Ministry of Education in recognition of its high-quality career experience programs. Kyongnam Bank supports 337 schools under its One Company One School program, maintaining its top position among regional banks. This program was recognized as a best practice for financial literacy education by the Ministry of Education, allowing the bank to share its experience as a leading case and win the Grand Prize in a financial career education program competition. BNK Capital posts educational content for financial customers addressing topics such as voice phishing incidents and their prevention methods via its corporate website and social network channels. Since 2025, while much of this content focused on the press releases and promotional materials provided by financial authorities, BNK Capital also plans to regularly upload internally-produced content each quarter to strengthen the protection of financial consumer rights and interests.

#### • Mid- to Long-term Targets for Consumer Financial Education

Category	2024		2025	2026	2027
	Target	Performance	Target	Target	Target
<b>BNK</b> Busan Bank	180	364	210	240	270
<b>BNK</b> Kyongnam Bank	410	659	420	430	440

#### • Key Outcomes of Financial Literacy Education Provided to Financial Consumers <sup>1)</sup>

Target	Subsidiary	Educational Program	Sessions (No. of sessions)	Trainees (No. of persons)	Partner Organizations
Children and Youth	<b>BNK</b> Busan Bank	• Currencies and exchange rates, credit and debt management, Financial History Booth Road, financial career camp for multi-cultural teenagers	314	13,740	Elementary, middle, and high schools in Busan and Gyeongnam, Tongmyong University, Korea Exchange, Busan-Ulsan regional office of the Financial Supervisory Service
	<b>BNK</b> Kyongnam Bank		513	16,587	
Middle-aged/retired individuals	<b>BNK</b> Busan Bank	• Prevention of voice phishing and financial fraud	27	2,294	Senior welfare center in Seo-gu, Busan, Busan Metropolitan City Social Service Agency, Integrated Senior Support Center in Gyeongnam, Jinju Senior College
	<b>BNK</b> Kyongnam Bank		55	3,159	
Foreigners and care leavers	<b>BNK</b> Busan Bank	• Understanding financial terminology, preventing rental fraud, preventing voice phishing, managing allowances and making rational spending decisions	10	208	Aloysius, University of Ulsan International Exchange Center, independent living support institutions
	<b>BNK</b> Kyongnam Bank		87	380	
People with disabilities	<b>BNK</b> Busan Bank	• Preventing financial fraud, currencies and rational consumption, using banking services	17	262	Welfare center for the disabled in Geumjeong-gu, Shinae Rehabilitation Center, Hapcheon Vocational Rehabilitation Center
	<b>BNK</b> Kyongnam Bank		5	90	

<sup>1)</sup> Summarize performance specifically related to targeted groups such as youth and middle-aged individuals out of total financial education performance

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

### Prevention of Mis-selling

#### Selection and Post-Sales Management of Investment Products

Prior to developing and releasing new products, BNK Financial Group systematically operates consultation procedures to prevent consumer harm and potential mis-selling. BNK Financial Group's Risk Management Council is responsible for deliberating on the development of new products and services at the Group level, with the Risk Management Committee under the Board of Directors overseeing this deliberation process. Product departments at Busan Bank and Kyongnam Bank conduct initial checklist-based reviews during product/service development and request preliminary consultations with the Financial Consumer Protection Department, which then provides its feedback by approving, rejecting or conditionally approving the proposed products based on their adequacy.

For non-deposit products which may carry potential losses, the Non-Deposit Product Committee convenes depending on the product's risk level to conduct separate reviews. The Committee must include the Chief Consumer Officer (CCO), the Compliance Officer, and the head of the Risk Management Headquarters, and the CCO reserves the exclusive veto power to ensure the effective operation of the product review process with a focus on consumer protection.

BNK Savings Bank and BNK Capital also facilitate preliminary consultations. BNK Savings Bank internally reviews the potential violation of financial consumer rights and interests while developing products and services with the Compliance Monitoring Department playing a central role. BNK Capital conducted preliminary consultations on financial products on 237 occasions (112 for product development/change/discontinuation, 39 for form development/revision), raising the bar on compliance with consumer protection standards throughout the entire process from product selection to documentation.

#### • Non-Deposit Product Review Process

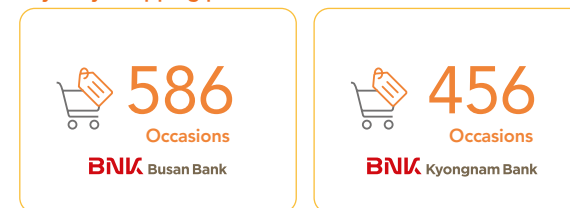


#### Internal Mystery Shopping System

As part of its efforts to prevent mis-selling and unfair practices, BNK Financial Group operates an internal mystery shopping system. At Busan Bank and Kyongnam Bank, branches or customer service staff receiving a mystery shopping score of 70 or below are required to undergo improvement training. Repeated substandard performance may result in a phased restriction on their ability to sell financial products.

BNK Securities conducts semiannual reviews of financial product sales at branches to prevent improper sales practices. These reviews are based on 26 criteria by product category and rated across five levels - excellent, good, average, insufficient and poor. Branches rated 'insufficient' or 'poor' have these results reflected in their KPIs, and the responsible employees are required to complete refresher training. BNK Savings Bank conducts on-site branch inspections through annual internal control reviews as an alternative to mystery shopping. This is complemented by unscheduled, theme-based inspections as needed to manage sales practices.

#### • Mystery Shopping performance in 2024



#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

### Our Debt Collection Policy and Debt Restructuring Programs

In line with our Debt Collection Policy, BNK Financial Group operates fair and systemic debt collection procedures, protecting the rights and interests of debtors. Busan Bank and Kyongnam Bank strictly adhere to the Debt Collection and Loan Sale Guidelines by the Financial Services Commission, and regularly provide employees with relevant training. BNK Savings Bank introduced the External Complaint Penalty System for Violations of Collection Activities to prevent improper collection practices and establish sound debt collection standards.

In addition, BNK Financial Group offers loan modification options for customers who are at risk of delinquency or already in default, taking into account their income-based repayment plans, to support their return to normal financial activities.

Busan Bank is supporting vulnerable groups with their financial recovery through various measures such as refinancing, interest rate reductions, and principal repayment deferrals. To facilitate debt restructuring in line with the enactment of the Personal Debtor Protection Act in October 2024, the bank has eased relevant internal standards, striving to alleviate the burden on delinquent borrowers.

#### • Employee Training on Debt Collection

	Timeline	Target	Trainees	Topic
Busan Bank	Nov. 26, 2024	Debt restructuring personnel	134 persons	Personal Debtor Protection Act
Kyongnam Bank	Oct. 15, 2024 Oct. 18, 2024 Oct. 30, 2024	Loan department personnel/manager, credit card personnel/managers, audit oversight managers	Virtual training for all branches	Personal Debtor Protection Act
Savings Bank	Nov. 5, 2024	Staff from the loan management department and the retail finance management team	12 persons	Personal Debtor Protection Act
Capital	Monthly, as needed	Loan management department, credit information companies	66 persons 54 persons	Credit Information Act, Personal Information Protection Act, Personal Debtor Protection Act, and other laws and regulations associated with debt collection
Credit Information	Quarterly, as needed	Employees involved in debt collection	77 persons	Credit Information Act, Personal Information Protection Act, Personal Debtor Protection Act, and other laws and regulations associated with debt collection

Kyongnam Bank's Credit Loan 119 program not only supports new loans but also allows for loan extensions and renewals, refinancing, and interest rate reductions.

BNK Capital also provided support for socially vulnerable groups and small business owners in delinquency by offering debt relief. For borrowers affected by COVID-19, BNK Capital deferred principal and interest payments and extended loan maturities.

BNK Savings Bank signed an MOU intended to offer 'Restart Funds for Small Businesses and Self-employed Individuals'. To support credit recovery for small business owners and self-employed individuals facing difficulties in repaying their loans due to COVID-19, the bank engaged in its own debt restructuring for a total of 24 cases involving KRW 22.4 billion in outstanding loans.

BNK Credit Information launched a special debt relief campaign for financially marginalized individuals, helping alleviate their debt burden and restore financial stability.

[Debt Collection Policy](#) →

#### • Debt Collection Procedures



Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- **Protecting the rights and interests of financial consumers**
- Digital financial innovation
- Sustainability in Focus
- Fostering regional social value creation

Governance

ESG Data Pack

Appendix

- Establishing an ESG ecosystem in the southeastern region
  - Promoting finance for co-prosperity and inclusion
  - **Protecting the rights and interests of financial consumers**
  - Digital financial innovation
  - Sustainability in Focus
  - Fostering regional social value creation
- Governance

# Protecting the Rights and Interests of Financial Consumers

## Strategies and Activities

## Targets and Metrics

### Targets and Metrics for Protection of Financial Consumer Rights and Interests

#### In Focus



#### Strengthening the Mis-selling Control Framework

##### Rigorous Preliminary Controls over Mis-selling

BNK Financial Group is committed to strengthening controls to prevent the improper sale of financial products. In 2024, we shortened the cycle of branch inspections and trainings from semiannual to quarterly to increase the frequency and effectiveness of on-site management. We also developed internal management measures for relevant employees, further raising the bar in terms of accountability and control level.

To raise awareness of the protection of financial consumer rights and interests, we hosted a ceremony to declare our commitment to consumer protection and designated the first business day of each month as Day of Consumer Protection, launching company-wide campaigns and quiz events to alert employees and motivate their action.

In addition, we introduced account integration services developed by the Korea Financial Telecommunications and Clearings Institute to improve consumer convenience and ensure a safer financial environment while engaging in various support initiatives, including posting consumer alerts on the corporate website and operating solutions to prevent AI-assisted impersonation fraud.

##### • Preliminary Consultations Made for Loan Products in 2024

Preliminary consultations performed in total	Financial products developed, revised, or discontinued	Forms created or revised
242	119	123

##### Operating Preliminary Internal Control Procedures (Preliminary Consultations)

To successfully navigate the rapidly evolving financial landscape marked by the accelerating digitalization of finance and increasingly diversified product sales channels, BNK Securities implements thorough preliminary internal control procedures (preliminary consultations) for responsible departments throughout its entire customer-facing operations, covering customer product guides, events & marketing, investment advertising, and leaflets. As part of these efforts, we identify the mis-selling of financial products and customer complaints as key risks associated with unfair trade and competition, and engage in preliminary consultations to assess such risks. The assessment results inform our efforts to implement risk mitigation measures, including the improvement of product guide formats and the enhancement of disclosures of reference benchmarks used in over-the-counter bond trading. Furthermore, we quantify the performance of these mitigation measures to verify the effectiveness of internal controls, including expanding the coverage of reviews and tracking the number of complaints. This allows us to continuously reduce the likelihood of risk occurrences.

#### Targets and Metrics for Protection of Financial Consumer Rights and Interests

##### Customer satisfaction results



##### Tasks identified and implemented to protect the rights of financial consumers



##### Customers who completed financial education



BNK Financial Group has laid the groundwork to reinforce governance for the protection of financial consumers and drive the integrated, systemic management of relevant data. We set Group-level targets for financial consumer protection and continue to increase the number of training sessions provided, steadily advancing consumer rights and interests.

# Digital Financial Innovation

## Governance

### Implementation Organization for Digital Financial Innovation

To chart our course ahead through digital transformation and innovation, we established the Future Digital Innovation Division in 2024 by integrating the Digital and IT Departments with the Future Innovation Department to explore future growth drivers for BNK Financial Group. In early 2025, this was reorganized into the Customer Value Innovation Division, continuing our efforts to deliver customer-centric, convenient financial services.

#### • Key Agendas of Subsidiaries for the Digital Innovation Committee

BNK Financial Group	BNK Capital	BNK Securities	BNK Savings Bank
<ul style="list-style-type: none"> <li>• Discuss the Group's D-IT directions</li> <li>• Measures to secure BNK Digital's strengths</li> <li>• Digital implementation tasks for convenient finance</li> <li>• DT case studies and plans for branches</li> </ul>	<ul style="list-style-type: none"> <li>• Detection and response measures for customer activity via non-face-to-face channels</li> <li>• DT case studies and plans</li> </ul>	<ul style="list-style-type: none"> <li>• Department-level improvement task identification for DX at BNK Securities</li> <li>• Strategy development to strengthen online channel management</li> </ul>	<ul style="list-style-type: none"> <li>• Measures to eliminate inconveniences in digital channels</li> <li>• Detection and response measures for customer activity via non-face-to-face channels</li> <li>• Group-wide customer profile analysis and response measures</li> <li>• DT case studies and plans for branches</li> <li>• Plans to transition branches to counterless operations</li> </ul>


Since 2023, the Digital Innovation Committee has been up and running under the direct leadership of the Group CEO to share our Group-wide digital vision and direction while reinforcing digital execution. The Committee includes the Group CEO and executives responsible for digital operations at subsidiaries, and engages in regular discussion on the delivery of user-friendly digital financial services and the Group's digital transformation.

## Strategies and Activities

### Digital Finance Strategy


Under the vision of 'strengthening our role as a locally-tailored digital partner', BNK Financial Group is committed to establishing a digital ecosystem that fosters experience sharing through interactions with customers. To emerge as a financial group driving shared growth together with local communities as a regional financial group focused on Busan, Ulsan and Gyeongnam, we advance key businesses anchored on three strategic pillars: 'Regional Bank' delivering daily financial services seamlessly integrated to customers' lives, 'Data Bank' serving as a data-driven communication channel, and 'Technology Bank' facilitating shared value creation.

In 2024, we formed partnerships with key regional institutions and universities to nurture the data industry, an essential asset in the age of rapidly advancing AI technology, solidifying our role as a regional data provider.



**Only Mobile**

Boost competitiveness to enable all operations via mobile channels




**One Channel**

Deliver high-quality customer experiences through one single digital channel



**One Process**

Deliver super-connectivity across channels to support uninterrupted services



**Simple and Speed**

Conduct business through streamlined, high-performance channel services and swift execution



**By AI, All AI**

Enhance efficiency in customer services and business processes through progressive AI technology adoption and implement a unified AI deployment strategy for Group affiliates

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers

##### - Digital financial innovation

- Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

## Strategies and Activities

### Establishing a User-centric Digital Ecosystem

#### Advancing Mobile-based Digital Channels

By providing competitive mobile banking which has emerged as a core channel in the digital age, BNK Financial Group aims to enhance customer convenience and deliver differentiated customer value. In addition to financial services, we offer a wide range of lifestyle-oriented, affiliated content, spanning ticket reservations, brand gift card purchases, travel bookings, and fortune-telling services, along with distinctive non-financial services on our mobile platforms. In the latter half of 2024, Busan Bank and Kyongnam Bank jointly launched the Campus Rock service. As of March 2025, MOUs were signed with major regional universities including Daedong University, Dong-A University, and the University of Ulsan to offer services such as mobile student IDs, electronic attendance, and library reservations. This service will gradually expand its coverage of universities in the years ahead.

#### On/Offline Customer Channel Innovation

We actively embrace infrastructure powered by emerging digital technologies, continuously enhancing the competitive strengths of our customer-facing channels. Busan Bank and Kyongnam Bank have achieved the Web Accessibility (WA) Certification Mark for their mobile banking services, ensuring people with disabilities can easily access and use their services. Kyongnam Bank is currently developing a banking mode for foreign national customers, continuously driving innovation to improve access for financially-underserved groups.

While limited services were provided previously, including 'large text function' on ATMs for seniors, we are now seeking more holistic improvements to enhance accessibility for digitally-underserved groups. These include authentication, language and visual convenience, driving proactive and practical digital innovation.

#### • Online Services for Financially-underserved Groups

Category	Busan Bank	Kyongnam Bank
People with disabilities	• Support assistive technologies for people with disabilities (Android Talk Back, iPhone VoiceOver)	• Introduce voice OTPs for the visually impaired
Seniors	• Enhance large-text mode in mobile banking	
Foreigners	• Establish a non-face-to-face real name verification process for foreigners to enable electronic financial service enrollment and account opening via mobile banking	

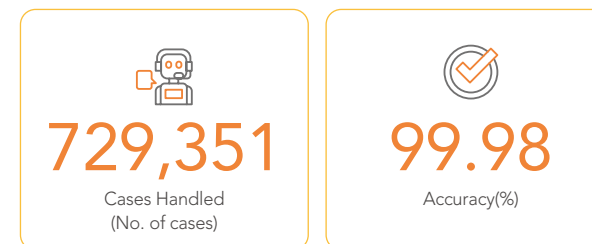
BNK Securities is reinforcing the digital capabilities of its online channels, identifying and systematically implementing key improvement tasks for improved customer experiences.

#### • Key Improvement Tasks for Online Channels **BNK Securities**

Category	Key Details	Expected Benefits
Provision of AI-assisted investment information	Integrate the AI-powered stock recommendation system 'Signal Engine' and the ETF information service 'ETF-CHECK' into the MTS platform	Improve investment convenience and information accessibility
Improvement of the non-face-to-face account opening process	Streamline the process and enhance accessibility based on competitor benchmarking	Increase new customer acquisition and improve user satisfaction
Website enhancement	Overhaul UX/UI and improve usability → 30% up in revisits (nearly 50,000 average monthly visitors)	Strengthen customer experience and boost digital channels

In July 2024, BNK Capital revamped the UX/UX of all its non-face-to-face channels, providing user-friendly features including large-text mode for seniors and an improved convenience mode while increasing customer convenience.

#### • Kakao Channel Chatbot Performance in 2024 **BNK Capital**



Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers

- Digital financial innovation

- Sustainability in Focus
  - Fostering regional social value creation
- Governance

ESG Data Pack

Appendix

### Strengthening Partnerships with Fin-tech Companies

BNK Financial Group prioritizes shared growth with local communities as its core value, enhancing digital innovation capabilities across the southeastern region by nurturing a robust fin-tech industry ecosystem.

#### • Fin-tech Company Partnership Outcomes in 2024

Category	Partner	Key Collaborative Products and Services
<b>BNK</b> Busan Bank	KakaoPay, Toss, Naver Financial, Yanolja, HanaTour, SK Speedmate	<ul style="list-style-type: none"> <li>• Provide loan comparison services through partnerships with fin-tech companies</li> <li>• Provide booking services in partnership with travel/leisure platforms</li> <li>• Provide automotive consumables price check services and maintenance reservations</li> </ul>
<b>BNK</b> Kyongnam Bank	KakaoPay, Toss, Naver, Wello	<ul style="list-style-type: none"> <li>• Provide loan comparison services in partnership with fin-tech companies</li> <li>• Provide policy fund search services for self-employed individuals</li> </ul>
<b>BNK</b> Capital	Baemin Connect, Habit Factory, Finda, KakaoPay, Naver	<ul style="list-style-type: none"> <li>• Provide emergency loan products for Baemin riders and various non-face-to-face financial products for Baemin franchise owners in partnership with Baemin</li> <li>• Provide online quote services for auto finance products (lease/rental) and recurring rental fee payment services in partnership with Finda, KakaoPay, and Naver</li> </ul>
<b>BNK</b> Capital	KakaoPay, Toss, Naver Financial, Seeds Data, KB Fintech, BankSalad, Overtake, AP Thepin, Finda	<ul style="list-style-type: none"> <li>• Provide loan brokerage and linkage services through partnerships</li> <li>• Utilize summarized items for 'national pension subscription workplaces' to generate summarized data items such as average hiring rates, average turnover rates, and the number of subscribers so that they can be used to assess the 'employer' of loan applicants in partnership with Seeds Data</li> </ul>

### Operating StorageB

BNK Financial Group rebranded its fin-tech partnership program as StorageB in November 2023, and has scaled its collaboration with local startups by selecting the 1st cohort of 16 companies and the 2nd cohort of 15 companies in December 2024. As an accelerator platform designed to help local fin-tech companies achieve tangible results, StorageB offers physical space for startups, support for demonstration testing environments, and business upgrade consulting.

BNK Financial Group remains committed to broadening a co-prosperity framework grounded in the region through practical collaboration models that promote joint projects and technology partnerships with participating companies as well as linking their services with BNK Financial Group's internal digital offerings. These efforts drive our commitment to go beyond simple financial support to fostering a digital ecosystem that grows together with local communities.



Recruitment notice for StorageB participants

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers

##### - Digital financial innovation

- Sustainability in Focus
  - Fostering regional social value creation
- Governance

#### ESG Data Pack

#### Appendix

## Strategies and Activities

### Digitally-driven Improvement in Operational Efficiency

To boost employees' operational efficiency, BNK Financial Group has introduced RPA (Robotic Process Automation) to replace simple and repetitive tasks and is progressively expanding its application. We also deploy an e-document system using PC monitors and e-pens for branch counters to reduce the risk of data leaks associated with paper documentation while saving time and resources.

Busan Bank's tablet branch New-B enables financial product consultations and subscriptions as well as various business processes without spatial constraints. This allows users to input information directly to the tablet, eliminating the need for paper forms and pens and supporting real-time transaction processing.

BNK Securities is creating a digital environment by automating repetitive tasks, allowing employees to focus on high value-added work and deliver more innovative services. The company is engaged in digital initiatives aimed at improving employees' operational efficiency.

### Data Management and Analysis System

In 2023, BNK Financial Group established a cloud-based Group Big Data and AI Platform to enhance its data collection and analysis capabilities. This platform helps create a single view of Group customers through data integration across subsidiaries and supports the development of advanced algorithms to provide personalized products and services, bolstering our digital competitive edge on an ongoing basis. Our data-driven strategy serves as a key decision-making engine for BNK Financial Group to remain flexible and responsive amid the rapidly-shifting digital financial landscape.

### RPA Application by Subsidiary

RPA-induced workload reduction (Unit: Hours)	Estimated labor cost savings (Unit: KRW million)	Paperless branches (progress rate)	Automated tasks (Unit: Cases)
[Busan Bank] 160,406 [Kyongnam Bank] 73,219 [Capital] 25,821	[Busan Bank] 3,860 [Kyongnam Bank] 2,294	[Busan Bank] 97.1% [Kyongnam Bank] 91.4%	[Busan Bank] 175 [Kyongnam Bank] 158 [Capital] 114

<ul style="list-style-type: none"> <li>Automation of ongoing monitoring tasks</li> <li>Automation of scanning corporate credit inquiry images</li> <li>Automation of same-day CMS payment suspense deposit collections</li> <li>Automation of downloading/updating credit investigation reports</li> <li>Automation of daily interest rate management registration</li> </ul>	<ul style="list-style-type: none"> <li>Automation of data extraction and upload in the public official ethics system</li> <li>Automation of data extraction and upload in the financial asset inquiry system</li> <li>Automation of classification and scanning/upload of industrial bond documents</li> <li>Automation of maturity processing for the Medical Finance Team</li> </ul>	<b>BNK Capital</b>
<ul style="list-style-type: none"> <li>RPA Phase 2 and 3 system development                             <ul style="list-style-type: none"> <li>- RPA Phase 2: 15 tasks developed (2024)</li> <li>- RPA Phase 3: 15 tasks under development (2024-2025)                                     <ul style="list-style-type: none"> <li>· Big data extraction and processing for Group affiliates</li> <li>· Notifications for complaints/Voice of Customer/compensation requests for IT disruptions</li> <li>· Delivery of official communications from the Korea Financial Telecommunications &amp; Clearings Institute to Koscom</li> <li>· Provision of financial transaction information</li> </ul> </li> </ul> </li> <li>Establishment of a cloud-based call center system                             <ul style="list-style-type: none"> <li>- Enable faster service, cost savings, flexible system scalability through cloud-based customer data integration</li> </ul> </li> </ul>		<b>BNK Securities</b>
<ul style="list-style-type: none"> <li>Automation and efficiency improvement of repetitive manual tasks through RPA system introduction for 15 tasks as of 2024</li> <li>Paperless operations and efficiency improvements through the digitalization of the expense management system</li> </ul>		<b>BNK Savings Bank</b>

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers

- Digital financial innovation

- Sustainability in Focus
  - Fostering regional social value creation
- Governance

ESG Data Pack

Appendix

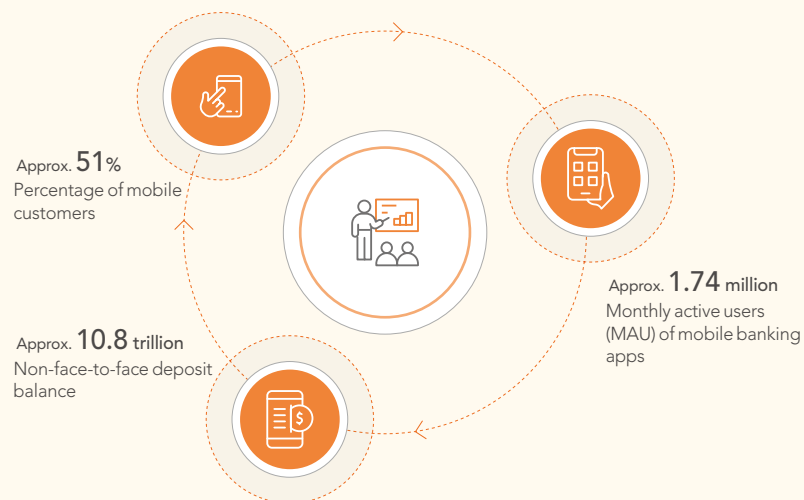
# Digital Financial Innovation

## Targets and Metrics

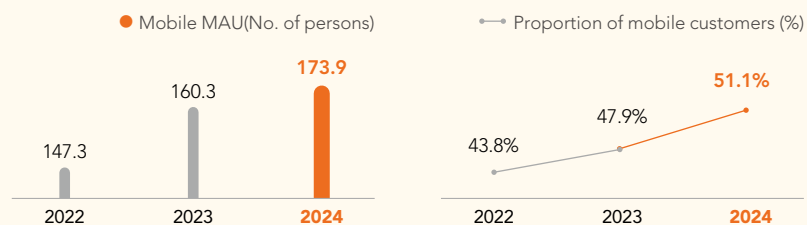
### Targets for Digital Finance

To advance and streamline our operations while improving financial accessibility for customers through digital financial transformation, BNK Financial Group set targets to achieve 5.57 million mobile customers, KRW 24.8 trillion in digital deposits, and KRW 11.5 trillion in digital loans by 2026. We will regularly monitor our progress towards these digital finance targets.

#### Management Metrics for Digital Finance



#### Our Progress in Digitalization



Category	2022	2023	2024
<b>Mobile MAU(No. of persons)</b>	1,472,825	1,603,234	1,738,528
Busan Bank	902,585	998,073	1,046,029
Kyongnam Bank	512,013	540,378	598,075
BNK Capital	44,893	50,786	72,717
BNK Securities	3,538	3,474	5,162
BNK Savings Bank	9,796	10,523	16,545
<b>Percentage of mobile customers(%)</b>	43.8	47.9	51.1
Busan Bank	43.8	48.0	49.1
Kyongnam Bank	49.5	53.7	57.9
BNK Capital	36.3	43.1	58.1
BNK Securities	13.7	14.7	34.9
BNK Savings Bank	12.5	15.2	20.9
<b>Non-face-to-face loan balance (KRW 100 million)</b>	36,540	51,646	77,936
Busan Bank	14,777	19,689	27,564
Kyongnam Bank	13,050	17,647	28,907
BNK Capital	6,155	9,747	15,199
BNK Savings Bank	2,558	4,563	6,266
<b>Non-face-to-face deposit balance (KRW 100 million)</b>	66,032	97,696	108,098
Busan Bank	42,201	62,700	65,381
Kyongnam Bank	21,958	32,463	38,582
BNK Savings Bank	1,873	2,533	4,135

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers

- Digital financial innovation

- Sustainability in Focus
  - Fostering regional social value creation
- Governance

ESG Data Pack

Appendix

## Expanding Regionally-based Digital Infrastructure

The accelerating digital transformation is giving rise to growing demand for digital public service linkage as a way to enhance convenience for local communities and citizens. In step with this shift, BNK Financial Group is adopting advanced technologies and strengthening collaboration with external organizations while continuing the expansion of digitally-based, lifestyle-aligned financial services.

### Connecting Communities through Digital Technology: BNK Financial Group's Integrated Citizen Platform Strategy

As a regional financial group based in Busan, Ulsan, and Gyeongnam, BNK Financial Group continues developing locally-tailored services that offer a wide range of financial benefits to local residents and bring positive impact across local communities. Busan Bank has been operating a local currency platform since April 2022 as the first in the banking industry. As Busan's signature local currency, Dongbaekjeon and its platform drive Busan Bank's commitment to support and collaborate with small business owners and traditional markets, revitalizing the local economy. In 2024, a range of administrative services were linked to the platform through blockchain technology, advancing the platform into Busan's flagship integrated citizen platform.

• 2024 Outcomes

<b>1.51 million</b> Cumulative number of subscribers	<b>KRW 4.5 trillion</b> Cumulative issuance (recharge amount)	<b>KRW 5 trillion</b> (including transactions and cashback)
---	--	--

**Dongbaekjeon**

- Provide cashback and on-site discount benefits
- No fees for QR payments and next-day settlement
- Promote merchants through Dongbaekjeon without additional advertising costs

**Dongbaek Pass**

- Korea's first integrated public transportation discount system
- Refund up to KRW 45,000 as Dongbaekjeon credit when using public transportation with a Dongbaekjeon transit card

**Digital Citizen ID Service**

- DID (Decentralized Identity)-based simple authentication service
- Store various credentials in the citizen ID to use for personal authentication in on/offline services

**15-minute Urban Platform Service**

- Classify 62 areas in Busan based on regional maps to provide information on nearby public facilities and events
- Local Busan news, public facility reservations and payments, citizen/engagement services

**Financial Product Development linked with Dongbaekjeon**

- Dongbaek Account
  - Preferential interest rates based on Dongbaekjeon payments made
- Dongbaek emergency loan
  - Pre-screened small emergency loans for Dongbaek app users without separate document submission
  - Preferential interest rates based on Dongbaekjeon payment history

**Policy Fund Support Service**

- Provide one-stop services for application, receipt, and use of policy support funds offered by Busan City based on the credentials stored in the digital citizen ID

**Busan Happiness Mileage**

- Accumulate mileage through walking, visiting 15minute city facilities, or volunteering to convert it to Dongbaekjeon or redeem it for discounts at affiliated stores

### Boosting the Regional Data Industry

In June 2024, BNK Financial Group signed an MOU with Busan City and Pusan National University to foster the regional data industry. This MOU aims to establish a collaborative ecosystem among Busan's local government, businesses, and universities to build growth engines for regional digital economic development through data industry promotion, job creation, and talent development.

This partnership embodies the shared vision and goal of transforming Busan into a data-powered digital economy city through data provision for the promotion of the data industry, data distribution for data business promotion, and data use for future value creation.

Leveraging its internal data capabilities and expertise, BNK Financial Group will take the lead in regional data ecosystem innovation, actively engaging in the provision of financial data, the resolution of regional social challenges using data, participation in regional data platforms and data exchanges, and the discovery of data-based customized projects.



Signing an MOU to promote the regional data industry

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation

- Sustainability in Focus

- Fostering regional social value creation

Governance

ESG Data Pack

Appendix

# Fostering Regional Social Value Creation

## Governance

### CSR Strategy

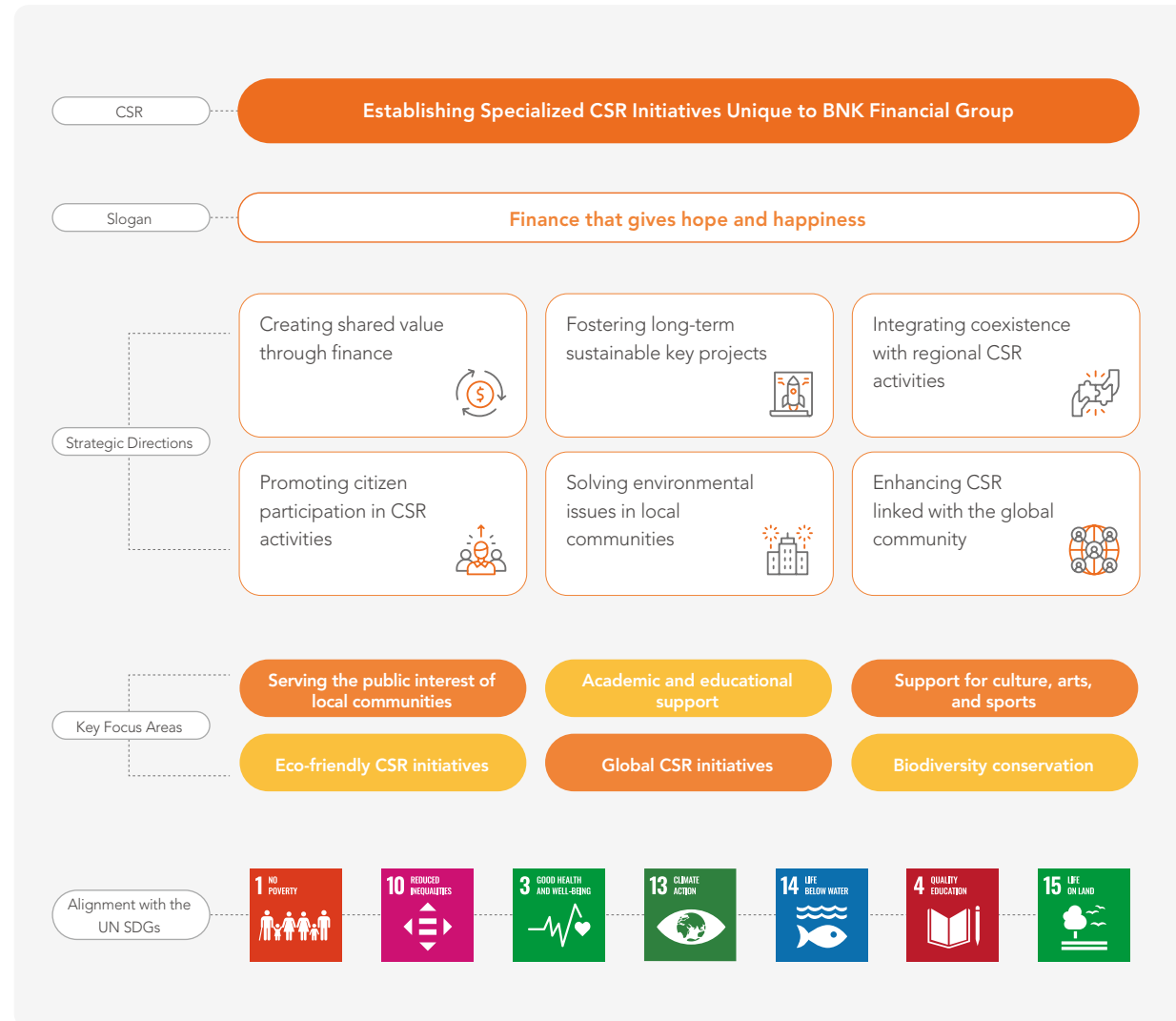
Under the vision 'Finance that Inspires the World', BNK Financial Group pursues a range of CSR (Corporate Social Responsibility) initiatives, placing co-prosperity with local communities at the core of its management philosophy. In 2024, we established the 'BNK Local Community Engagement Policy' to ensure a more systemic fulfillment of our corporate social responsibility. This policy outlines six strategic directions to advance our locally-tailored CSR efforts - creating shared value through finance, fostering long-term sustainable key projects, integrating coexistence with regional CSR activities, promoting citizen participation in CSR activities, solving environmental issues in local communities, and enhancing CSR linked with the global community.

Our CSR strategy extends beyond traditional public interest initiatives and to support culture and arts, encompassing society at large in the areas of childbirth, education, employment, senior welfare, and biodiversity protection. Reflecting our identity as a regionally-rooted bank, we are furthering our CSR efforts that meet specific local needs.

In the event of natural disasters and emergencies, our 'emergency disaster support system' is activated to enable close collaboration among subsidiaries to promptly deliver financial and non-financial aid. We also launch fundraising campaigns that engage employees to deliver much-needed practical assistance to vulnerable groups and crisis-affected areas. In parallel, we run regional co-prosperity campaigns that support traditional markets and small businesses, expanding our role as a financial platform committed to shared growth with local communities.

### • CSR Strategy

BNK Financial Group



Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation
- Sustainability in Focus
- **Fostering regional social value creation**

Governance

ESG Data Pack

Appendix

# Fostering Regional Social Value Creation

## Strategies and Activities

### Serving the Public Interest of Local Communities

#### Supporting Safe School Commutes for Children

To enhance safety for children commuting to school, Busan Bank produced 'safety umbrellas' specially designed for ease-of-use and safety and distributed them to local children. Made with transparent materials, these umbrellas allow clear visibility of the surrounding road environment for children, and are trimmed with red reflective stripes to ensure high visibility for drivers. Busan Bank has been committed to promoting safe commutes for children since 2018, offering backpack safety covers and safety yellow cards to be attached to school bags, helping create safer road environments for children.

#### Hospital Companion Service for Seniors in Busan

In response to the growing number of single-person senior households and their limited access to hospital healthcare services, Busan Bank participates in public-interest CSR efforts in partnership with local welfare facilities. The bank donated five transport vehicles worth KRW 100 million to support hospital users, contributing to the advancement of universal welfare and improved quality of life for local residents.

#### Purchasing and Donating Traditional Market Gift Certificates

Every holiday, Kyongnam Bank donates traditional market gift certificates to support low-income groups to purchase food and daily necessities while invigorating local traditional markets. BNK Venture Capital and BNK Securities also contribute by deducting a set amount of wages from executives and employees in grade 2 or higher positions to purchase these certificates, revitalizing traditional markets and making meaningful contributions to the local economy.

#### Volunteering to Promote the Welfare of People with Disabilities

BNK Financial Group remains committed to supporting vulnerable and marginalized groups. BNK Capital employees volunteered at welfare facilities for people with disabilities, assembling electric cables to promote economic self-reliance for these challenged individuals. They also volunteered at the Busan branch of the Korean Red Cross, baking bread and donating it to care facilities accommodating people with disabilities, doing their part in enhancing welfare for people with disabilities.

#### • CSR Initiatives for Local Communities

Subsidiary	Details
<b>BNK</b> Busan Bank	Launched the 'Dongbaekjeon Happy Mom Box' project as a CSR initiative designed to promote childbirth, donating KRW 70 million worth of newborn care items (diapers, thermometers) to families with newborns
<b>BNK</b> Kyongnam Bank	Saving Gyeongnam and Ulsan Project to address population decline and low birth rates, support for underprivileged groups and welfare facilities during Lunar New Year, cooling shelters at branches, BNK cool summer initiative, traditional market revitalization project, and other community-based sharing initiatives
<b>BNK</b> Capital	Donated rice and rice cake gift sets to social welfare centers, child welfare centers, and senior welfare centers to support the underprivileged during holidays
<b>BNK</b> Securities	Donated 279 cooling mats and 156 electric mats to vulnerable groups through the Busan-Ulsan-Gyeongnam Community Chest of Korea
<b>BNK</b> Savings Bank	Donated 210 servings of ginseng chicken soup to Jaseongdae Senior Welfare Center in Dong-gu to support the health of homebound seniors
<b>BNK</b> System	Made financial donations to Saebit Christian Childcare Center and Aeawon and helped them with PC maintenance and environmental cleanups

#### Establishing a Rapid Response System for Community Disasters

BNK Financial Group stands in solidarity with local communities to support swift recovery from natural disasters and emergencies. As the first company in Busan to establish an emergency disaster relief volunteer team, Busan Bank expanded this team and signed an MOU with the Korean Red Cross to develop an emergency disaster response support system. In September 2024, the team was deployed to Jeonggwan Village in Gangseo-gu, Busan, which was impacted by heavy rainfall, to assist farmers with seeding and restoring their living conditions. Kyongnam Bank swiftly sent its volunteer team to areas affected by local heavy downpours and financially supported recovery from typhoon damages, delivering practical disaster relief.



Emergency disaster relief volunteer team supporting recovery efforts after heavy rainfall

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation
- Sustainability in Focus
- **Fostering regional social value creation**

Governance

ESG Data Pack

Appendix

# Fostering Regional Social Value Creation

## Strategies and Activities

### Providing Academic and Educational Support

#### BNK Happiness Scholarship Project

Since 2007, Busan Bank has provided scholarships to elementary, middle, high, and undergraduate students from vulnerable backgrounds in the region to help foster future local talent. In 2024, a total of 99 students recommended by the Busan Metropolitan Office of Education and other institutions were selected to receive scholarships.

#### Dream-Filled Career Experience Program

Busan Bank's Dream-Filled career experience program targeted high school students wishing to work in the financial sector, nurturing future local talent and promoting career education. Participants visited the bank's head office to experience the financial work environment firsthand and attended a range of financial education programs reflecting the latest trends such as mock investments and the Finance Golden Bell quiz.

#### 1 Company 1 School Financial Education

Busan Bank established ties with 239 schools under the 1 Company 1 School program, providing financial literacy education to over 13,000 students on 302 occasions. Its employees and professional financial education instructors visited these schools to deliver customized education using diverse content with the help of teaching materials and aids, metaverse platforms, and board games.

#### Providing Financial Education through Sister School Ties

Under its financial education program provided through sister school ties established with Busan Computer Science High School, BNK Savings Bank supported 27 students with field trips to the Bank of Korea Currency Museum in Munhyeondong, the Busan Bank Finance History Museum, the Korea Technology Finance Corporation Science and Technology Experience Center, and the Korea Exchange Capital Market History Museum.



BNK Savings Bank's 1 Company 1 School financial education

### Supporting Culture, Arts, and Sports

#### Sponsorship for the Busan International Film Festival

Busan Bank has been sponsoring the Busan International Film Festival (BIFF) for the past 29 years and received a plaque of appreciation in 2024 for its contribution to the advancement of the festival. In recognition of its efforts to promote culture and arts by sponsoring the BIFF, the Young Artists Art Competition and other various cultural and arts initiatives, Busan Bank was named an outstanding institutional supporter for culture and arts.

#### Support for the Festival Shiwol

Busan Bank provided KRW 300 million to support the Festival Shiwol. This initiative aligns with Busan City's global tourism hub city policy as the city's integrated event branding project and contributes to advancing local culture through diverse festivals and improving public access to cultural experiences, enhancing Busan City's status as a global cultural city.

#### Play on Busan Cultural Performances for Citizens

Busan Bank holds free cultural performances for citizens each month at the Ocean Hall in its head office. Play on Busan, meaning 'enjoy in Busan', represents the bank's performance brand featuring performances across various genres to address the region's relatively limited access to cultural experiences. Since its launch in August 2024, Play on Busan hosted seven performances covering classical music, ballet, Korean traditional music, and comedy, providing cultural enjoyment to over 3,000 citizens.



Play on Busan cinema concert and cultural performance

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation
- Sustainability in Focus
- **Fostering regional social value creation**

Governance

ESG Data Pack

Appendix

# Fostering Regional Social Value Creation

## Strategies and Activities

### Hosting the Family Culture Festival

In April 2024, Kyongnam Bank hosted the 'BNK Kyongnam Bank Family Culture Festival' in Gyeongnam (Robot Land) and Ulsan (Ulsan Grand Park). Previously held under the name the BNK Kyongnam Bank Writing and Art Contest, the 34th BNK Kyongnam Bank Family Culture Festival welcomed over 10,000 residents from Gyeongnam and Ulsan to participate in writing (social network poetry) and art (traditional and digital painting) competitions. Those recognized for outstanding skills and talent were awarded along with prize money, including the BNK Kyongnam Bank President's Award, the Gyeongnam Governor's Award, the Gyeongnam Superintendent of Education Award, the Ulsan Mayor's Award, and the Ulsan Superintendent of Education Award.



BNK Kyongnam Bank's Family Culture Festival

### Donating to the Korea Table Tennis Association

Busan Bank donated KRW 650 million to the Korea Table Tennis Association to enhance national prestige through improved athletic performance and strengthen the national team's competitiveness by assisting its participation in international competitions and conducting joint exercises through association sponsorships. This also aimed to promote international sports diplomacy, support the nation's table tennis sports club league, facilitate national-scale competitions, and expand public access to recreational sports.

### Hosting Recreational Sports Competitions in the Gyeongnam Region

Each year, Kyongnam Bank hosts the 'BNK Kyongnam Bank Gyeongnam Institutional, Enterprise, and Recreational Football Tournament' and the 'BNK Kyongnam Bank Gate ball Tournament'. These sports events are joined by institutional, enterprise, and recreational football clubs in the region as well as seniors from cities and counties in Gyeongnam, promoting health and facilitating recreational sports across local communities. In particular, most of the banners and promotional materials displayed for the events are made from biodegradable materials to protect the environment.

### Support for Corporate Teams Competing in Modern Pentathlon

BNK Savings Bank signed a sponsorship agreement with the Busan Sports Council to support a corporate team in modern pentathlon. With donations worth KRW 100 million, the team won a gold medal in modern pentathlon at the 105th National Sports Festival.

### Launching Eco-friendly CSR Initiatives

#### Regionally-Tailored Environmental Cleanups

In celebration of the 3rd BNK CSR Day, over 1,200 BNK Financial Group employees volunteered for environmental cleanups, charitable efforts, and other co-prosperity initiatives under the theme of community love across key business locations in Busan, Gyeongnam, Ulsan, and Seoul.

In Busan, a beachcombing campaign was launched to collect marine litter and address microplastic pollution along the Galmaet-gil trail (Dongbaek Island to Mipo Port) while employees in Gyeongnam engaged in plogging near the Nam River in Jinju. In Ulsan, environmental cleanups and ESG initiatives were undertaken in reflection of specific local needs, including the Taehwa River National Garden in Ulsan and the Han River Park in Seoul.



Galmaet-gil plogging event

### Global CSR Initiatives

#### Overseas Medical Volunteering in Kenya, Africa

Busan Bank donated KRW 20 million to protect medically-underserved areas. The donation supported local medical volunteering through Green Doctors, helped protect medically-underserved areas in Keyna, Africa, and promoted collaboration with government and global organizations while supporting their alignment with continued aid efforts. In so doing, we contributed to strengthening global partnerships and safeguarding people and human rights.

#### Happy Sharing Initiatives at Overseas Subsidiaries

BNK Capital regularly launches 'Happy Sharing' donation events at six overseas subsidiaries to support underserved groups. This involved donating clothing for adults and children, Korean electronic toys, school supplies, and toys to elementary schools, child centers, and welfare foundations located in the areas where these overseas subsidiaries are based as well as to orphanages and care homes outside these areas. In 2024, 438 employees made in-kind donations of a total of 3,793 items.

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation
- Sustainability in Focus
- **Fostering regional social value creation**

Governance

ESG Data Pack

Appendix

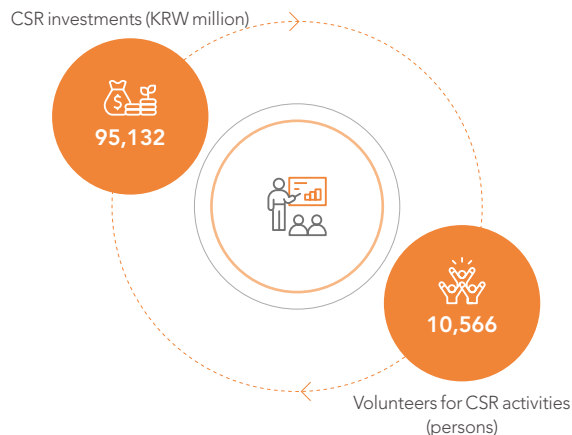
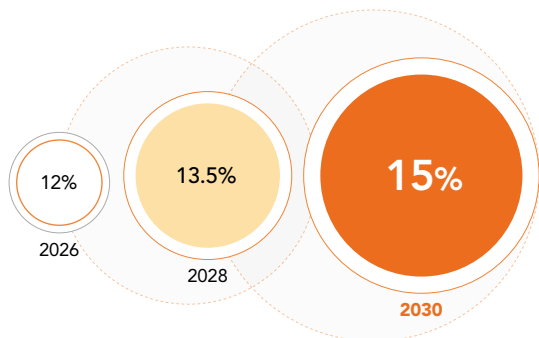
# Fostering Regional Social Value Creation

## Targets and Metrics

### Metrics for Regional CSR Initiatives

To fulfill our social responsibility as a financial institution representing the southeastern region, BNK Financial Group systematically monitors the number of employees volunteering for CSR initiatives and CSR investments made across all subsidiaries. BNK Financial Group also tracks CSR outcomes at the Group level and assesses each subsidiary's contributions, supporting and promoting their efforts to align with our Group-level mid-to long-term CSR strategy.

• Ratio of CSR spending to net income for the period



### In Focus

## Family-friendly Financial Support to Address Low Birth Rates

BNK Busan Bank BNK Kyongnam Bank

### Tailored Financial Products for Families with Newborns and Multiple Children

BNK Financial Group believes that addressing social issues that arise along different stages of the local resident's lifecycle is the essential function of finance and remains proactive and responsible in grappling with these issues.

Following the launch of the You Only Solo Savings in 2023, a special product for the 2030 generation to save for wedding expenses, Busan Bank released the 'Baby Angel Savings' in May 2024. This was welcomed by local residents and reached the limit of 10,000 accounts by February 2025. This product was also recognized by the Financial Supervisory Service as a best practice for 'new financial product for co-prosperity and cooperation'.

Kyongnam Bank also launched the Hi Baby Savings to offer preferential interest rates for households with newborns and multiple children, joining hands in addressing the nation's low birth rates at all levels of the company. BNK Financial Group will continue to expand financial support for families with newborns and multiple children to contribute to countering the depopulation of local communities.



BNK Baby Angel Savings

BNK Kyongnam Bank

### Saving Gyeongnam and Ulsan Projects

Kyongnam Bank is committed to addressing the region's most pressing challenge – low birth rates and regional depopulation. To support Gyeongnam and Ulsan to tackle these critical challenges, the bank is continuously implementing the 'Saving Gyeongnam Project' and the 'Saving Ulsan Project'.

As part of the Saving Gyeongnam Project, the bank delivered BNK childbirth kits (newborn bath supplies) to 250 pregnant women and newborn mothers in May; provided AI coding education to 120 children at local children centers to help bridge the education gap in June; and supported bus visits to science museums for children in November, targeting areas experiencing population decline in the Gyeongnam region. In August, the Saving Ulsan Project served to donate 100 blood donation certificates to support the treatment of pediatric cancer patients, contributing to the protection and well-being of the city's younger population.



BNK employees volunteering to assemble childbirth supply kits

Introduction

ESG Management System

ESG Performance

Environment

Social

- Establishing an ESG ecosystem in the southeastern region
- Promoting finance for co-prosperity and inclusion
- Protecting the rights and interests of financial consumers
- Digital financial innovation
- Sustainability in Focus
- **Fostering regional social value creation**

Governance

ESG Data Pack

Appendix

# GOVERNANCE

: Establishing ethical finance towards sustainability



- 88 Fostering responsible governance
- 97 Advancing the ESG risk management framework
- 102 Establishing a business culture of ethics and compliance
- 109 Sustainability in Focus  
: Human rights risk assessment to build a ethical corporate culture
- 119 Building an ESG-driven corporate culture
- 133 Establishing an Autonomous financial security framework

Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Fostering Responsible Governance

## Governance

### Composition of the Board

BNK Financial Group is establishing transparent and sound governance to advance sustainability management, driving the Group's sustainable growth and upholding the rights and interests of stakeholders including shareholders, customers, and local communities. As of December 31, 2024, our Board of Directors consisted of eight members (1 inside and 7 independent directors), with independent directors representing 87.5% of the total to meet the majority rule stipulated in our internal regulations. Pursuant to Board regulations, the Board is chaired by an independent director who does not serve as the CEO. To support independent directors in making independent decisions and fulfilling their responsibilities, we operate the Board Secretariat as a separate body (3 members as of Dec. 31, 2024).

#### • Composition of the Board of Directors <sup>1)</sup>

Director	Name	Gender	Career	Date of Appointment -End of Term	Average tenure of board members <sup>2)</sup>	Note	Board Skill Matrix								
							Finance	Economics	Management	Corporate finance Accounting	Law	Consumer Protection	IT	Climate	
Inside director (CEO)	Bin Dae-in	Male	CEO, BNK Financial Group / Former) President and CEO, Busan Bank	Mar. 17, 2023 -2026 GSM	24 months		●		●						
Independent director (Board Chair)	Choi Kyung-soo	Male	Current) Advisor, Duri Tax Corporation / Former) Independent director, Busan Bank / Former) Chairman, Korea Exchange	Mar. 26, 2021 -2025 GSM	48 months	Independent director	●	●	●	●					
Independent director	Lee Gwang-ju	Male	Former) Independent director, Busan Bank / Former) Specially-appointed professor, Yonsei University Graduate school of Economics / Former) Deputy Governor, Bank of Korea	Mar. 17, 2023 -2025 GSM	24 months	Independent director	●	●	●						
Independent director	Kim Byung-duck	Male	Current) Senior researcher, Korea Institute of Finance / Former) Independent director, KB Life Insurance / Former) President, Korea Pension Association	Mar. 17, 2023 -2025 GSM	24 months	Independent director	●	●	●						
Independent director	Jung Yeong-seok	Male	Current) Legal affairs counsel, Ministry of Government Legislation (legislative counsel) / Current) Vice President, Korea Maritime Law Association / Current) Professor, Korea Maritime & Ocean University	Mar. 17, 2023 -2025 GSM	24 months	Independent director					●				
Independent director	Oh Myong-sook	Female	Current) Non-executive director, Korea Intellectual Property Strategy Agency / Former) President, Korean Federation of Women's Science and Technology Associations / Former) Non-executive director, Daegu Gyeongbuk Institute of Science and Technology	Mar. 22, 2024 -2026 GSM	12 months	Independent director							●	●	
Independent director	Seo Soo-deok	Male	Former) Independent director, Dongkuk R&S / Former) Honorary Chairman, Korea International Accounting Association / Former) Chairman, Korea International Accounting Association	Mar. 22, 2024 -2026 GSM	12 months	Independent director				●					
Independent director	Kim Nam-kyul	Male	Former) Head of Retail Support Division, Lotte Capital / Former) Auditor, Lotte Capital / Former) Head of RM Division, Lotte Capital	Mar. 22, 2024 -2026 GSM	12 months	Independent director	●		●						

<sup>1)</sup> As of Dec. 2024 <sup>2)</sup> Between the date of initial appointment and the end of Mar. 2025

### Expertise of the Board

BNK Financial Group's Board of Directors is structured to enable effective decision-making by incorporating diverse perspectives to promote sustainable growth, corporate value enhancement, and stakeholder protection, with the expertise of directors in mind. In accordance with the Act on Corporate Governance of Financial Companies and our internal governance regulations, independent directors are selected for their practical experience and expert knowledge in the areas of finance, economy, management, accounting, law, consumer protection and information technology. They are mandated to ensure fairness in the performance of their duty to prioritize the interests of all shareholders and financial consumers over any specific interests.

To prevent overrepresentation of specific areas or professions in the composition of the Board, BNK Financial Group considers a minimum number of directors by area of expertise and maintains a pipeline of independent director candidates with each sector exceeding a predetermined minimum size. The areas of specialty are adjusted flexibly in line with the shifting financial landscape and the company's strategic needs. Directors are appointed when needed through the General Shareholders' Meeting (GSM). The overall composition of the Board is inspected for expertise and diversity at least once a year using the Board Skill Matrix (BSM). Identified deficiencies are addressed prior to the following GSM. The Board Secretariat is responsible for preparing and reviewing the BSM, ensuring that our Board comprises experts from diverse fields including finance, economy, management, law, and corporate finance & accounting.

#### Introduction

#### ESG Management System

#### ESG Performance

Environment

Social

#### Governance

##### - Fostering responsible governance

- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

### Independence of the Board

#### Restrictions on Director Appointments and Concurrent Positions

At BNK Financial Group, director tenure is determined at the General Shareholders' Meeting (GSM). This may not exceed three years and can be extended. For the Chairman & CEO, their reappointment is possible only once. New independent directors are appointed for a two-year term, and current directors may be re-elected annually depending on individual term expirations, with a total tenure not exceeding five years. Directors must meet both reactive and proactive qualifications pursuant to our internal governance regulations. If a director fails to meet such requirements, their directorship is automatically terminated.

In accordance with the Act on Corporate Governance of Financial Companies and the independence standards stipulated in internal regulations, directors are appointed through the GSM. Our Articles of Incorporation specify that a majority of the Board be composed of independent directors with proven independence, meaning our independent directors are not allowed to concurrently serve as independent director, non-executive director, or non-executive auditor at other companies. In appointing directors, the Nomination Committee solely composed of independent directors rigorously reviews candidates for their eligibility and disqualifications before submitting nominations to the Board. The Board confirms these candidates and the final appointment is approved at the GSM.

#### Director Succession Management

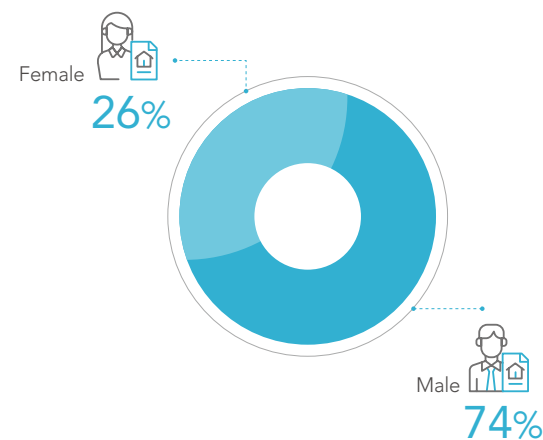
To promote the comprehensive management of director succession and the transparency of governance, we established 'director succession plans' at the 3rd extraordinary Board meeting held on February 28, 2024. In tandem with this, we revised relevant regulations including internal governance guidelines, Board regulations, operational regulations for independent directors, and evaluation criteria for the Board and independent directors, further enhancing the consistency and transparency of our governance relating to director operations.

### Diversity of the Board

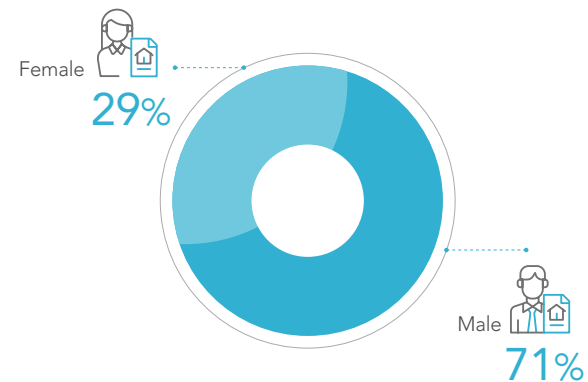
BNK Financial Group prohibits discrimination based on gender, career, age, race, religion, ethnicity, and cultural backgrounds in the composition of the Board and its overall operations, fully guaranteeing the participation of talented individuals from diverse backgrounds. This ensures that our Board broadly represents the viewpoints of varying stakeholders including shareholders and financial consumers.

Pursuant to the board composition requirements specified in the Financial Investment Services and Capital Markets Act, we mandate the appointment of at least one female independent director to ensure diversity in the Board's decision-making process. To enhance the diversity of the Board by increasing the proportion of women independent directors, we also maintain the ratio of women independent director candidates at 20% or higher. As of March 2025, women accounted for 29% of the candidate pool for independent directors, up from 26% in the previous year.

#### • Gender Ratio of Independent Director Candidates in 2024



#### • Gender Ratio of Independent Director Candidates in 2025 (as of Mar. 2025)



Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- Fostering responsible governance

- Advancing the ESG risk management framework

- Establishing a business culture of ethics and compliance

- Sustainability in Focus

- Building an ESG-driven corporate culture

- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Fostering Responsible Governance

## Strategies and Activities

### Board Operations

BNK Financial Group's Board of Directors makes decisions on matters delegated by pertinent laws, the Articles of Incorporation, and the General Shareholders' Meeting as well as matters relating to the company's key policies and major business operations. To this end, we are establishing a risk management system aligned with our management strategy while overseeing internal controls and directors' performance.

The Board convenes regular meetings each quarter and extraordinary meetings as needed. Directors with a conflict of interest on an agenda item are excluded from voting on that item. Unless otherwise stipulated by applicable laws or the Articles of Incorporation, resolutions are passed with a majority of directors attending and voting for. In 2024, the Board met nine times in total, handling 30 resolution agenda items and 46 reporting agenda items. The average attendance rate was 98.3%, significantly exceeding the set target of 80%. To improve the efficiency of Board operations, discussions and pre-meeting briefings are provided. The Articles of Incorporation which serve as the basis for Board operations, are revised as necessary through resolutions passed at the GSM.

#### • Board Operations

Category	2022	2023	2024
Meetings held	13	13	9
Discussion agendas	83	85	76
Resolution agendas	37	34	30
Reporting agendas	46	51	46
Attendance (%)	96.7%	98%	98.3%

### Committees Under the Board

BNK Financial Group operates eight committees under the Board and establishes their operational system by prioritizing independence and efficiency in their composition. As per internal regulations, each committee consists of independent directors representing a majority of total (at least two thirds for the Audit Committee) and is chaired by an independent

director. As of March 2025, all committees, except for the Subsidiary CEO Nomination Committee, were composed of independent directors. In particular, the Chairman & CEO is excluded from the Nomination Committee in accordance with internal regulations, further strengthening the independence and transparency of these committees.

Committee	Composition	Key Roles	Operational Performance
<b>Board Steering Committee</b>	7 independent directors (7 members in total)	<ul style="list-style-type: none"> <li>Make policy decisions on efficient Board and committee operations and corporate governance improvement</li> <li>Deliberate and decide on matters delegated by the Board</li> </ul>	<ul style="list-style-type: none"> <li>Decided on 2025 plans for Board operations and independent director activities among others</li> </ul>
<b>Nominating Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Verify, assess and recommend executive candidates</li> <li>Develop and revise CEO succession plans</li> </ul>	<ul style="list-style-type: none"> <li>Selected independent director candidates and preliminary candidates</li> <li>Recommended candidates for independent directors and members of the Audit Committee to be appointed at the GSM from the pool of preliminary independent director candidates</li> </ul>
<b>Compensation Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Establish strategies to improve business performance for corporate growth</li> <li>Set performance targets and evaluation/compensation systems for executives</li> </ul>	<ul style="list-style-type: none"> <li>Confirmed short-term executive performance assessments and compensation for 2024</li> <li>Confirmed long-term executive performance assessments and compensation for 2022</li> <li>Set short/long-term executive performance assessment criteria and sign contracts for 2025</li> <li>Prepared and disclosed the 2024 annual report outlining the compensation system</li> </ul>
<b>Risk Management Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Approve policies governing risks of the company and its affiliates and oversee their compliance</li> </ul>	<ul style="list-style-type: none"> <li>Provided quarterly reports on risk limit management, capital adequacy, asset quality, decisions made by subsidiaries' risk management meetings and other matters reported to the Risk Management Committee, along with a Q&amp;A session</li> </ul>
<b>Audit Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Present audit planning, execution, evaluation, post-audit, and improvement measures</li> <li>Matters delegated by pertinent laws, the Articles of Incorporation, and the Board</li> </ul>	<ul style="list-style-type: none"> <li>Took stock of the operation of the internal control system, anti-money laundering practices, internal control over financial reporting (consolidated/separate), internal monitoring mechanisms, and external auditor performance evaluations</li> <li>Reviewed subsidiaries' progress and results for key matters</li> </ul>
<b>ESG Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Establish Group-wide ESG strategies and policies</li> <li>Matters concerning the publication of sustainability reports</li> <li>Inspect ESG-related evaluations by external organizations and progress of ESG management implementation</li> </ul>	<ul style="list-style-type: none"> <li>Established mid/long-term ESG strategies</li> <li>Published a sustainability report and reported on key pending issues relating to Group's ESG</li> <li>Reported on awards granted to the Group and its ESG assessment results as well as Group-level ESG Action Plan outcomes</li> </ul>
<b>Subsidiary CEO Nomination Committee</b>	1 inside director 3 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Assess and recommend subsidiary CEO candidates</li> <li>Establish and revise subsidiary CEO succession plans</li> </ul>	<ul style="list-style-type: none"> <li>Implemented procedures to select CEO candidates for BNK Savings Bank, Busan Bank, Kyongnam Bank, BNK Capital, BNK Asset Management, and BNK Credit Information</li> </ul>
<b>Internal Control Committee</b>	4 independent directors (4 members in total)	<ul style="list-style-type: none"> <li>Establish and review basic internal control policies and strategies</li> <li>Inspect and assess internal control management measures and request improvements</li> </ul>	<ul style="list-style-type: none"> <li>Established basic guidelines and strategies for internal control</li> <li>Developed plans to foster a corporate culture prioritizing employees' work ethics and compliance</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance

- Advancing the ESG risk management framework

- Establishing a business culture of ethics and compliance

- Sustainability in Focus

- Building an ESG-driven corporate culture

- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Fostering Responsible Governance

## Strategies and Activities

### Audit Committee Operations

#### External Auditor Selection Criteria

In selecting external auditors, BNK Financial Group follows a fair and systemic process for candidate assessment, focusing on three key criteria: audit capabilities and experiences, capacity to perform the engagement and independence, and cost appropriateness.

The process begins with assessing candidate accounting firms for their prior audit engagement track records, industry-specific experiences, and consolidated accounting audit experiences to verify their understanding of BNK Financial Group's business and their ability to deliver tailored audit services. We also assess their capability to perform independent and reliable audits based on the composition of their audit team and their system to maintain independence. Proposed audit fees are reviewed to ensure they are reasonably calculated relative to the scope and complexity of the engagement before selecting the finalist.

In the 2022 external audit selection process, these criteria provided the basis for comparing and assessing candidates. The accounting firm which demonstrated a deeper understanding on our business structure and efficiency from the viewpoint of consolidated accounting received the highest score and was selected as the external auditor. The selected external auditor performed accounting audits for the fiscal years 2023 to 2025.

#### Protecting the Independence of External Auditors

To rigorously protect the independence of external auditors, BNK Financial Group restricts their provision of non-audit services as a general principle. Exceptions are allowed only for certain non-audit services such as tax adjustments which do not compromise their independence. These exceptions still undergo comprehensive review to take into account their adherence to applicable regulations – Article 21 of the Certified Public Accountant Law and Article 14 of the Act's Enforcement Decree – potential threats to independence, contractual necessity, and the appropriateness of service fees. External auditors are strictly prohibited from engaging in consulting services, such as financial strategy development and M&A advisory, that could influence our corporate decision-making.

Reporting Standards and accounting audit standards, in performing audit work. The assessment also covers the adequacy of their overall external audit operations covering audit planning, audit methodologies, and the reporting of audit findings. The third meeting of the Audit Committee held in 2025 served to evaluate the appropriateness of external auditor performance for the 2024 fiscal year, with no specific concerns identified.



Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- **Fostering responsible governance**
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Fostering Responsible Governance

## Strategies and Activities

### Managing the Pipeline of Independent Director Candidates

We ensure the systemic identification and management of independent director candidates through the Nomination Committee, with an aim to appoint independent directors who satisfy the qualifications in terms of career, background, and gender as stipulated in the Act on Corporate Governance of Financial Companies and relevant laws while serving the company's best interest. The Nomination Committee receives recommendations from independent directors, shareholders, and external stakeholders/advisories to establish a pool of candidates recognized for their expertise across varying sectors. The Committee reports to the Board on the management of candidates at least twice a year, ensuring the transparency of the overall process.

The Nomination Committee, tasked with recommending candidates for independent directors and Audit Committee members, is solely composed of independent directors to ensure its independence. The Committee also stringently abides by our operational regulations which prohibit independent directors considered for reappointment from recommending themselves or voting on related agenda items. As of February 2025, the first meeting of the Nomination Committee selected a total of 80 independent director candidates.

#### • Independent Director Candidate Pool Overview <sup>1)</sup>

Category	Number of Candidates(proportion)
Finance	15(19%)
Economics	9(11%)
Management	11(14%)
Law	15(19%)
Consumer protection	5(6%)
Corporate finance & accounting	19(24%)
IT	6(7%)
<b>Subtotal</b>	<b>80(100%)</b>

<sup>1)</sup> As of Feb. 2025

### Competency Enhancement for Independent Directors

#### Education and Training Program Support

To enhance the expertise of independent directors, we provide ongoing training on governance, strategy, accounting, audit, and risk management. To help deepen their understanding on the local economy and the company, the Board Secretariat, as a supporting unit for independent directors, regularly offers updates on BNK Financial Group's business operations, laws and internal regulations governing the operation of the Board, and regular publications from the Group's research institute. The Secretariat also supports independent directors to participate in external training programs. Between January 1 and December 31 of 2024, 43 sessions of education and training were conducted on such varying topics as economy, management, finance, sustainability and risk management. We introduced mandatory training hours for independent directors in 2024 in line with national governance best practices and have since provided training accordingly.

#### Independent Director Discussion Meetings

Pursuant to Board regulations, we host management discussions attended exclusively by independent directors at least once a year, with expenses supported. In 2024, such meetings were held five times. All independent directors participated in these meetings to discuss domestic and international ESG trends and response to ESG assessments as well as BNK Financial Group's Value-up Program.

### Dedicated Supporting Body for Independent directors

The Board Secretariat, established under the Board as an independent body, provides practical assistance to independent directors to ensure their independent operations. The Secretariat is designated as a dedicated unit to support independent directors in accordance with Article 19 of our Independent Director Operation Regulations, and its head should be appointed with approval from the Board. The Secretariat is led by an employee at the department head level or higher who does not hold any concurrent roles, and its members are restricted from serving in functions such as internal audit, compliance oversight, and HR to avoid conflicts of interest.

The performance of the Secretariat is assessed by reflecting feedback from independent directors to enhance the effectiveness of its support function. Independent directors may seek advice from third-party experts and internal staff through support provided by the Board Secretariat. They also receive timely information on corporate governance, financial market trends, and risk management. Independent directors are covered by directors and officers liability insurance to guarantee their independent decision-making. The coverage remains valid through their term and even beyond retirement. In the event an independent director breaches the Articles of Incorporation or neglects their duty to cause damage to the company or third-parties, they are held liable civilly or criminally under internal regulations.

Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- **Fostering responsible governance**

- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

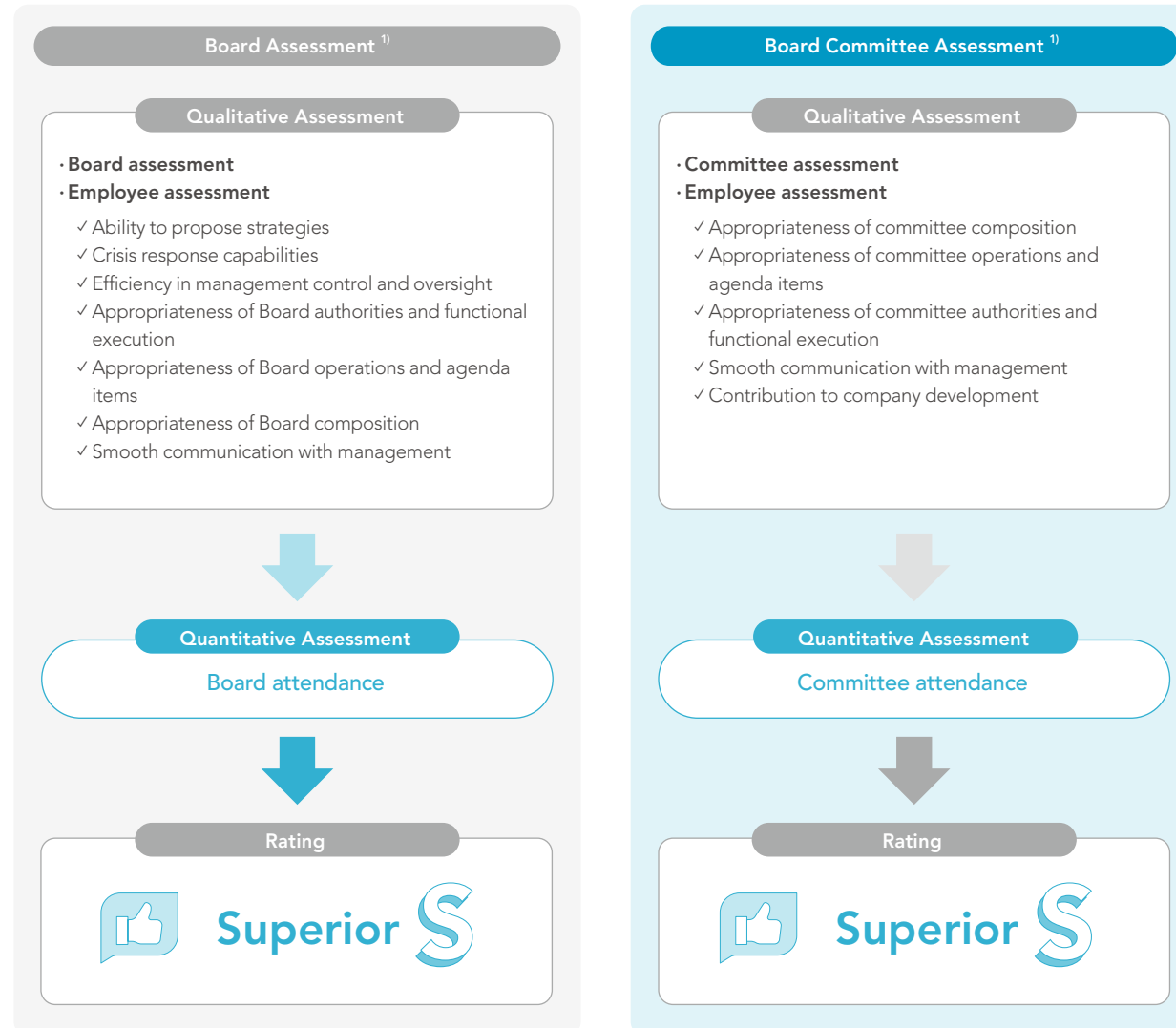
# Fostering Responsible Governance

## Strategies and Activities

### Board and Committee Assessment

In line with governance principles, we inspect overall matters relating to our governance policies each year to assess their relevance while revising and updating these policies to reflect the evolving industry landscape and institutional frameworks. These activities and efforts resulted in improvement in our corporate governance ratings from external assessment organizations. We have been rated A for three consecutive years since 2022 by the Korea Corporate Governance Service.

BNK Financial Group conducts regular reviews and assessments on the Board of Directors and its committee to ensure they duly fulfill their roles and responsibilities as stipulated in applicable laws and internal regulations. Our performance assessment system covering the Board, its committees and independent directors is also inspected for its relevance at least once every three years with the support of third-parties such as external rating agencies.



<sup>1)</sup> Board and committee assessment results for 2024 were provided to the 1<sup>st</sup> Board meeting held in February 2025.

- Introduction
- ESG Management System
- ESG Performance**
- Environment
- Social
- Governance**
- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework
- ESG Data Pack
- Appendix

### Independent Director Evaluation

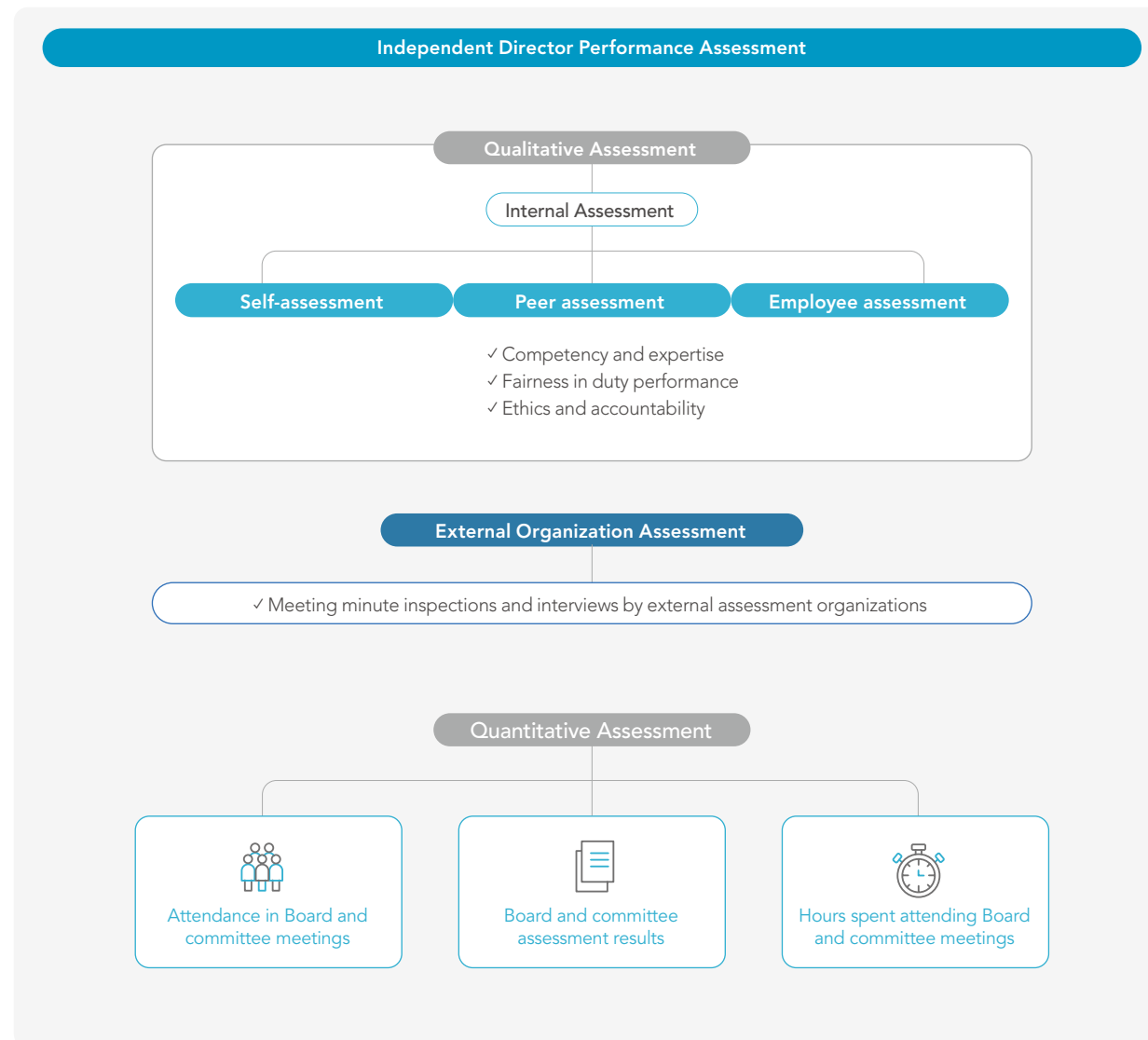
Independent director evaluations are categorized into qualitative and quantitative assessments. The 2024 Board and independent director evaluation was conducted in January 2025 by an external organization with no conflicts of interest. The results were confirmed at the 1st Board meeting held on February 6. To ensure the transparency and fairness of assessments, the results are disclosed through our annual governance report. Independent directors serve an initial two-year term and may be reappointed annually, with a maximum tenure of five years based on fair internal/external evaluations. Pursuant to our internal regulations, internal assessments are conducted at the beginning of each year to evaluate their competencies, qualifications and performance. Alternatively, a qualified external organization may be engaged in assessing independent directors using its own methodology, with final approval granted through a resolution of the Board.

#### Internal Assessment

Independent directors are assessed annually for their activities on the Board and its committees, with evaluations conducted by the Board by the end of February of the following year. These assessments are divided into qualitative and quantitative categories. Qualitative evaluations focus on competency & expertise, fairness in duty performance, ethics, and accountability and are conducted through self-assessments, peer reviews, employee feedback, and external evaluations. Quantitative assessments are based on attendance at Board and committee meetings and evaluation results.

#### External Assessment

To enhance the objectivity and fairness of independent director assessments, we engage external advisory organizations which conduct evaluations using the meeting minutes of the Board and its committees, self-assessments and peer reviews, and overall Board performance outcomes.



Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- **Fostering responsible governance**
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Fostering Responsible Governance

## Strategies and Activities

### Executive Compensation System

At BNK Financial Group, executive compensation is structured into base salary, performance-based pay, and activity allowances. Performance-based pay includes short-term and long-term incentives and is divided into cash and stock price-aligned cash compensation in accordance with the Act on Corporate Governance of Financial Companies. Independent director compensation comprises a base salary, meeting attendance fees, and duty allowances.

Executive performance evaluations reflect the company's financial performance in principle, with varying weights applied depending on the nature of executives' responsibilities. For roles requiring independence - the Chief Risk Officer and the Compliance Officer - separate performance evaluation and compensation standard apply in addition to financial performance. Non-financial indicators such as management innovation tasks, strategic tasks related to individual responsibilities, and collaboration among subsidiaries, are also considered to reinforce management accountability.

Short-term incentives are tied to annual business performance targets set by the Compensation Committee for management and are determined based on quantitative/qualitative indicator assessments and our compensation system. Since 2020, short-term incentives for inside directors have been paid entirely in cash following the confirmation of their performance evaluations while long-term incentives have been provided as stock price-linked cash compensation distributed in equal installments over three years following the confirmation of evaluation results.

### Clawback Policy

We have established a clawback policy for performance-based compensation. Clawbacks are divided into individual and group clawbacks. Individual clawbacks apply when an executive is found responsible for significant losses to the company or receive severe disciplinary action. Group clawbacks apply when business performance deteriorates and are tied to clawback rates determined by clawback evaluation indicators. In cases where financial statements used as the basis for performance-based compensation are rectified due to errors or misconduct, previously disbursed performance compensation is adjusted or recovered to reflect the rectification made.

#### • Key Performance Assessment indicators <sup>1)</sup>

Category	Details
Financial (quantitative) indicators	<ul style="list-style-type: none"> <li>• Profitability indicators: ROE, ROA, RORWA</li> <li>• Asset quality indicators: Actual non-performing loan ratio, actual delinquent loan ratio</li> <li>• Capital adequacy indicators: BIS total capital ratio, BIS Common Equity Tier 1 ratio</li> <li>• Efficiency indicators: Cost Income Ratio</li> <li>• Stability indicators: Double leverage ratio, debt ratio</li> <li>• Shareholder return: Relative TSR</li> </ul>
Non-financial (qualitative) indicators	<ul style="list-style-type: none"> <li>• Management innovation tasks (strengthening the risk management system, diversifying revenue streams, building digital capabilities and future growth drivers)</li> <li>• Evaluation of Internal control over financial reporting and others</li> </ul>

<sup>1)</sup> As of the end of 2024

Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- **Fostering responsible governance**

- Advancing the ESG risk management framework

- Establishing a business culture of ethics and compliance

- Sustainability in Focus

- Building an ESG-driven corporate culture

- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

## Fostering Responsible Governance

### Strategies and Activities

#### Enhancing Shareholder Returns

##### Shareholder Return

In the first half of 2024, we reinforced our shareholder return policy to establish transparent governance and advance management accountability. We retired all treasury shares purchased during the first half of the year and distributed interim dividends. Currently, we are considering additional treasury share buybacks and cancellations. This aims to boost shareholder value and fulfill social responsibility, and is recognized as a key strategic lever to enhance the credibility and accountability of BNK Financial Group.

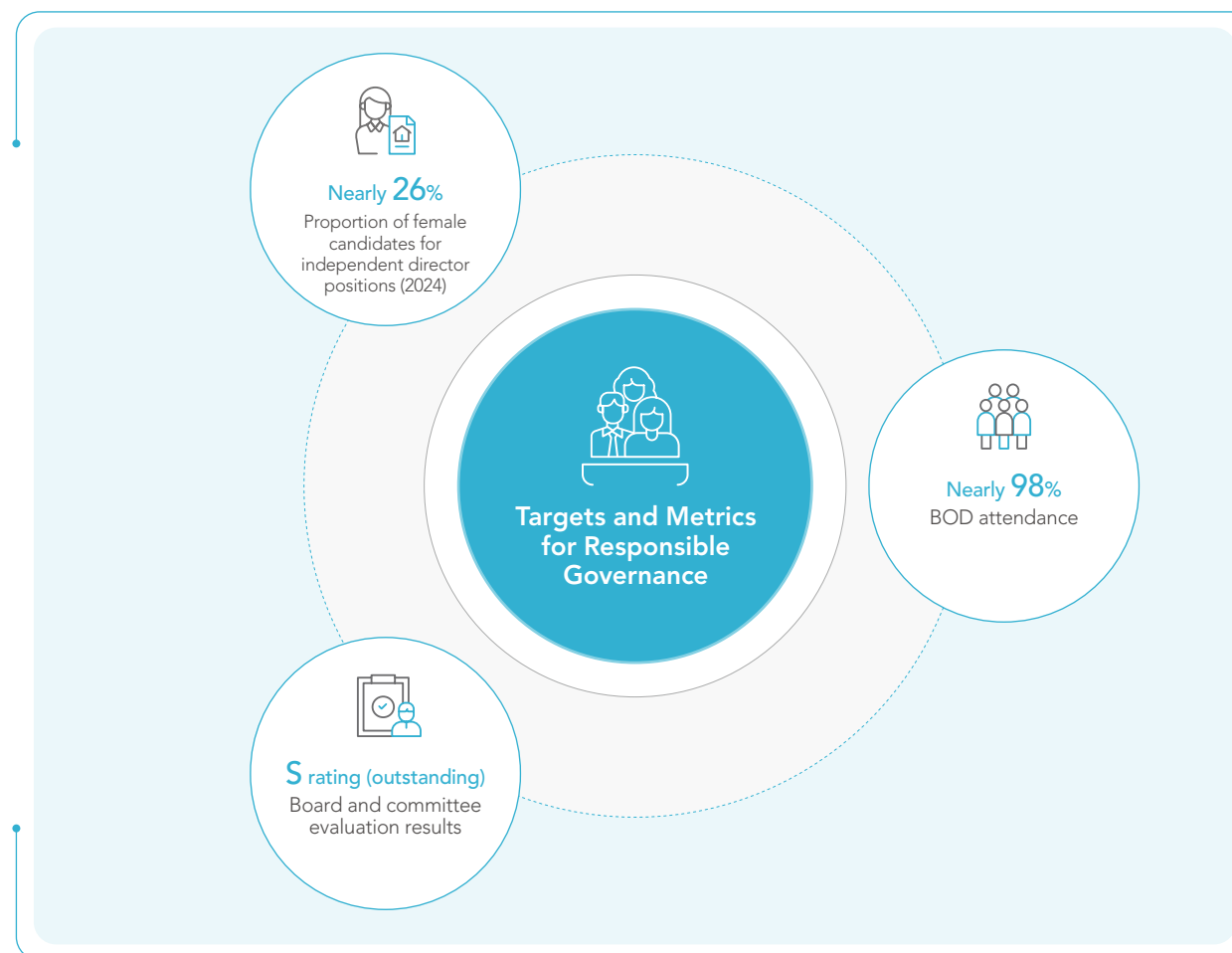
##### Support for Shareholders' Exercise of Voting Rights

We implement a range of support measures to assist shareholders in fully and conveniently exercising their voting rights. BNK Financial Group's Articles of Incorporation specify the one share one vote rule and we do not issue shares with limited voting rights. We have adopted electronic voting to make it convenient for shareholders to vote virtually. We actively encourage proxy solicitation for all shareholders to increase their participation and the exercise of shareholder rights.

### Targets and Metrics

#### Targets and Metrics for Responsible Governance

BNK Financial Group aims to enhance the expertise and diversity of the Board of Directors, and build trust-based relationships with wide-ranging stakeholders through regular monitoring of pertinent indicators as well as relevant disclosures.



# Advancing the ESG Risk Management System

## Governance

### Risk Management Framework

#### Integrated Risk Management Process

BNK Financial Group operates a Group-wide integrated risk management framework, proactively identifying a wide spectrum of risks resulting from shifting internal/external business conditions and evaluating these risks qualitatively and quantitatively while developing corresponding controls and reporting them to the Board.

This framework is centered around the Group Risk Management Committee and anchored on the Group Risk Management Council composed of Chief Risk Officers from BNK Financial Group and its subsidiaries as well as subsidiary-level risk conferences that oversee risk management. BNK Financial Group's Risk Management Department is responsible for overall day-to-day risk management operations.

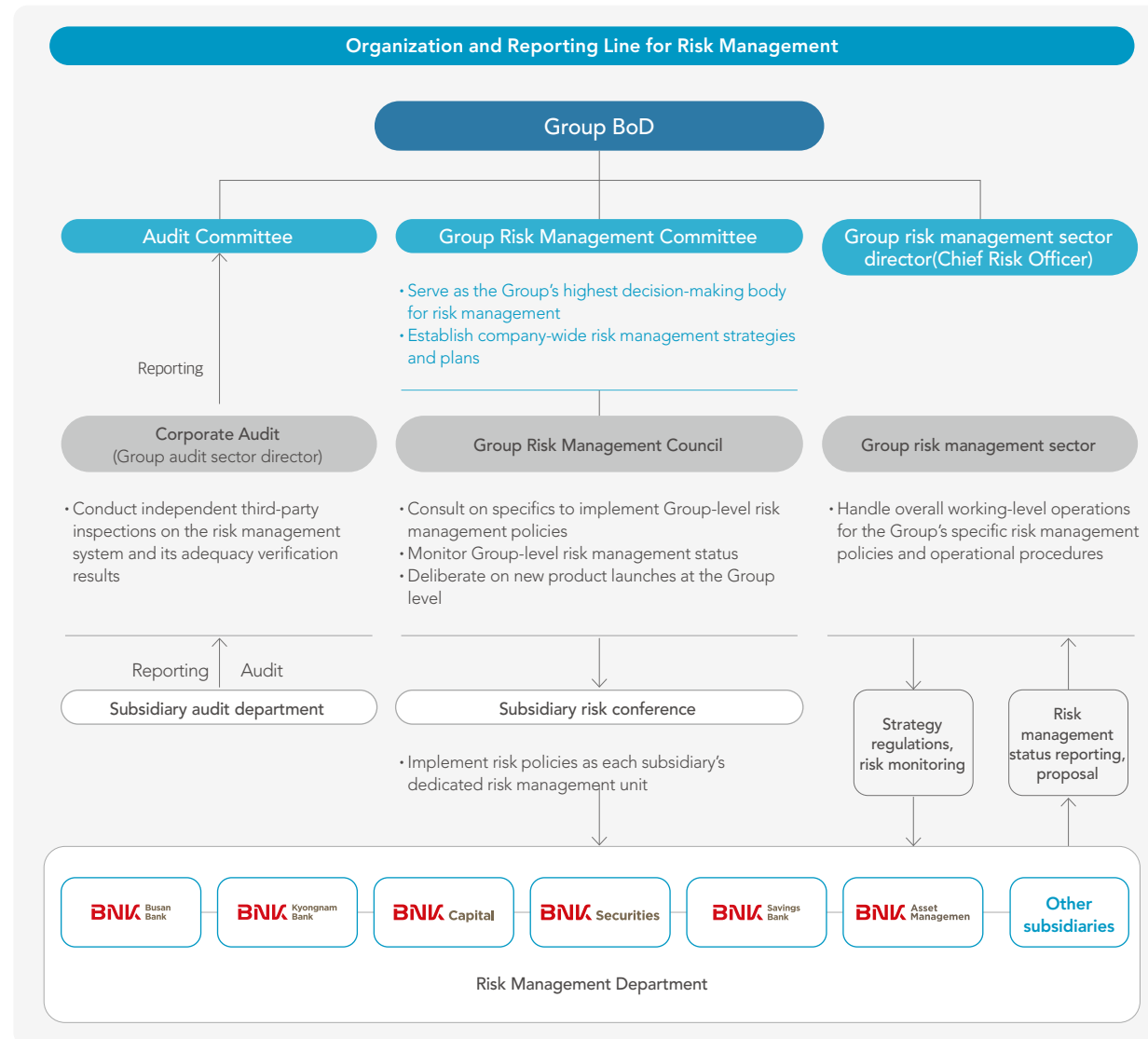
The head of the Group's risk management sector serves as the Chief Risk Officer to support the Risk Management Committee and independently performs Group-wide risk management duties, ensuring both expertise and independence in our company-wide risk management.

#### Risk Management Committee

Our Risk Management Committee plays a central role in managing and overseeing Group-wide risks. The Committee consists of experts in economics and finance who previously worked as independent directors of the Bank of Korea and other financial institutions, and is chaired by an independent director recognized for risk-related expertise. The Committee serves to set risk appetite levels for the Group, approve subsidiary risk policies and monitor their compliance, and inspect key risk management systems.

#### Independent Verification of the Risk Management Framework

To ensure the credibility and effectiveness of our risk management framework, Corporate Audit under the Group's audit sector regularly inspects our risk management process at least once a year from an independent third-party perspective. The findings are reported to the Audit Committee and these inspections are conducted in accordance with the Guidelines on Third-party Inspections of the Risk Management System.



Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance  
- Advancing the ESG risk management framework

- Establishing a business culture of ethics and compliance

- Sustainability in Focus

- Building an ESG-driven corporate culture

- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Advancing the ESG Risk Management System

### Governance

#### Performance Assessment and Compensation for Risk Management

BNK Financial Group recognizes the key role of risk management capabilities in business operations, not merely in regulatory compliance, and is seeking institutional enhancements to fully incorporate these capabilities in its performance evaluation and compensation framework. In particular, we systematically inspect subsidiary-level risk management performance in line with Group-wide risk appetite levels based on such tangible metrics as efforts for credit risk control and capital ratio recovery as key evaluation indicators. In 2024, Busan Bank provided working-level job training to employees at head office departments and branches to enhance their understanding and implementation of quantitative indicators including RWA (Risk-Weighted Assets) and RoRWA (Return on Risk-Weighted Assets). This aims to establish a risk-based performance evaluation framework and advance the overall evaluation framework by considering the risk-profit balance.

The Risk Management Committee oversees the development and monitoring of criteria for the risk-based performance evaluation framework while relevant departments ensure these criteria align with the cash-based compensation system including KPIs and performance pay. This supports us in maintaining a balance between efficient capital management and risk control all while enhancing both sustainability and financial soundness across the organization.

#### • Roles of Risk Management Organizations

Risk Management Committee	<ul style="list-style-type: none"> <li>Set and adjust risk appetite levels at the Group level</li> <li>Approve risk policies of the company and subsidiaries and oversee their compliance</li> <li>Establish and manage an appropriate risk management system to swiftly identify, measure, monitor, and control risks arising from various transactions of the company and its subsidiaries</li> </ul>
Risk Management Council	<ul style="list-style-type: none"> <li>Consult and coordinate specifics to implement Group-level risk management policies</li> <li>Review key Group-level matters such as new product launches</li> <li>Ensure efficient risk management by maintaining risk management policies and strategies across the Group and its subsidiaries and consulting on detailed issues related to overall risk management</li> <li>Deliberate and decide on the matters delegated by the Risk Management Committee and consult on other risk-related matters</li> </ul>
Risk Management Department	<ul style="list-style-type: none"> <li>Perform overall day-to-day work in line with the Group's detailed risk management policies and operational procedures</li> <li>Ensure integrated management under the leadership of the Chief Risk Officer (CRO) overseeing the Group's risk management system</li> <li>Oversee the Group's risk management and implement overall day-to-day operations in line with the Group's detailed risk management policies and operational procedures</li> </ul>
Credit Review Department	<ul style="list-style-type: none"> <li>Enhance asset quality by strengthening credit reviews at the Group level and establish policies governing post-lending management</li> </ul>
Corporate Audit	<ul style="list-style-type: none"> <li>Inspect the risk management framework as an independent third-party, focusing on the systems that affect the Group's capital adequacy</li> </ul>
Credit Validation Department	<ul style="list-style-type: none"> <li>Validate the Group's risk measurement models and tasks related to Group-level risk management to ensure their relevance</li> </ul>
Subsidiary-level risk management units	<ul style="list-style-type: none"> <li>Operate the risk management committee, risk management steering committee, integrated risk management department, credit risk management department, and risk management department (team) at the subsidiary level to implement the risk policies and strategies of the Group and subsidiaries</li> </ul>

### Emerging Risk Management

BNK Financial Group defines emerging risk as potential risks that could significantly impact its overall business operations. Emerging risks are categorized into 'increased internal control and operational risks', 'adaptation to the digital ecosystem', and 'enhanced climate change response frameworks'. Emerging risks are managed as part of our Group-wide risk management system.

#### • Emerging Risk

Adaptation to the digital ecosystem	Background	<ul style="list-style-type: none"> <li>The use of generative AI is increasing across business operations in line with advances in generative AI.</li> <li>Concerns are mounting over algorithmic bias caused by technical issues or unexpected factors in the decision-making process of generative AI.</li> </ul>
	Business impact	<ul style="list-style-type: none"> <li>Algorithmic bias in generative AI applications provided in financial services may result in adverse financial impacts for business operations, such as the loss of high-quality customers or the extension of excessive credit to high-risk customers.</li> <li>Underestimating or overestimating risks related to algorithmic bias affecting generative AI-based anti-money laundering or KYC systems may lead to reputational/regulatory impacts such as regulations imposed by financial authorities.</li> </ul>
	Risk mitigation	<ul style="list-style-type: none"> <li>We are distributing guidelines for employees using ChatGPT. We also form partnerships with key regional institutions and universities to promote the AI industry while addressing technical shortcomings.</li> <li>We upgraded our AI-based STR system in 2024 to enhance its accuracy and efficiency.</li> </ul>
Robust management of internal controls and operational risks	Background	<ul style="list-style-type: none"> <li>In addition to conventional financial incidents such as embezzlement and breach of trust by internal employees, new types of operational risks are emerging such as ICT risk and third-party risk, further highlighting the importance of internal control and operational risk management.</li> </ul>
	Business impact	<ul style="list-style-type: none"> <li>Financial incidents caused by weak internal controls may bring adverse impacts to corporate reputation and overall business operations through declining external credibility, going beyond mere financial losses.</li> </ul>
	Risk mitigation	<ul style="list-style-type: none"> <li>We have established a three-tier control system (business unit, risk management, corporate audit) by introducing the Principles for the Sound Management of Operational Risk (PSMOR) to define specific roles in each control stage and expand functions, improving the effectiveness of control measures.</li> </ul>
Enhanced climate change response framework	Background	<ul style="list-style-type: none"> <li>Response to climate change has impact on overall financial services, including climate-related loans and investment products, across the financial industry, causing direct/indirect financial risks accordingly.</li> </ul>
	Business impact	<ul style="list-style-type: none"> <li>Enhanced climate-related regulations may alter risk exposure levels of investment projects, and this is expected to bring financial impacts such as reduced returns on certain investment assets.</li> </ul>
	Risk mitigation	<ul style="list-style-type: none"> <li>To respond to the transition to a low-carbon economy and the growing consumer demand for green finance, we are advancing our environmental management system while expanding eco-friendly financial offerings and conducting environmental impact assessments as part of PF undertakings, adopting multi-faceted environmental risk management techniques.</li> </ul>

#### Introduction

#### ESG Management System

#### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- **Advancing the ESG risk management framework**
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

- Fostering responsible governance
- **Advancing the ESG risk management framework**
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

## Advancing the ESG Risk Management System

### Strategies and Activities

#### Risk Management by Type of Risk

To remain proactive to the highly volatile financial market and achieve sustainable growth, BNK Financial Group categorizes key types of risk and manages them strategically in line with the Group-wide integrated risk management framework. Credit risk, market risk, interest rate risk, operational risk, credit rating risk, and liquidity risk are focus areas under the Group's risk management framework and are subject to enhanced quantitative assessments and follow-up controls. Foreign exchange settlement risk, strategic risk, reputational risk, and climate-related risk are managed as separate risk categories to develop an independent management system. To keep pace with the evolving business landscape, we identify risks requiring immediate response and develop proactive response strategies accordingly.

Our systemic risk management efforts enabled BNK Asset Management to rank first among domestic asset management companies in the three-year return category for general equity funds and small/mid-cap funds as of August 2024.

We consider risk appetite levels in setting Group-level risk limits and allocate risk limits by affiliate and type of risk to ensure efficient management. In 2024, we set our risk limit with a risk appetite level of 73.3% to maintain internal capital adequacy.

#### • Key Risks by Type

Category		Definition
Key risks	Credit risk	Potential economic losses resulting from debtor defaults or counterparty failure to meet contractual obligations
	Market risk	Losses resulting from changing market conditions such as interest rates, stock prices, exchange rates and commodity prices
	Interest rate risk	Decline in net asset value or net interest income due to interest rates unfavorably affecting financial conditions
	Operational risk	Losses stemming from inappropriate or erroneous personnel or operational procedures, system failures, and external events
	Credit concentration risk	Risk from single or group exposures involving significant losses relative to total capital or total assets to undermine asset quality
	Liquidity risk	Losses resulting from mismatches in asset-liability maturities or sudden cash outflows, leading to the failure to meet payment obligations, the need to raise funds at above-market rates, or the deployment of surplus funds at below-market rates
Other risks	Foreign exchange settlement risk	Comprehensive losses related to foreign exchange transactions
	Strategic risk	Losses resulting from disadvantageous business decisions, inappropriate execution, or a lack of response measures to address changing business conditions
	Reputational risk	Economic losses resulting from poor performance, financial incidents and social controversies that lead to deteriorating public opinions among customers, shareholders and other external stakeholders
	Climate risk	Transfer of physical damages from climate change or poor business performance arising from the transition to a low-carbon economy into the financial sector

- Fostering responsible governance
- **Advancing the ESG risk management framework**
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

# Advancing the ESG Risk Management System

## Strategies and Activities

### Operating an ESG Risk Management Process

To keep current with the rapidly-evolving economic and climate landscape, we operate an ESG risk management process. In 2024, we revised our internal risk management regulations to classify climate risks as a standalone category to ensure their integrated management comparable to conventional key risks. ESG management is incorporated into credit assessments as non-financial factor to proactively manage ESG-related risks stemming from customers. For sectors with high financial intensity (financed emissions/balance), we apply more strict criteria in setting financing limits to ensure these sectors do not hinder the transition to a low-carbon economy. We have also introduced a real-time monitoring system for financed emissions by sector and type of assets to support regular emissions inspection and management. This ESG risk management process applies to our overall product and service development to consider environmental impact and financial consumer protection from the outset.

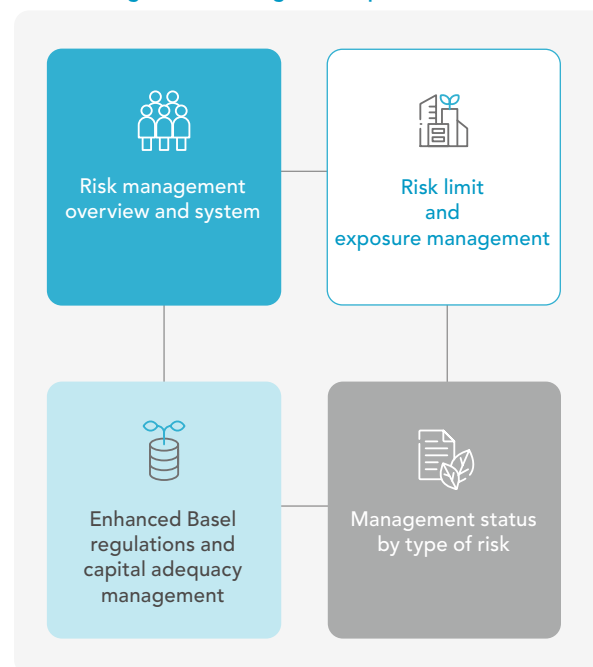
#### • ESG Risk Management Process

Category	Inclusion Review	Post-inclusion Management
Credit assessment	Apply ESG considerations to the internal credit rating calculation process and reflect them in the assessment system	-
Limit management	Manage risks based on the limits adjusted by deducting total exposures for high-carbon sectors	Conservatively consider limit deduction factors in calculating risk limits
Carbon emissions management	Quantify carbon emissions from owned assets and manage the emissions calculation system	Continue measuring total carbon emissions from owned assets and regularly inspect and manage progress against reduction targets

### Risk Management Training

We provide employees and the Board with training on our risk management. In 2024, risk management training was conducted four times for independent directors. Busan Bank conducted 26 days of in-person training for credit personnel at the head office, along with 28 days of virtual training to credit personnel at branches to strengthen Group-level risk awareness. Such training sessions were designed to enhance understanding on the concept of RWA (Risk Weighted Asset) and our RoRWA (Return on RWA) management policy while sharing our mid-to long-term management approaches to capital ratio management and profitability improvement.

#### • Risk Management Training for Independent Directors



## Targets and Metrics

### Targets and Metrics for Risk Management

To maintain a solid foundation for business operations, BNK Financial Group quantifies key risks related to credit, markets, interest rates, operations, and credit concentrations to ensure their systemic management.



# Establishing a Business Culture of Ethics and Compliance

## Governance

### Ethical and Compliance Management System

#### Revising the Code of Ethics

BNK Financial Group revised its Code of Ethics in 2024 to present clear standards of conduct, supporting all employees to put into action the value of 'ethical finance'. Our Code of Ethics outlines ethical guidelines to help employees deliver kind and sincere services to financial consumers and maintain responsible attitudes in fair competition and transactions. We regularly provide relevant training and require employees to sign pledges to ensure they fully understand and comply with the Code of Ethics. We also continuously inspect and update the Code to reflect evolving business conditions and social expectations.

#### • BNK Financial Group's Code of Ethics



#### Ethics and Compliance Organization

The Internal Control Committee chaired by the CEO convenes regularly in accordance with our internal control regulations and reports internal control activity results to the Board each year, with the Board bearing final responsibility. The Internal Control Practitioners Committee composed of working-level personnel from each subsidiary meets each quarter. In 2023, the Internal Control Practitioners Committee Manuals were established to ensure the Committee's operational effectiveness.

BNK Financial Group was the first in the financial industry to establish the Ethics Management Department and promotes close collaboration with the Compliance Monitoring Department, Financial Consumer Protection Department and Money Laundering Prevention Department to reinforce the foundation for ethical finance. Furthermore, we require all employees to pledge to abide by the Code of Ethics at least once every year, regularly assessing our ethics awareness and implementation.

#### Incorporating Ethics Standards in Performance Appraisal

To uphold the values embedded in the Code of Ethics, we incorporate its ethical standards in executive performance evaluations. Busan Bank, Kyongnam Bank, and BNK Securities include internal control items in their short-term executive performance evaluation criteria and factor relevant performance in score calculations, raising top management's awareness of and accountability for internal control. BNK Capital also conducts internal control assessments as part of the CEO qualitative evaluation. In parallel, targeted internal control inspection items are designated at the headquarters level, and inspections and improvements are performed systematically to advance effective ethical and compliance management.

#### Introduction

#### ESG Management System

#### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### Anti-Corruption Anti-Bribery System

In 2024, BNK Financial Group established its Anti-Corruption & Anti-Bribery Policy which applies to all employees including contract workers through approval from the CEO. This policy against bribery and corruption strictly prohibits the acceptance of money and valuables or improper solicitations in conducting transactions with customers, partners (including suppliers), and public officials. In the event money or gifts were received inevitably, they must be returned immediately, with a 'money and gift return report' submitted to compliance personnel and the head of the associated department to ensure transparency. If returning gift or money is not feasible, they can be donated as part of our CSR initiatives, accompanied by a statement explaining the circumstances.

To promote ethical conduct during the holidays, we sent integrity letters to key partners outlining our commitment to prohibiting gift exchanges ahead of the New Year's and Thanksgiving holidays in 2024. Temporary gift return centers were operated before and after the holidays to collect gifts that were difficult to return individually at each branch and office, and these items were donated to social welfare organizations.

Busan Bank opened a partner whistleblowing channel on its website to support partners to directly report employee requests for money, valuables, entertainment or favors, providing a practical tool to implement ethical management.

### Anti-Corruption Risk Management System

BNK Financial Group has established clear anti-corruption principles and an implementation system while applying them at the Group-wide level. Our Anti-Corruption & Anti-Bribery Policy outlines the standards that all employees are expected to uphold, covering fair conduct of business, prevention of conflicts of interest, ban on the receipt of money, valuables, and entertainment, and contractual integrity. We advance ethical management in full compliance with anti-corruption laws and regulations in Korea and overseas as well as our Code of Ethics.

We conduct risk self-assessments in line with the RCSA (Risk Control Self-Assessment) approach to regularly identify and assess corruption risks. The status of relevant controls and necessary improvements are periodically reported to management and the Risk Management Committee to ensure the effectiveness of our control framework. These efforts align with anti-corruption planning and the reporting of detailed implementation, laying the groundwork to strengthen our anti-corruption capabilities at the Group level.

### Whistleblowing Mechanism

BNK Financial Group operates whistleblowing mechanisms to report ethical misconduct with an aim to strengthen ethical management practices. Concerns can be raised through a range of channels, including the websites of BNK Financial Group subsidiaries, the BNK Help-Line mobile app operated by an external specialist organization, and direct phone lines to the ethical management department. All submitted reports remain strictly confidential in principle. To protect whistleblowers, a non-disclosure agreement is signed by all employees who may inadvertently access information related to the whistleblowing case handling process, regardless of the extent of their access, as well as employees responsible for handling whistleblowing cases. Retaliatory actions, such as disadvantages in working conditions or unfair treatment, that result from whistleblowing are explicitly prohibited.

We provide regular training to all employees while offering incentives including rewards and commendations, to those who contributed to preventing losses to the Group through whistleblowing, engaging in diverse initiatives to foster whistleblowing practices. We are also rolling out whistleblower protection and self-reporting systems across all subsidiaries and are conducting regular audits and inspections on compliance with reporting obligations to make relevant systems more effective.

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### Fostering a Corporate Culture of Ethics and Compliance

BNK Financial Group conducts regular training on ethical standards to all Group employees to enhance their ethics and compliance awareness and foster a corporate culture of integrity. Training topics are selected monthly with a focus on potential legal violations that may occur during operations, sharing pertinent laws and real-world cases to substantially deepen understanding on ethical management. This includes training on the prevention of unfair transactions in line with major financial regulations such as the Banking Act and the Financial Investment Services and Capital Markets Act. Employees responsible for credit operations are provided with separate specialized training on the prevention of unfair sales practices.



### • Activities to Foster a Culture of Ethics and Compliance

#### Cross-functional training for all employees

- Conducted compliance training to ensure adherence to various regulations governing the prevention of workplace and sexual harassment, unfair solicitation, money laundering, and corruptive practices



#### Position-specific training

- Conducted tailored internal control training for new employees
- Provided training on ethical standards to newly appointed department and branch heads
- Provided group training on internal controls to audit managers and branch managers
- Provided anti-money laundering training to independent directors and management
- Conducted training on unfair sales practices and related considerations for credit personnel



#### Financial product training

- Implemented measures to strengthen compliance in the sale of non-deposit products
- Provided online training on financial ethics



### Ethical management programs

#### BNK Busan Bank

- Hosted a 'Declaration of Ethical Management Compliance' for all employees including temporary and dispatched staff
- Operated a 'Compliance Officer Outreach' program
- Operated an 'Ethical Management Roundtable' meeting, conducted training on ethical standards and collected grievances on internal controls
- Established the Ethical Management Department and provided on-site training on ethical management to all branches and headquarters

#### BNK Kyongnam Bank

- Established the Ethics Management Department and collected compliance and ethical management pledges from all employees
- Promoted a culture of ethical holiday practices by operating a special reporting period for returning holiday gifts
- Facilitated internal whistleblowing through a designated special reporting period
- Provided online ethical management training covering the prevention of workplace sexual harassment
- Continued to enhance compliance and ethics awareness through on-location training at branches

#### BNK Capital

- Provided face-to-face training with compliance personnel attending to review business processes and financial fraud prevention guidelines
- Conducted compliance training on the donation of holiday gifts to welfare facilities and the prevention of financial fraud
- Hosted a mock whistleblowing event to facilitate whistleblowing (70% participation rate)

#### BNK Savings Bank

- Had all employees sign the compliance and internal control pledge
- (BNK Savings Bank) Conducted individual corruption risk assessments, ethics awareness surveys, a sexual harassment prevention contest and training

#### BNK Venture Capital

- Conducted annual training on ethical standard



Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### Raising Awareness on Accountability Mapping and Internal Controls

#### Advancing Internal Controls and Responding to Responsible Governance Regulations

BNK Financial Group leverages innovative mechanisms to reinforce its internal control capabilities by expanding digital branch audits, opening the CEO Hotline and whistleblowing channels, improving the company regulation management system, and introducing an RPA-based system to automatically register revised internal regulations. Our Accountability Chart Taskforce Team has been up and running since May 2024 to respond to the amendments made to the nation's corporate governance law. In collaboration with an external consultancy, we completed the pilot phase of this initiative on October 30, 2024. The updated accountability chart was re-submitted to the financial authorities and has been implemented at scale since January 2, 2025. We plan to develop accountability descriptions and a system diagram, along with an accountability chart system in July 2025.

#### Raising Awareness on Internal Controls

To promote the effective dissemination of internal control standards and the compliance monitoring system, we have hosted the Internal Control Awards since 2024 for department, office, and branch employees. This employee award program is designed to raise awareness of internal controls and encourage voluntary implementation. In 2025, we plan to lower the eligibility threshold to allow for broader participation. A group-level award system is also in operation to recognize top-performing subsidiaries based on internal control assessment results, with the goal of motivating self-initiated internal control management. Monitoring categories are tailored to the nature and size of each subsidiary to enhance the overall robustness of our control framework.

#### Advancing the Ongoing Monitoring and Inspection Systems

BNK Financial Group assesses all subsidiaries at least once every year to ensure their headquarters departments and branches comply with internal control and business ethics standards. Each subsidiary also conducts regular internal control inspections of their branches and headquarters departments. In 2024, we further aligned our internal control inspection framework by advancing the operation of the ongoing monitoring system, improving the effectiveness of on-site inspections, and conducting targeted, data-based inspections.

Busan Bank and Kyongnam Bank engaged in year-round, real-time monitoring through their comprehensive audit systems, along with scheduled/unscheduled inspections, remote audits, and theme-based reviews. Notably, Busan Bank has established its ongoing monitoring manuals to systematize 181 review categories while conducting special inspections on branches holding excessive on-hand cash, covering 38 branches on five occasions in 2024. In parallel, offline compliance monitoring training (7 sessions with 490 employees (16.36% of total employees) participating) and company-wide online training were provided while top-performers in internal control were recognized to foster a culture of internal control implementation. Kyongnam Bank has introduced dedicated digital branch audit roles and restructured its compliance support system. In 2024, improvements were made on a total of 27 findings.

#### Internal Control Review Outcomes

Category		Target	Cycle
<b>BNK</b> Busan Bank	Branch	141	Annual
	Overseas branch	3	Annual
	Headquarters department	50	1-3 times per year
<b>BNK</b> Kyongnam Bank	Branch	122	Semiannual
	Overseas branch	-	-
	Headquarters department	53	At least once a year
<b>BNK</b> Capital	Headquarters and independent department	9 headquarters and 1 department	At least 1 headquarters each quarter
	Overseas subsidiary	7	At least 1 subsidiary half-yearly
<b>BNK</b> Savings Bank	Implemented	6	Annual
	Branch	1 headquarters	Annual
<b>BNK</b> Asset Management	Headquarters department	2	Quarterly
<b>BNK</b> Credit Information	Branch	5	Semiannual
	Headquarters department	3 headquarters	Semiannual

#### Introduction

#### ESG Management System

#### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### Anti-Money Laundering System

#### Advancing the AML Framework

To proactively respond to international anti-money laundering (AML) standards, BNK Financial Group has established a Group-wide BNK Anti-Money Laundering Policy in reflection of FATF (Financial Action Tak Force) recommendations and revised subsidiary-level internal regulations and manuals. We also introduced a performance evaluation system which awards additional KPI points to certified employees to strengthen our organizational AML expertise. In 2024, we focused on developing an effective response system by implementing IT system improvements (11 cases), creating and refining STR detection rules (16 cases), and conducting theme-based reviews (29 cases) and validity checks (2 cases). A new mobile web channel was introduced to fulfill our Know Your Customer

obligations, improving both accessibility and convenience. In particular, Busan Bank and Kyongnam Bank regularly conduct theme-specific reviews across the core areas of AML – Know Your Customer (KYC), Currency Transaction Reporting (CTR), and Suspicious Transaction Reporting (STR) – in alignment with advertising material checks and special audits during mandatory leave, promptly addressing identified improvements.

Busan Bank developed AML manuals associated with virtual assets and upgraded its STR system using AI to improve the accuracy and efficiency of suspicious transaction reporting. Kyongnam Bank revised its AML work processes and improved relevant systems in collaboration with an external consultancy.

The bank is enhancing its institutional efficiency by clarifying Risk Assessment factors while revising regulations and guidelines 14 times and providing related training. BNK Securities improved its IT system, introduced automatic notifications, and strengthened procedures for high-net-worth individuals to ensure more robust KYC compliance. In early 2025, BNK Securities completed an audit conducted by an external accounting firm with no deficiencies found and is currently preparing to improve internal regulations and manuals while expanding staffing.

#### Key AML Initiatives

##### Suspicious Transaction Reporting (STR)

- Establish a Three Lines of Defense internal control system in line with financial authorities' guidelines to strengthen risk response capabilities
- Develop new suspicious transaction rules and update the monitoring system to detect unusual FX remittances
- Conduct targeted reviews and strengthen ongoing monitoring across all FX transactions

##### Currency Transaction Reporting (CTR)

- Streamline monitoring procedures and enhance operational efficiency using process automation technology
- Develop new automated inspection features for non-face-to-face financial transactions such as ATMs and deploy them on-site
- Improve and automate inspection processes to improve the accuracy and speed of internal controls

##### Know Your Customer (KYC)

- Overhaul the customer identification process for corporate and institutional customers
  - Abolish post-approval procedures and implement full pre-screening for all corporate and institutional customers
  - Conduct targeted inspections on special categories to reflect RBA assessment results
- Undertake projects to enhance the completeness of customer identification (Customer Due Diligence, Enhanced Due Diligence)
  - Issue official internal notices on work procedures by type of customer and thematic area
  - Improve computer systems to promote user convenience while preventing errors
  - Expand monitoring throughout the KYC implementation process

##### Robust AML Management at Overseas Branches

- Revise internal AML regulations at overseas branches
  - Revise ALM operational guidelines to reflect local laws in China and Vietnam
  - Establish a suspicious transaction inspection interface in the GloBS system
- Conduct on-site AML implementation inspections at overseas branches
  - Inspection targets: Ho Chi Minh Branch, Qingdao Branch, Nanjing Branch (Sept. 2024)
  - Inspect the appropriateness of operational processes and compliance with local and internal regulations

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

##### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### AML Training

BNK Financial Group provides regular AML training to all employees to help deepen their understanding on anti-money laundering and economic sanctions compliance. This training covers a wide range of topics, from the concept of AML to relevant laws and systems and assists our employees in obtaining AML-related certifications.

#### • AML Training Provided

Topic	Trainees	Training Hours per Person
Criminalization of money laundering (Mar.)	All employees	30 minutes (cascading training by branch personnel through documentation)
Currency Transaction Reporting system (Jun.)	All employees	
AML laws and regulations (Sept.)	All employees	
Employee Due Diligence and independent audit systems (Dec.)	All employees	
Concept of AML and the introduction of AML systems (online training)	All employees	6 hours (12 hours for employees from the audit/compliance oversight functions)

#### • Employees with AML Certificates

Certificate	Busan Bank	Kyongnam Bank
Certified Anti-Money Laundering Specialist (CAMS)	2 persons	4 persons
Test of Proficiency in Anti-Money Laundering Competency (TPAC)	23 persons	15 persons
Core AML personnel (advanced)	1 person	3 persons
Core AML personnel (basic)	132 persons	89 persons
Certified Branch Compliance Officer (CBCO)	51 persons	7 persons

## Upholding Market Discipline

### Verifying Compliance with Related-Party Transactions Guidelines

To prevent unfair transactions among subsidiaries, BNK Financial Group meticulously inspects compliance on a quarterly basis with the Fair Trade Act, the Financial Holding Company Act and other pertinent laws as well as Group-level related-party transaction guidelines. In compliance with these guidelines, BNK Financial Group conducts quarterly assessments on practices that may undermine fairness, such as the free-of-charge provision of funds, assets, or personnel or transactions made under preferential terms among subsidiaries while continuously monitoring to prevent any unfair intra-Group transactions. In addition, semiannual reviews are conducted of all Group employees for their stock trading records. Specifically, BNK Securities assesses the appropriateness of financial investment product transactions each month to prevent the violation of the Capital Markets Act as well as unfair trading.



### Inspections of Related-Party Transactions

BNK Financial Group operates a rigorous inspection framework to ensure transparency and fairness in intra-Group dealings. The results of Internal transaction inspections are regularly reported to the Board of Directors. At the initiation of any transaction, relevant laws and regulations, including the Monopoly Regulation and Fair Trade Act, the Financial Holding Company Act, and the Commercial Act, are thoroughly reviewed to determine in advance whether the transaction involves improper support or require Board approval. In cases Board resolutions are necessary, we make sure transactions proceed after obtaining prior approval. As of 2024, nearly 700 transactions valued at KRW 18.1 billion were subject to related-party transaction reviews, including new and existing contracts. Aside from this, mutual transactions undergo regular reconciliations and appropriateness reviews each year. Compliance officers report key matters to the CEO or the Audit Committee, and departments responsible for related-party transactions at each subsidiary conduct self-inspections using a pre-transaction checklist for related-party transactions. When judgement is required, a 'request for preliminary review of intra-Group transactions' is submitted to the compliance monitoring department for verification, establishing a Group-level preliminary review framework.

#### • Inspections Made on BNK Financial Group's Related-Party Transactions in 2024

Key Inspection Topic	Inspection Cycle	Inspections Conducted
Inspections conducted by compliance monitoring departments from the holding company and its subsidiaries on the appropriateness of related-party transactions between the holding company and its subsidiaries	Q1	2,128
	Q2	2,236
	Q3	2,302
	Q4	2,533

### Introduction

### ESG Management System

### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

### ESG Data Pack

### Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- **Establishing a business culture of ethics and compliance**
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

# Establishing a Business Culture of Ethics and Compliance

## Strategies and Activities

### Enhancing the Fair Trade Compliance Framework

#### BNK Fair Trade Policy

To ensure full compliance with the Monopoly Regulation and Fair Trade Act, the Fair Transactions in Subcontracting Act, and other pertinent laws, we have established the BNK Fair Trade Policy and provide regular training on fair trade laws and regulations to all Group employees. To enhance working-level implementation, we are strengthening specialized training for procurement personnel with a focus on relevant laws. BNK System's procurement personnel completed a training program titled 'the subcontract payment adjustment system and key issues' hosted by the Korea Fair Competition Federation in May 2024, and shared the learnings within the department, helping to raise company-wide awareness.

#### Group-wide Internal Control and Fairness Framework

BNK Financial Group's Group Internal Control Regulations specify the prevention of unfair trade (Article 25) and conflicts of interest (Articles 26 – 31). These regulations apply to the overall operations of BNK Financial Group and its subsidiaries. Each subsidiary establishes its own guidelines based on internal controls to promote contractual integrity and compliance with the Code of Ethics while applying these guidelines to their day-to-day operations. BNK Financial Group's compliance monitoring department conducts quarterly reviews on the appropriateness of intra-Group transactions while the risk management department assesses inter-subsidary transactions such as mutual credit extensions to proactively manage fair trade-related risks.

#### Enhancing Contractual Integrity and Transactional Transparency

To foster fair and transparent transactions, we are introducing the integrity agreement system across all subsidiaries. Busan Bank includes integrity provisions in its contracts to prohibit unfair practices such as the provision of money, valuables, entertainment and improper convenience. When it is unfeasible to incorporate these provisions, the bank makes it mandatory for counterparties to submit a statement affirming their

commitment to contractual integrity. BNK System has automated the confirmation process for integrity agreement implementation through its integrated procurement system and made a total of 73 improvements including enhanced system accessibility and visibility to prevent payment delays. In May 2024, BNK System overhauled its integrated procurement system website for enhanced communication with a goal of promoting regional co-prosperity and sharing its core values with partners.

### Pursuing Mutual Benefits with Partners

#### Sharing the Value of Health & Safety

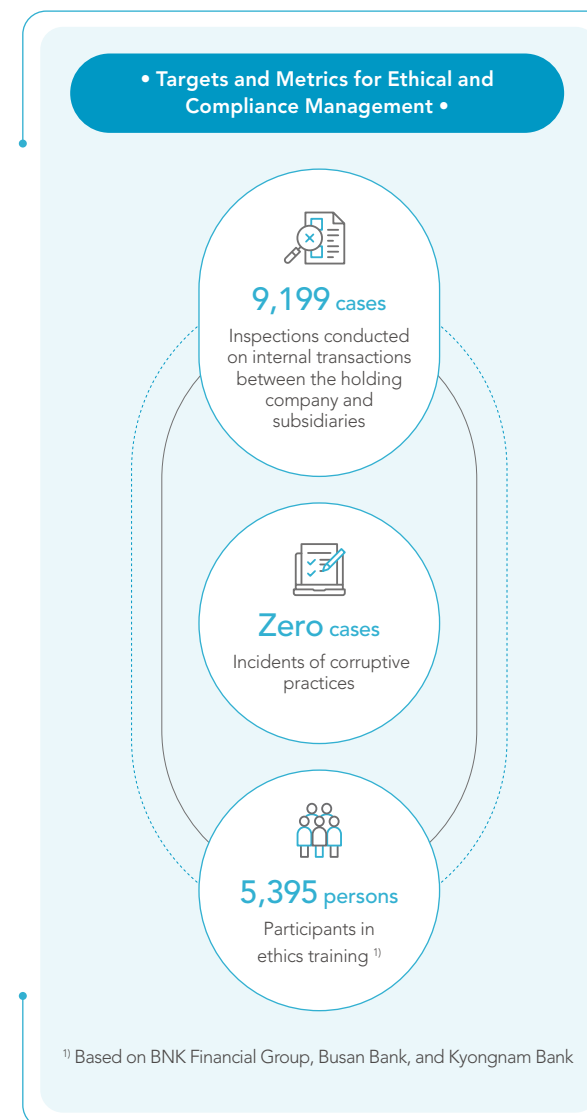
Each of our subsidiaries advances ESG management in their own distinctive ways, pursuing mutual benefits with partners, improving working conditions, and promoting sustainable investing. In so doing, we collectively take the lead in fulfilling social responsibility and delivering environmental value.

#### • Activities to Share the Value of Health & Safety with Partners

Subsidiary	Key Activity
<b>BNK</b> Busan Bank	Mandate the submission of the 'safety compliance pledge' to prevent occupational injuries and strengthen partners' responsibility for safety
<b>BNK</b> Kyongnam Bank	Provide office and rest areas to enhance the well-being of partner employees
<b>BNK</b> Savings Bank	Provide dedicated office spaces for outsourced customer service staff and hold regular discussions to reflect on-site feedback
<b>BNK</b> System	'Establish an automated submission system for the 'statement of confirmation for contractual integrity' to establish fair trade practices and strengthen trust with partner companies

## Targets and Metrics

### Targets and Metrics for Ethical and Compliance Management



## Assessing Human Rights Risks to Foster a Responsible Corporate Culture

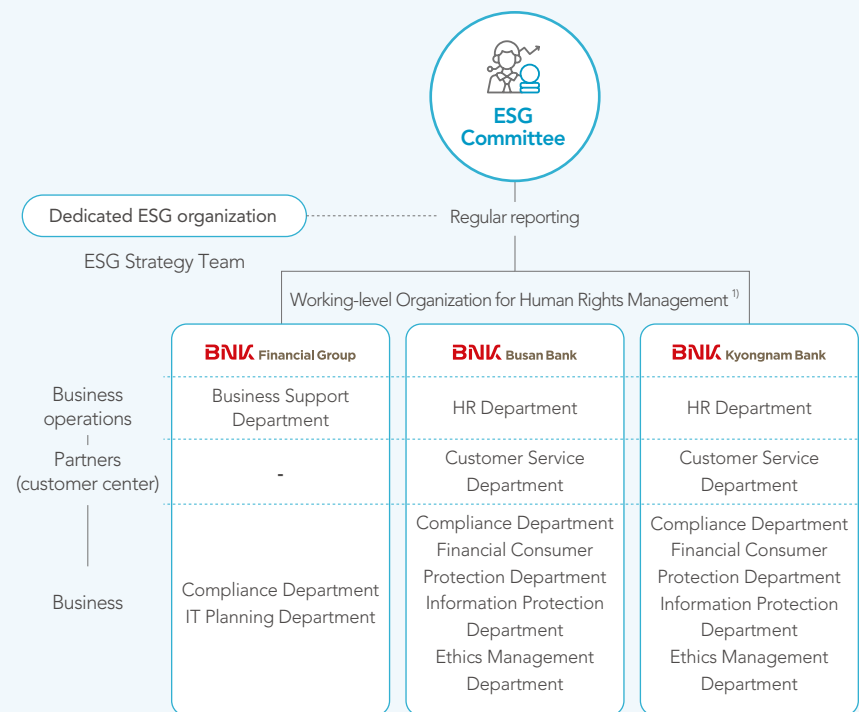
BNK Financial Group is clearly aware of the importance of human rights risk assessments in responding to external requirements, spanning financial consumer protection, enhanced human rights due diligence of ESG rating agencies, and expanded guidelines for human rights management. We are extending the scope of human rights management beyond internal employees towards partners and local communities, reinforcing a responsible corporate culture.

### Establishing Human Rights and Diversity Governance

#### BNK Financial Group's Human Rights and Diversity Governance

BNK Financial Group is establishing human rights and diversity governance to advance human rights management respecting the human rights of all stakeholders – employees, customers, partner employees, investors, and local community members – in the course of its business conduct. Our Group-wide human rights and diversity governance supports the monitoring of human rights and diversity risks to effectively protect stakeholders from human rights violation. Continuously improving on this governance, we will foster a culture of respect for human rights and promote diversity.

• Working-level Organization for Human Rights Management<sup>1)</sup>



<sup>1)</sup> Other subsidiaries also continuously monitor their activities and performance on human rights management and diversity with the HR department taking the lead.

#### Roles and Responsibilities of Human Rights & Diversity Governance Organizations

The ESG Committee under the Board of Directors serves as the highest decision-making body, setting directions for the Group-level human rights and diversity policies and overseeing relevant strategies and policies. BNK Financial Group's Strategic Planning Department, (ESG Strategy Team), operating under BNK Financial Group, is a dedicated ESG organization responsible for overall human rights and diversity operations in consultation with the Group's Business Support Department and HR departments of subsidiaries, spanning Group-wide goal setting for human rights and diversity, human rights impact assessments, and progress management of improvement tasks. Working-level units at each subsidiary engage in human rights protection – for employees in the course of business operations, for customer service staff hired by partners, and for customers during financial business operations.

• Roles and Responsibilities of Human Rights & Diversity Organizations

Responsible Organization		Role
Under the BoD	ESG Committee	<ul style="list-style-type: none"> <li>Set directions for BNK Financial Group's human rights and diversity management</li> <li>Oversee strategies and policies for human rights and diversity</li> </ul>
Dedicated ESG units under BNK Financial Group	ESG Strategy Team	<ul style="list-style-type: none"> <li>Set human rights goals, conduct human rights impact assessments, and manage the progress of improvement tasks in consultation with the Group's Business Support Department and HR departments of subsidiaries</li> </ul>
Working-level units at subsidiaries	Business Support Department (holding company)	<ul style="list-style-type: none"> <li>Implement employee human rights/diversity policies and manage human rights issues (including workplace bullying)</li> </ul>
	HR Department (subsidiary)	
	Customer Service Department	<ul style="list-style-type: none"> <li>Manage human rights issues of customer service workers including those employed by partners</li> </ul>
	Compliance Department	<ul style="list-style-type: none"> <li>Conduct internal controls and proactive monitoring</li> </ul>
	Financial Consumer Protection Department	<ul style="list-style-type: none"> <li>Protect financial consumer rights (prevent mis-selling and unfair practices)</li> </ul>
	Information Protection Department and IT	<ul style="list-style-type: none"> <li>Strengthen information security and data privacy</li> </ul>
	Ethics Management Department	<ul style="list-style-type: none"> <li>Investigate and monitor ethical issues such as contractual integrity and workplace sexual harassment</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Policy-making

### Human Rights Management Policy

In 2023, BNK Financial Group established its human rights management policy to protect the human rights of wide-ranging stakeholders – employees, customers, shareholders and investors, partner employees, and local communities – throughout its business administration and operation while advancing human rights management at all levels of the company. In 2024, we revised this policy to cover the overall areas of human rights management, including governance, risk management, and grievance handling.

We strictly abide by labor laws and regulations in countries where we operate, and endorse fundamental principles outlined by international human rights and labor standards, including the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the 10 Core Conventions of the ILO, and the 10 principles of the UN Global Compact. In the event of any violations related to discrimination, harassment or non-compliance with our human rights management policy, we take corrective and disciplinary actions through due internal deliberation procedures.

We also continue with our efforts to respect labor rights of all workers along the entire value chain. We pay above the statutory minimum wage and provide equal pay for work of equal value irrespective of gender or disability. Pursuant to applicable laws, we prohibit overtime beyond 52 hours per week while encouraging and guaranteeing the use of paid annual leave to prevent excessive work-related stress. Last but not least, we give at least one month's prior notice when terminating an employment contract to allow for sufficient time for transition.

Our human rights management policy applies to all employees of BNK Financial Group, its subsidiaries and sub-subsidiaries. We encourage all our stakeholders including customers and partners to abide by this policy.

[Human Rights Management Policy](#) 

### Diversity Policy

In June 2024, we established our diversity policy to help shape an inclusive society and uphold diversity, equity, and inclusion at the Group level. Our diversity policy is anchored on the UN Guiding Principles on Business and Human Rights, the UN Declaration on the Right to Development, and the UN Global Compact's 10 Principles, and applies to all employees of BNK Financial Group, its subsidiaries and sub-subsidiaries.

BNK Financial Group prohibits discrimination on the grounds of personal traits, including but not limited to gender, race, ethnicity, nationality, cultural background, disability, gender, sexual orientation, political or religious beliefs, and social status. We are committed to fostering an inclusive corporate culture where talented individuals from diverse backgrounds unleash their full potential. We will do our utmost to respect the diversity of stakeholders, including customers, partners, investors, and local communities while evolving into a company that embraces and celebrates differences.

[Diversity Policy](#) 

### Introduction

### ESG Management System

### ESG Performance

Environment

Social

### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

### ESG Data Pack

### Appendix

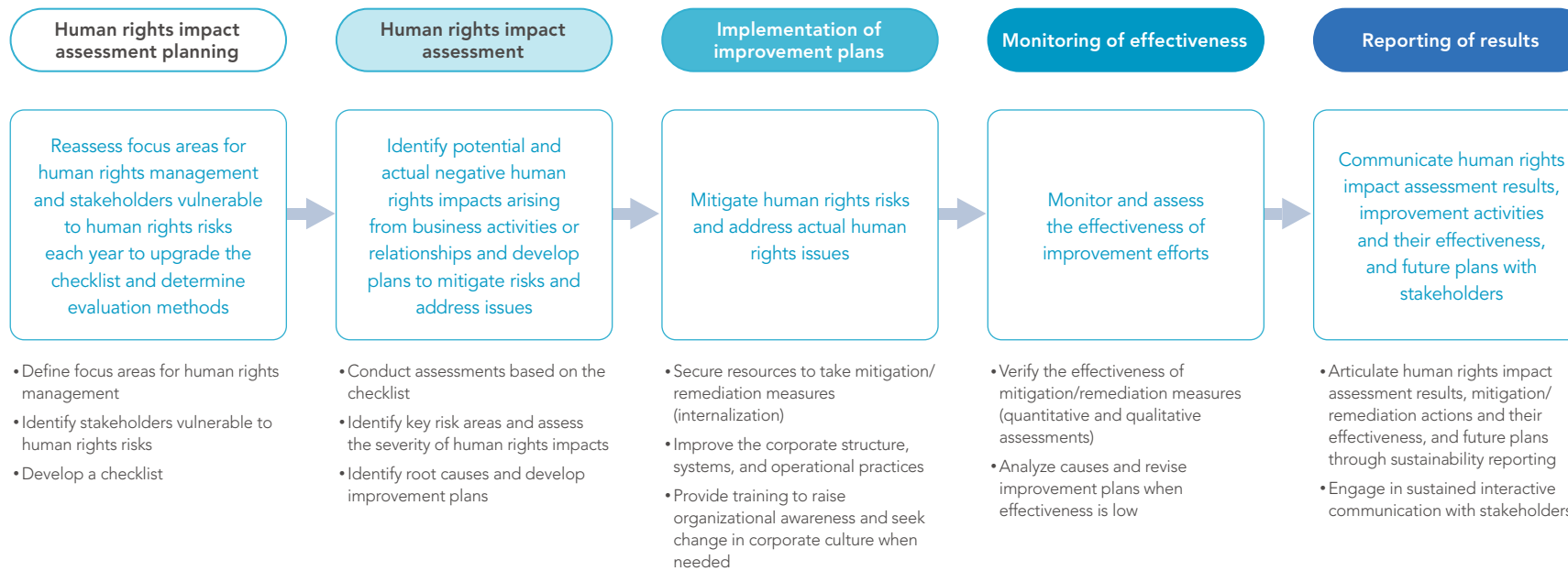
## Human Rights and Diversity Risk Management

### Conducting Regular Human Rights Due Diligence

To prevent human rights violations arising from business operations and advance human rights management, we conduct annual human rights due diligence across the entire value chain, including our own operations, subsidiaries, and key partners. Human rights due diligence is a set of processes through which a company identifies, prevents, and mitigates adverse impacts on human rights and explains how it addresses those impacts. Our human rights due diligence process was designed based on major international and domestic guidelines, including the UN Guiding Principles on Business and Human Rights and the guidelines of the National Human Rights Commission of Korea. This process consists of five

steps of human rights impact assessment planning, human rights impact assessment, implementation of corrective action plans, monitoring of effectiveness, and reporting of results. A human rights impact assessment aims to proactively analyze and evaluate the potential impacts of a company's operations on the human rights of stakeholders, and constitutes a core step and a key tool in the human rights due diligence process. Throughout the due diligence process, we focus on collecting feedback from stakeholders particularly vulnerable to human rights risks. By taking corrective actions for human rights and diversity issues identified through human rights due diligence, we will contribute to mitigating human rights risks.

#### BNK Financial Group Human Rights Due Diligence Process



Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Risk Management

### Human Rights Impact Assessment Planning

BNK Financial Group determined 2025 focus areas for human rights management fair HR management, working conditions and humane treatment, and the protection of customer rights. Stakeholders vulnerable to human rights risks were identified as non-regular workers, women employees, customer service staff, financially-underserved groups, and digitally-marginalized groups, which based our efforts to restructure the checklist for human rights risk assessment. This checklist was designed in consideration of BNK Financial Group's current organizational context and industry-specific characteristics (financial industry) as well as

potential impact on key stakeholders – employees, customers, partner employees, shareholders and investors, and local community residents. The checklist consists of 83 indicators, 47 categories and 14 domains. This was designed to maintain and further refine vulnerable areas identified through previous human rights impact assessments to facilitate the development of more targeted improvement measures. By conducting human rights risk assessments using the checklist encompassing human rights risk areas by key stakeholder groups, BNK Financial Group ensures the systemic, stakeholder-specific management of human rights risks.

#### • Overview of the Human Rights Impact Assessment Checklist (1/2)

Focus Area	Category	Key Stakeholder	
1	Establishment of a human rights management system	Policy	Internal employees, partner employees
		Organization	
		Training	
		Operation of grievance mechanisms	
2	Non-discrimination	Recruitment	
		Evaluation	
		Wage and compensation	
		Personnel assignment	
		Leave of absence	
		Discrimination by vulnerable group (women, non-regular workers, etc.)	
		Freedom of association and collective bargaining	Freedom of association
Freedom of collective bargaining			
4	Ban on compulsory labor	Physical/psychological harassment	
		Involuntary overtime work	
		Restrictions on annual leave use	
		Freedom to transfer or terminate employment	
5	Ban on child labor	Ban on child labor	
6	Occupational health and safety	System development	
		Prevention/management	
		Training	
7	Protection of environmental rights	By vulnerable group (workers with disabilities, pregnant workers)	
		Environmental rights	
8	Responsible supply chain management	Environmental rights	
		Fair trade with partners	
		Human rights protection for partner employees	
		Occupational health and safety	Partner employees

#### • Overview of the Human Rights Impact Assessment Checklist (2/2)

Focus Area	Category	Key Stakeholder	
9	Responsibility towards local communities	Human rights protection for local community residents	Local community residents
		Community development	
10	Consumer (customer) human rights protection	Personal data collection and management	Customers
		Right to know	
		Prevention of unnecessary cost burden	
		Grievance handling	
		Support by vulnerable group (financially-underserved groups, seniors, foreigners, etc.)	
11	Responsibility towards shareholders and investors	Disclosure	Shareholders and investors
		Respect for shareholder feedback	
		Enhancement of shareholder value	
12	Anti-corruption and governance	Anti-corruption	Employees, customers, shareholders and investors
		Governance	
13	Prohibition of unfair/anti-competitive practices	Unfair trade	Internal employees, partner employees
		Unfair competition	
14	Working conditions and humane treatment	Workplace bullying	
		Workplace sexual harassment	
		Customer-facing emotional labor	
		Work-life balance	
		Fair wage	
		Data privacy	
		Human resources development	
		Physical/psychological health	

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Risk Management

### Conducting Human Rights Risk Assessments

We conducted human rights risk assessments in the first quarter of 2025. This process involved online employee surveys, online surveys on customer service staff, and checklist-based assessments directly performed by human rights personnel at each subsidiary. To ensure fairness and objectivity throughout the process, assessments were made in collaboration with a third-party organization.

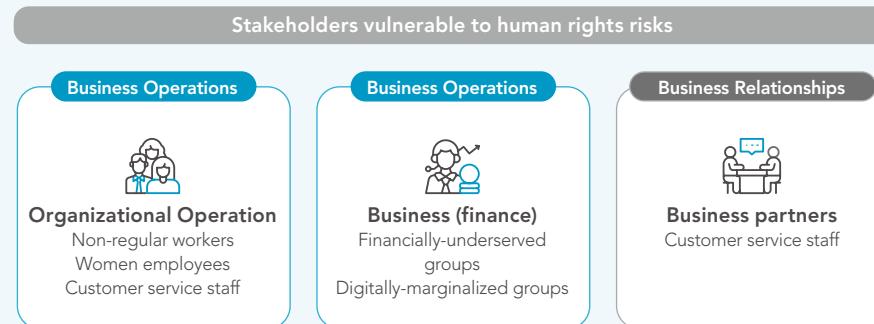
In addition, human rights personnel at each subsidiary conducted checklist-based evaluations across 13 human rights areas related to wide-ranging stakeholders. These evaluations focused on a comprehensive assessment of whether the company has relevant systems and policies in place, whether training is provided, and how the company's business activities impact the human rights of different stakeholders.

For this year, employee human rights impact assessments were conducted on seven subsidiaries. This will be expanded next year to include employees at all Group subsidiaries in line with our human rights management goals.

### Stakeholders Vulnerable to Human Rights Risks

To ensure the effectiveness of human rights risk assessments, we identified stakeholders vulnerable to human risks. Survey questions for employees and customer service staff as well as the checklist used by managers were developed in a way to support human rights risk assessments.

#### • Proactive Identification of Stakeholders Vulnerable to Human Rights Risks



#### • Overview of Human Rights Impact Assessments

	(1) Employee Assessment	(2) Customer Service Staff Assessment	(3) Assessment by Human Rights Personnel at Subsidiaries
Method	Online survey	Online survey	Direct, checklist-based assessment
Target	Employees at BNK Financial Group, Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Credit Information, BNK System	Customer service staff at Busan Bank and Kyongnam Bank (including contract workers)	HR and human rights personnel at BNK Financial Group, Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Credit Information, and BNK System
Item	34 items in 9 areas (32 multiple choice, 2 open-ended questions)	28 items in 7 areas (26 multiple choice, 2 open-ended questions)	52 items in 13 areas (multiple choice questions)
Assessment Area/ Scope of Human Rights Risk Management	<ul style="list-style-type: none"> <li>• Human rights management system</li> <li>• Non-discrimination</li> <li>• Freedom of association and collective bargaining</li> <li>• Ban on compulsory labor</li> <li>• Occupational health and safety</li> <li>• Environmental rights</li> <li>• Environmental rights</li> <li>• Anti-corruption and governance</li> <li>• Working conditions and humane treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights management system</li> <li>• Non-discrimination</li> <li>• Ban on compulsory labor</li> <li>• Occupational health and safety</li> <li>• Environmental rights</li> <li>• Consumer rights protection</li> <li>• Working conditions and humane treatment</li> </ul>	<ul style="list-style-type: none"> <li>• Human rights management system</li> <li>• Non-discrimination</li> <li>• Freedom of association and collective bargaining</li> <li>• Ban on compulsory labor</li> <li>• Ban on child labor</li> <li>• Occupational health and safety</li> <li>• Responsible supply chain management</li> <li>• Responsibility towards local communities</li> <li>• Consumer rights protection</li> <li>• Responsibility towards shareholders and investors</li> <li>• Anti-corruption and governance</li> <li>• Prohibition of unfair/anti-competitive practices</li> <li>• Working conditions and humane treatment</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Risk Management

### Mitigation and Remediation Measures

For the vulnerable areas identified through the human rights impact assessment conducted in the first half of 2024, we implemented the following mitigation and remediation measures, making improvements in these vulnerable areas.

#### • Key Mitigation and Remediation Measures Implemented in the Human Rights Vulnerable Areas Identified in the Previous Year

Stakeholder	Vulnerable Area	Improvement Task	Key Mitigation and Remediation Measures
Employees	Sound labor relations	Formalize labor-management communication	<ul style="list-style-type: none"> <li>- Hold labor union meetings 4 times a year (BNK Financial Group, Kyongnam Bank, BNK Capital, BNK Securities)</li> <li>- Operate a joint labor-management HR improvement body (share and establish transparent and fair HR systems, ensure equal representation from labor and management to improve unreasonable HR practices)</li> <li>- Provide joint support for employee welfare events 3 times (skiing, mudflat experience, whiskey seminars)</li> </ul>
		Strengthen labor-management collaboration	<ul style="list-style-type: none"> <li>- Improve employee benefits through labor union meetings (increased commuting allowances, increased family allowances, extended remote worker support, improved parental leave, improved condolence payments, new support for families with persons with disabilities, improved year-round resort system)</li> <li>- Encourage employees' union activities (assign KPI scores relating to labor-management unity when attending union congresses, labor training, and union-hosted events)</li> <li>- Establish and operate a joint taskforce team composed of equal numbers of labor and management members for corporate culture development to improve banking business processes and corporate culture</li> <li>- Host Labor-Management Unity Hope Day each year attended by employer and employee representatives</li> </ul>
	Grievance handling channels and mechanisms	Provide information on grievance handling procedures	<ul style="list-style-type: none"> <li>- Operate a 24/7 grievance filing channel within the HR system, provide information on grievance filing procedures within the workplace bullying prevention and handling guidelines</li> <li>- Provide separate information on grievance filing before regular personnel changes</li> </ul>
		Upgrade grievance handling channels	<ul style="list-style-type: none"> <li>- Provide in-person counseling upon request and enable 24/7 grievance filing using offline/online channels</li> </ul>
	Non-discrimination	Establish a monitoring system to ensure fairness in employment and wages	<ul style="list-style-type: none"> <li>- Ensure fair hiring by confirming evaluation standards and results with the Compliance Department in recruiting new banking employees</li> </ul>
		Improve working conditions for non-regular workers	<ul style="list-style-type: none"> <li>- Provide equal benefits to non-regular workers on par with regular counterparts</li> </ul>
Women employees	Non-discrimination	Reinforce competency development programs for women employees	<ul style="list-style-type: none"> <li>- Provide credit training support for women employees in deposit roles as well as All-Round competency enhancement training (cross-functional training) to nurture future credit workforce</li> <li>- Provide competency enhancement training for women in credit roles twice (half-yearly basis)</li> <li>- Support PB credit competency enhancement training to help female experts improve their comprehensive consultation competencies and implement internal certification PB Lv. 1-2 training to nurture future female PB experts</li> </ul>
Contract workers	Overall human rights for customer service staff	Establish a human rights management framework and offer guidance	<ul style="list-style-type: none"> <li>- Operate a grievance suggestion box for customer service staff and offer relevant guidance</li> </ul>
		Provide regular monitoring and support against human rights violation arising from customer consultations	<ul style="list-style-type: none"> <li>- Regularly manage risks (quarterly training on addressing abusive customers) and perform call quality monitoring (automatically collect calls from abusive customers)</li> <li>- Hold semiannual discussion meetings with employees (gather suggestions and grievances from the field)</li> <li>- Operate an anonymous grievance filing and handling system and support affected staff</li> </ul>
		Improve working conditions and environment	<ul style="list-style-type: none"> <li>- Provide 30-minute breaks for each complaint call and ensure adherence to scheduled breaks outside of consultation hours</li> <li>- Provide break facilities (heated floors, massage chairs) and rest areas for night shifts, create a pleasant consultation environment</li> <li>- Allow one-hour early leave on birthdays and annual early leave on the date of joining for long-serving employees (1H-3H depending on years of service)</li> <li>- Offer flexible work hours for staff with children in elementary school as well as reduced work hours for pregnant employees</li> </ul>
		Prevent emotional labor and protect health rights	<ul style="list-style-type: none"> <li>- Measure stress levels through health checkups and provide personalized health care programs</li> <li>- Establish a prevention-focused management framework by operating mental health workshops and Healing Day events</li> <li>- Support psychological programs led by external experts</li> <li>- Implement protective measures according to operational manuals in the event of verbal abuse or sexual harassment</li> </ul>
Customers	Protect the right to know	Strengthen training for customer service staff	<ul style="list-style-type: none"> <li>- Enhance specialized training on new products and services (strengthen pre-launching training for customer service staff when releasing new financial products, offer rigorous training on data privacy and financial regulations)</li> <li>- Conduct scenario-based training for customer service</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Risk Management

### Human Rights Impact Assessment Results

Based on the human rights impact assessment conducted in 2025, BNK Financial Group newly identified vulnerable areas for each stakeholder group and priority tasks for respective vulnerabilities. All subsidiaries that performed human rights risk assessments have developed improvement plans and risk management measures. Going forward, BNK Financial Group will be committed across the organization to ensure necessary improvements are made in all vulnerable areas.

#### • Vulnerable Areas and Improvement Plans for Human Rights and Diversity Risks

Stakeholder	Vulnerable Area/ Human Rights Risk	Top Priority	Improvement Plans and Risk Mitigation Measures
Employees	Establishment of a human rights management system	Provide information on the human rights management policy and organization	Strengthen communication and notification regarding policies, provide regular human rights training to employees
		Improve grievance handling systems	Review grievance handling systems for employees, promote grievance mechanisms, implement whistleblower protection measures such as strict confidentiality and protection from HR-related disadvantages, and operate grievance submission channels year-round within the HR system
	Non-discrimination	Establish a fairness monitoring framework	Continue to implement blind recruitment in line with the recruitment best practices in the banking sector, establish fairness with each recruitment stage reviewed by the Compliance Department, ensure transparency and fairness in HR operations through the coaching program of the HR department
		Prohibit discriminatory treatment against women, non-regular workers, and employees returning from leave	Manage gender pay gaps, foster female leadership (BNK WIN'S program) and improve treatment of non-regular workers
	Freedom of association and collective bargaining	Prohibit disadvantageous treatment based on union membership	Guarantee freedom to form and operate labor unions, establish a culture of labor-management collaboration
	Environmental rights	Expand labor-management communication and consultation	Hold labor-management council meetings 4 times a year and labor-management harmony events as needed
		Provide a healthy and pleasant workplace	Conduct regular cleaning of HVAC systems as well as regular inspections of air purifiers and deodorizers for improved indoor air quality
	Working conditions and humane treatment	Provide guidelines to address situations involving human rights violation during customer service and protect employees	Support psychological counseling services in partnership with professional counseling institutions, operate a process to deal with abusive customer behavior
		Improve working conditions to promote work-life balance	Expand staggered work hours, implement reduced work hours to support employees with children entering elementary school and promote work-life balance, continuously improve work processes
		Provide training to support effective job performance and competency development	Publish internal training materials, foster employee training through in-house instructor development, and offer rewards for the acquisition of job-related certificates
Protect employees' personal data		Establish and disseminate employee data privacy policies, manage employees' access to personal data, provide data privacy training as well as awareness-raising training and guidance	
Customers	Grievance handling	Improve systems to receive and address customer complaints	Inspect and improve the customer grievance handling system
	Consideration for digitally-marginalized groups	Provide information to digitally-marginalized groups	Deploy Senior Supporters dedicated to support elderly customers
	Right to know	Provide customer service staff with sufficient training to uphold customers' right to know	Regularly provide internal training for customer service staff
Customer service staff (including contract workers)	Establishment of a human rights management system	Offer guidance on grievance handling systems and address grievances	Enhance guidance on grievance mechanisms, ensure priority call routing to experienced staff when malicious customers call back
	Non-discrimination	Establish a fair evaluation and compensation framework, Prohibit discriminatory treatment against non-regular workers	Compensate based on performance, respect non-regular workers, improve the welfare system
	Ban on compulsory labor	Guarantee annual leave use and the freedom to transfer or terminate employment	Guarantee workers' right to rest and freedom to resign or leave
	Occupational health and safety	Ensure health and safety support for customer service staff	Support preventive care specialized for customer service staff, improve the working environment, and provide 'Healing Mind' for psychological counseling
	Working conditions and humane treatment	Protect and support customer-facing workers engaging in emotional labor, Guarantee a reasonable workload, Protect the human rights of customer service staff by offering advance notice of call monitoring	Address abusive customers according to established manuals, improve night shift conditions, ensure appropriate task allocation, and offer prior notification when monitoring call recordings

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Risk Management

### Establishing and Operating a Human Rights Grievance Handling Process

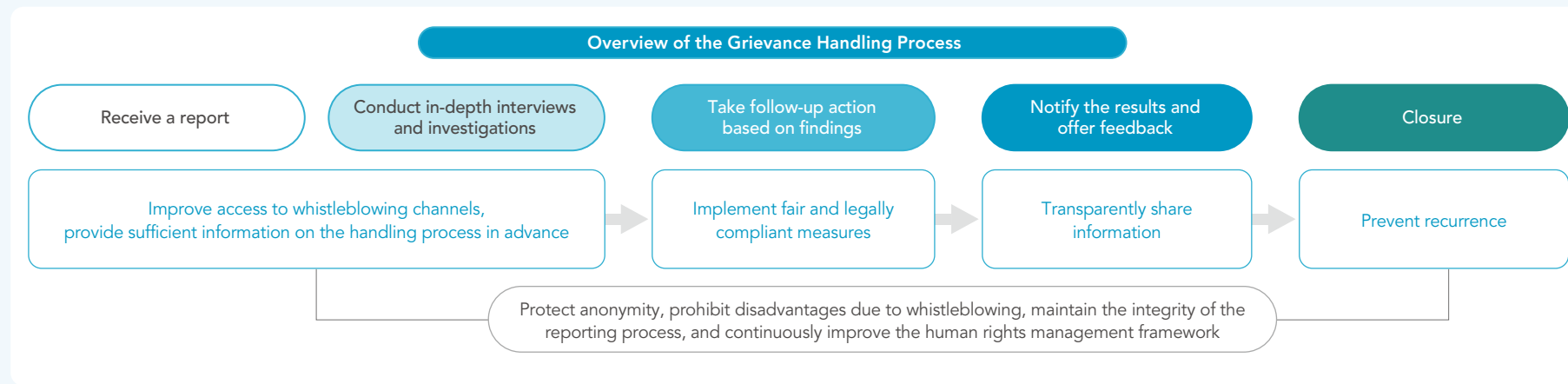
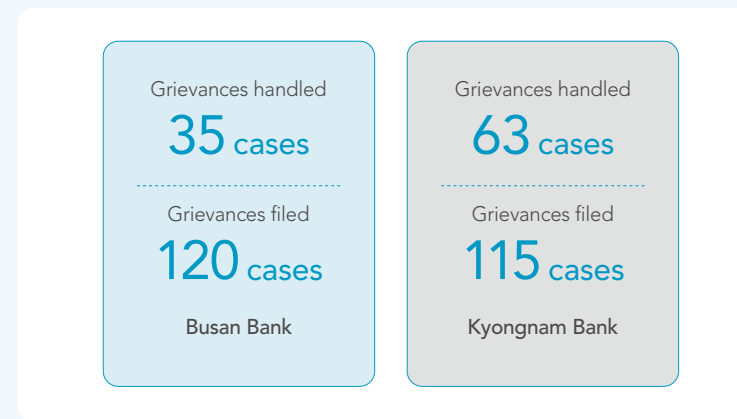
We operate 24/7 grievance handling channels for stakeholders to file actual or potential human rights violations and grievances arising from business operations. Grievance handling channels serve as measures to mitigate and remediate the adverse effects associated with human rights risks. Stakeholders are free to raise their grievances via wide-ranging channels, including mobile devices, QR codes, in-person interviews, phone calls, and email. The grievance handling department, upon receiving a report, investigates the case, take follow-up action, and notify the

results and feedback according to internal procedures. The main types of remediation actions include personnel transfers and reassignment upon request. Whistleblowers remain anonymous pursuant to our whistleblower operational guidelines, and all forms of retaliation associated with whistleblowing are prohibited. We carefully review all concerns raised through our grievance handling channels. If a report is substantiated, we implement corresponding corrective or disciplinary actions in accordance with the zero tolerance principle.

#### • Overview of Grievance Handling Channels

Category	Description
BNK Holding company	<ul style="list-style-type: none"> <li>Operate Group-wide whistleblowing channels such as 'BNK Help Line' for all employees</li> <li>Improve access through diverse channels including apps and QR codes</li> <li>Handle grievances by the Business Support Department of the holding company and the HR department of each subsidiary</li> </ul>
Busan Bank	<ul style="list-style-type: none"> <li>Ensure accessibility through the mobile channel 'BNK Busan Bank Dudeurim'</li> <li>Operate grievance channels year-round within the HR system</li> </ul>
Kyongnam Bank	<ul style="list-style-type: none"> <li>Operate whistleblowing channels through the HR system (ONE-HR) and the labor union</li> <li>Collect feedback through regular branch visits</li> </ul>
BNK Capital	<ul style="list-style-type: none"> <li>Operate a grievance handling channel within the HR system</li> <li>Provide access to the Help Line via multiple channels including the Red Whistle and BNK Guardian</li> </ul>
BNK Securities	<ul style="list-style-type: none"> <li>Provide a direct link to the grievance consultation request section on the main HR system page</li> <li>Ensure all employees can access remedy procedures and principles on the regulation board in the groupware system</li> </ul>

#### • Grievances Filed and Handled in 2024



#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

##### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

## Human Rights and Diversity Targets and Metrics

### Setting Mid-to Long-term Targets and Monitoring Metrics for Human Rights and Diversity

BNK Financial Group has set mid-to long-term targets for human rights and diversity to respect stakeholders' human rights and boost organizational diversity. We also defined key metrics to measure our organizational performance in human rights management and diversity, with the ESG Committee playing a leading role in monitoring Group-wide human

rights and diversity performance and status. In the first quarter of 2025, an employee satisfaction survey was conducted to assess their sense of purpose, job satisfaction, well-being, and job-related stress. We will continue with relevant surveys going forward. These human rights and diversity metrics support our efforts to evaluate our human rights management across the board and seek improvements to progress towards our mid-to long-term human rights and diversity targets.



### • Human Rights Targets and Metrics

Metric	Outcomes	
	2023	2024
Sites that developed mitigation plans	5	7

Metric	Category	Outcomes	Target	
		2024	2025	2027
Scope of human rights impact assessments	Group	7 companies	All group subsidiaries (10 companies)	All group subsidiaries (10 companies)
Employee grievance handling rate	Busan Bank	29%	90%	90%
	Kyongnam Bank	56%	60%	70%

### • Diversity Targets and Metrics

Metric	Category	Outcomes	Target	
		2024	2025	2027
Proportion of social minorities <sup>1)</sup>	Busan Bank	6.3%	7.5%	10%
	Kyongnam Bank	4.4%	5%	5%
Proportion of women in management positions <sup>2)</sup>	Busan Bank	32%	35%	40%
	Kyongnam Bank	24%	30%	35%
Proportion of women in key roles <sup>3)</sup>	Busan Bank	42%	45%	45%
	Kyongnam Bank	29%	35%	40%

<sup>1)</sup> People with disabilities, people eligible for veterans' benefits, and foreigners

<sup>2)</sup> Women in grade 4 or higher management positions

<sup>3)</sup> Women in management positions in revenue-generating (sales) functions

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Human Rights and Diversity Targets and Metrics

### Targets and Outcomes for Managing Potential Human Rights Risks Arising from Business Operations

BNK Financial Group has set key metrics to systematically manage potential human rights risks that may primarily affect stakeholders in the course of conducting financial business while monitoring relevant performance. For instance, BNK Financial Group measures the number of customer complaints received and their handling rates to track performance in financial consumer protection. We also measure the number of participants in financial education

programs to manage our performance in supporting financially-underserved groups. In an effort to evaluate our information security and data privacy performance, we monitor the number of customer data breach incidents and the number of voice phishing attempts prevented. By systematically managing these specific key metrics, we remain fully committed to achieving our Group-wide human rights management goals.

### • Potential Human Rights Risk Management and Performance in the Course of (Financial) Business Operations

Area of Management	Stakeholder	Top Priority	Potential Human Rights Issue	Key Risk Management Activity	2024 Performance Measured by Key Metrics
Overall financial business	Customers	Financial consumer protection	<ul style="list-style-type: none"> <li>Infringement of rights due to mis-selling of financial products</li> <li>Customer complaints</li> </ul>	<ul style="list-style-type: none"> <li>Implement improvement measures to protect financial consumers</li> <li>Received and handled financial consumer complaints</li> </ul>	<ul style="list-style-type: none"> <li>Number of customer complaints received and their handling rate                             <ul style="list-style-type: none"> <li>(Busan Bank) 952 cases received, 100% handled</li> <li>(Kyongnam Bank) 582 cases received, 100% handled</li> </ul> </li> </ul>
		Support for financially-underserved groups	<ul style="list-style-type: none"> <li>Low financial literacy among financial vulnerable groups</li> <li>Limited financial access for vulnerable groups such as the elderly, foreigners, and persons with disabilities</li> <li>Restrictions in using financial services, exclusion in digital finance, and exposure to fraud and crime</li> </ul>	<ul style="list-style-type: none"> <li>Provide financial education to financially-underserved groups</li> </ul>	<ul style="list-style-type: none"> <li>Participants in financial education for financially-underserved groups                             <ul style="list-style-type: none"> <li>(Busan Bank) 16,504 persons</li> <li>(Kyongnam Bank) 20,216 persons</li> </ul> </li> </ul>
	Customers and employees	Employee competency enhancement	<ul style="list-style-type: none"> <li>Mis-selling and money laundering caused by insufficient employee competencies</li> </ul>	<ul style="list-style-type: none"> <li>Provide employee training to protect financial consumers and uphold their right to information</li> </ul>	<ul style="list-style-type: none"> <li>Participants in employee training on consumer protection                             <ul style="list-style-type: none"> <li>(Busan Bank) All employees</li> <li>(Kyongnam Bank) All employees</li> </ul> </li> </ul>
		Information security and data privacy	<ul style="list-style-type: none"> <li>Information security breaches</li> <li>Leakage of personal data of customers and employees</li> <li>Financial fraud such as voice phishing</li> </ul>	<ul style="list-style-type: none"> <li>Prevent information security incidents</li> <li>Strengthen personal data protection</li> </ul>	<ul style="list-style-type: none"> <li>Incidents of customer data breach                             <ul style="list-style-type: none"> <li>(Busan Bank) Zero cases</li> <li>(Kyongnam Bank) Zero cases</li> </ul> </li> <li>Voice phishing attempts prevented                             <ul style="list-style-type: none"> <li>(Busan Bank) 354 cases</li> <li>(Kyongnam Bank) 58 cases</li> </ul> </li> </ul>
Financial products and services	Customers and local communities	Investment risk management	<ul style="list-style-type: none"> <li>Economic, environmental, and social harm caused by investments that do not consider ESG</li> </ul>	<ul style="list-style-type: none"> <li>Make eco-friendly investments with ESG considerations</li> </ul>	<ul style="list-style-type: none"> <li>Eco-friendly, ESG-conscious investments                             <ul style="list-style-type: none"> <li>(Busan Bank) KRW 72.3 billion in SOC, KRW 116.2 billion in PI</li> <li>(Kyongnam Bank) KRW 14 billion in SOC, KRW 113.1 billion in PI</li> </ul> </li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- **Sustainability in Focus**
- Building an ESG-driven corporate culture
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

# Building an ESG-driven Corporate Culture Talent Development

## Governance

## Strategies and Activities

### Talent Development Framework

BNK Financial Group has been operating the BNK Financial Group Human Resources Development Center since 2018 to nurture talented individuals aligned with its ideal talent profile of 'financial professionals who shape a new world together with integrity.' The center plans and delivers a wide range of training programs tailored to all Group subsidiaries, including customized job training, executive leadership development programs and ESG training. To support flexible learning, tailored job training is made available both in online and offline formats. Trainees are determined based on the nature of each course and subsidiary criteria, and employees from a wide range of employment types, including contract workers and part-time workers, as well as full-time employees may participate. The Center and respective subsidiaries offer specialized in-house programs in areas such as Wealth Management (WM), Corporate & Investment Banking (CIB), and digital finance. Employees are provided with talent development training from the early stage of employment to support their professional growth. BNK Securities continuously operates professional development programs, including an internal control specialist development training between 2024 and 2025. Its employees can also enroll in external job-related courses on an ongoing basis, and a separate external cyber training center is under operation. Since 2025, a talent development framework has been up and running to provide training courses by job position and function. Building on this structured training system, BNK Financial Group will nurture talented individuals and continuously secure future-ready talent capable of navigating the rapidly-shifting financial landscape, supporting qualified talent with growth potential to advance into financial experts.



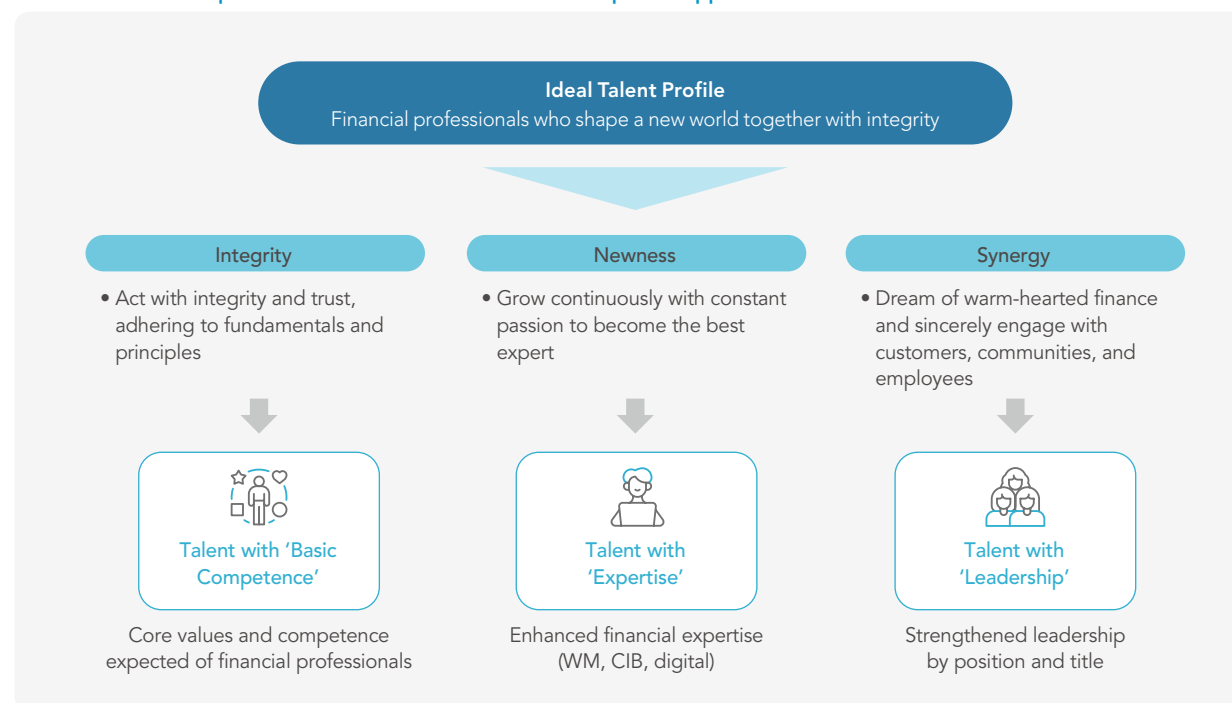
BNK Financial Group joint training in 2024

### Talent Development Strategy

BNK Financial Group defines its key talent profile as 'individuals equipped with leadership capabilities to continuously generate synergy backed by basic competencies' and is establishing a structured development framework to empower these talented individuals to drive the organization's sustainable growth. This is achieved by designing training programs encompassing leadership and ethics as well as job expertise and by focusing Group-wide capabilities on employee training.



#### • BNK Financial Group's Ideal Talent Profile and Talent Development Approach



#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

##### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

### Strategies and Activities

#### Talent Development Program

##### Core Function Expert Training Program

To continuously nurture key talent, we provide expert development training programs in the core functions of Wealth Management (WM) Corporate Investment Banking (CIB) and digital. Busan Bank and Kyongnam Bank operate preparatory courses for all employees, including contract workers, to support their acquisition of financial certifications, fostering an inclusive environment for competency development.

##### Position-based Leadership Enhancement Training

BNK Financial Group has established comprehensive succession planning across the organization and operates leadership programs tailored to each job level. To foster a sense of community and strengthen teamwork-based leadership skills, 16 hours of Group-wide training are provided to promoted employees at multiple levels. In 2024, 338 employees attended this training – 269 persons in the first half and 69 persons in the second half.

##### Training for Executive Members

To nurture top-tier executives, we provide an internal training program for executive candidates named 'BNK Advanced Management Program', along with the External AMP <sup>1)</sup> targeting management and branch/office heads to cultivate their leadership competencies and a business mindset. The BNK Management Forum has been up and running since 2023 for Group executive members, offering opportunities to gain insights and promote communication.

<sup>1)</sup> Advanced Management Program



BNK Executive Forum in 2024

#### • Talent Development Program

BNK Financial Group

Function	Mission	Training Program	2024 Participants(persons)
WM	<ul style="list-style-type: none"> <li>Provide effective WM solutions to customer covering portfolio-based product/investment consultations, tax/real estate consultations, and wealth succession</li> </ul>	<ul style="list-style-type: none"> <li>Livestreamed PB training</li> <li>Certified Private Banker (CPB) certification training</li> <li>BNK future planning training</li> </ul>	116
CIB	<ul style="list-style-type: none"> <li>Provide differentiated CIB services covering a range of investment banking such as capital increases, IPOs, PF and structured finance as well as corporate finance such as loans and FX</li> </ul>	<ul style="list-style-type: none"> <li>1st class IB finance specialist training program</li> <li>Customized practical training program for Group CIB professionals (intermediate level) development</li> <li>Certificate training for real estate development professionals</li> </ul>	73
Digital	<ul style="list-style-type: none"> <li>Lead digital innovation through various initiatives including big data platform deployment, data analytics, and digital marketing to deliver new digital experiences and services to customers</li> </ul>	<ul style="list-style-type: none"> <li>Digital Academy introduction program</li> <li>Digital Academy finance DT test prep course</li> <li>Digital Academy professional program</li> </ul>	1,706

#### • BNK Management Forums Held (Participants)



#### Introduction

#### ESG Management System

#### ESG Performance

- Environment
- Social
- Governance
  - Fostering responsible governance
  - Advancing the ESG risk management framework
  - Establishing a business culture of ethics and compliance
  - Sustainability in Focus
  - Building an ESG-driven corporate culture
  - Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

## Strategies and Activities

### Training and Financial Support to Obtain Financial Certifications

To offer employees greater opportunity for career development and nurture internal financial experts, we financially support all employees, including contract positions, in acquiring and maintaining financial certifications. To help employees evolve into experts in their desired field, we provide virtual training courses for financial and job-specific certifications in collaboration with KBI, Champ Study, Ubion and other various platforms. Each subsidiary also operates a range of specialized training programs in the areas of humanities, liberal arts, and management.

Each month, Busan Bank supports employees with cyber training for financial certification acquisition and covers test fees and maintenance costs. Busan Bank also operates in-house certification programs classified into three levels depending on job competency and learning mileage across seven areas – customer service, lending, foreign exchange, credit management, international finance, asset management, and risk management.

Kyongnam Bank operates preparatory courses for financial certification acquisition for all employees while financially supporting cyber training. The bank provides level-specific training programs (Level 1 to Level 3) in six specialized areas of digital, IB, CMO, PB, and IT and FX. Employees who complete training, acquire certifications and meet experience criteria for each level are awarded internal certificates recognizing their expertise.

BNK Securities provides pre-training through the Korea Institute of Financial Investment and ePass Korea certification prep courses to support employees throughout the entire process of acquiring finance-related certifications, such as fund investment advisor, securities investment advisor, and derivative investment advisor certifications, ensuring employees enhance their expert capabilities.

### • Financial Support for Certification Acquisition and Renewal \*

	Support Provided
<b>Holding company</b>	Support online training for certification preparation or cover the cost of certification exams and maintenance
<b>Busan Bank</b>	
<b>Kyongnam Bank</b>	Provide support for online training to prepare for certifications or offer financial support upon obtaining certifications
<b>Capital</b>	Support for financial DT test certification acquisition costs
<b>Securities</b>	Support online training for certification preparation and cover exam fees upon certification acquisition
<b>Savings bank</b>	Support training and exam fees for loan review analysts and licensed real estate agents
<b>Asset management</b>	Cover costs related to obtaining and maintaining the investment asset manager certification
<b>Venture Capital</b>	Cover costs related to obtaining and maintaining the venture investment analyst certification
<b>Credit information</b>	Provide KRW 300,000 per certification upon obtaining credit management specialist or credit counseling specialist certifications
<b>System</b>	Support for learning and exam fees in acquiring job-specific professional certifications

\* Group-wide: Support ESG certification acquisition costs

### • Training Performance of Certification Preparation Courses in 2024

BNK Financial Group

Training	Participant (persons)	Employees Who Acquired Certifications After Training (persons)
Weekend training for credit analyst certification preparation	113	41
Finance DT test certification prep course	330	44
CPB certification program	25	9
Special lectures for credit review certification preparation	12	10

### Tuition Support for Employees

BNK Financial Group provides tuition support to aid in employees' self-development and continuous growth.

Kyongnam Bank provides 100% tuition support for employ-

ees, including contract workers, attending Korea National Open University. BNK Savings Bank covers 50% of domestic university tuition (up to KRW 3.5 million per semester) for new hires with high school diplomas who have worked for at least one year.

### Internship and Hands-on Training Programs

Our internship and hands-on training programs aim to provide future talent with hands-on experience, improving their understanding of the financial sector and strengthening job competencies.

### • Internship/On-site Training Programs

	Program	Period	Participant
<b>Busan Bank</b>	IT/digital finance department university on-site training	Jul. 2024	8 students from College of Information and Biomedical Engineering, Pusan National University
	Employment-linked internship program	Oct. 2024	51 individuals
<b>Kyongnam Bank</b>	University student on-site training	Dec. 2023 - Feb. 2024	2 students from Yeungnam University
		Sept. 2024 - Dec. 2024	3 students from University of Ulsan
		Sept. 2024 - Dec. 2024	3 students from Kyungnam University
	Internship program for university graduates	Dec. 2023 - Jul. 2024	3 Kyungnam University graduates
		Mar. 2024 - Nov. 2024	1 Kyungnam University graduate
Job experience program for at-risk youth	Jul. 2024 - Aug. 2024	5 high school students	
Internship-style work experience program led by the Ministry of Employment and Labor	Jul. 2024 - Oct. 2024	10 university graduates	
	Nov. 2024 - Dec. 2024	18 university graduates	
<b>BNK Capital</b>	Work-study program and long-term on-site training	Jan. 2024 - Dec. 2024	9 individuals

### Introduction

### ESG Management System

### ESG Performance

Environment

Social

### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

### ESG Data Pack

### Appendix

## Strategies and Activities

### Invitational Training for Overseas Employees

BNK Financial Group provides invitational training programs for overseas employees to help enhance their understanding of business operations and strengthen working-level global business capabilities. In January 2024, Busan Bank invited local employees at overseas branches to Korea for a 1.5-day training session, offering field-focused training and share Group-wide strategies to help strengthen their on-the-ground competitiveness. Going forward, BNK Financial Group will expand exchange and training opportunities between domestic and international employees, solidifying its foundation to evolve into a global financial group.

### Support for Career Development and Reemployment

We provide Group-level programs that support career development and re-employment throughout the entire lifecycle of employees. In December 2024, we operated Group-wide 'future planning training' for 61 prospective retirees from Busan Bank (30 persons) and Kyongnam Bank (31 persons), offering an effective 16-hour training focused on reemployment strategy, post-retirement wealth management, and life planning.

A range of career transition and reemployment support programs are made available at the subsidiary level. Busan Bank and Kyongnam Bank provide group training to support employees returning from parental leave, those who have worked long-term at headquarters, and newly assigned employees in adapting quickly to branch operations. They also offer reemployment support services to assist retiring employees in preparing for a new career path.

Busan Bank provides the AB (All Round Banker) program to strengthen employees' comprehensive consultation competencies. In 2024, the bank offered the '3rd round of pre-mandatory training for AB work sharing' and comprehensive consultation competency enhancement training for lending and FX personnel. In addition, three non-lending employees wishing to work in lending and FX functions were selected and assigned to their desired roles following pre-job training and on-site practice.

Kyongnam Bank offers various programs covering career planning, wealth management and financial planning, retirement income tax savings, and government support systems, systematically supporting employees with their career development and reemployment.

### ESG Training

To help employees deepen their ESG understanding and enhance working-level competencies, we offer year-round access to ESG cyber training content via our integrated learning platform BNK e-campus and an external platform (KBI-TUBE). This enables our employees to engage with key ESG issues irrespective of time and space. We plan to enrich our training content in alignment with global ESG trends and keep our customized training system up-to-date to deliver practical value in day-to-day work.

### Joint Training with External Organizations

To provide employees with wide-ranging training opportunities that meet their needs, we collaborate with educational institutions – KBI, Champ Study, Ubion, Human Value, Alpha Co, and Mega Next – to operate a range of training programs including job training and leadership training. We also partner with top-tier universities in the region to operate bachelor's and master's degree courses, ensuring our employees develop competencies and enhance expertise. To nurture internal digital specialists as our new growth driver, we provide a master's program in Digital MBA (formerly BNK Digital Finance Department) with Pusan National University.

### • Bachelor's and Master's Degree Applications in 2024

BNK Financial Group

Category	University	Enrollment	In Progress	Graduation
Associate degree	Kyungnam College of Information & Technology	9	19	-
Bachelor's degree	Kyungnam University	2	1	2
	Silla University	-	2	-
	Korea Maritime & Ocean University	2	7	4
Master's degree	Konkuk University	-	1	1
	Pusan National University	30	33	5
	KAIST	2	2	-
	Korea Marine & Ocean University	-	-	2

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

## Building an ESG-driven Corporate Culture Talent Development

### Strategies and Activities

#### Job Competency Enhancement Training

BNK Financial Group provides a training curriculum designed to enhance employee competencies by job function, supporting employees to set their learning plans aligned with individual career goals and motivating their voluntary participation.

Busan Bank requires employees to complete level-specific mandatory training covering basic banking operations such as deposits, loans, and FX, to help them build the foundational knowledge required for their roles. To expand training opportunities, Busan Bank opened Campus as a year-round training facility located in the urban center with improved accessibility. Mini Class courses for half-day job training are available year-round to help employees immediately apply learnings to their day-to-day work.

Category	Date of Opening	Trainees	
		2023	2024
Gaya Campus	Jul. 18, 2023	209 persons	478 persons
Suyoung Campus	Nov. 1, 2024	-	46 persons
<b>Total</b>		<b>209 persons</b>	<b>524 persons</b>

Kyongnam Bank requires employees to complete essential job training by job level in key areas (FEE-BIZ), such as deposits, loans, FX, fee business and IT. To measure employees' job competency and their understanding of relevant regulations, annual job knowledge evaluations are conducted. To support employees with expertise building and career development, the bank operates a three-level Job Master program (Junior Master, Semi Master, and Master) along with internal certifications awarded by area of expertise, fostering a culture of self-directed learning. Job Masters are selected by comprehensively taking into account their banking experience, internal job assessments, acquisition of certifications, and performance evaluations.

### Targets and Metrics

#### Targets and Metrics for Talent Development

BNK Financial Group tracks training hours and training expenses per employee to support employees' competency enhancement. We are committed to continuously expanding opportunities for employee competency building and self-development.



BNK Financial Group job training conducted in 2024



- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

## Building an ESG-driven Corporate Culture ESG-embedded Corporate Culture

### Governance

#### Operational Framework for an ESG Corporate Culture

On the back of our core value of 'creating new value together with integrity', we place strong emphasis on building a sound corporate culture that empowers employees to engage in their work and unlock their full potential. This shared mission guides BNK Financial Group and its subsidiaries in establishing and enhancing corporate culture with a focus on management, strategy, HR and other relevant functions. Kyongnam Bank operates the Company Development Council, which convenes at least once a year to address unreasonable organizational practices and foster a corporate culture based on empathy and communication. This Council is attended by employee representatives, management, and relevant departments to discuss key issues and explore practical ways to improve its corporate culture. Recognizing the importance of roles associated with corporate culture, BNK Securities has integrated relevant responsibilities in its HR department under the Management Support Headquarters, further focusing on corporate culture management.

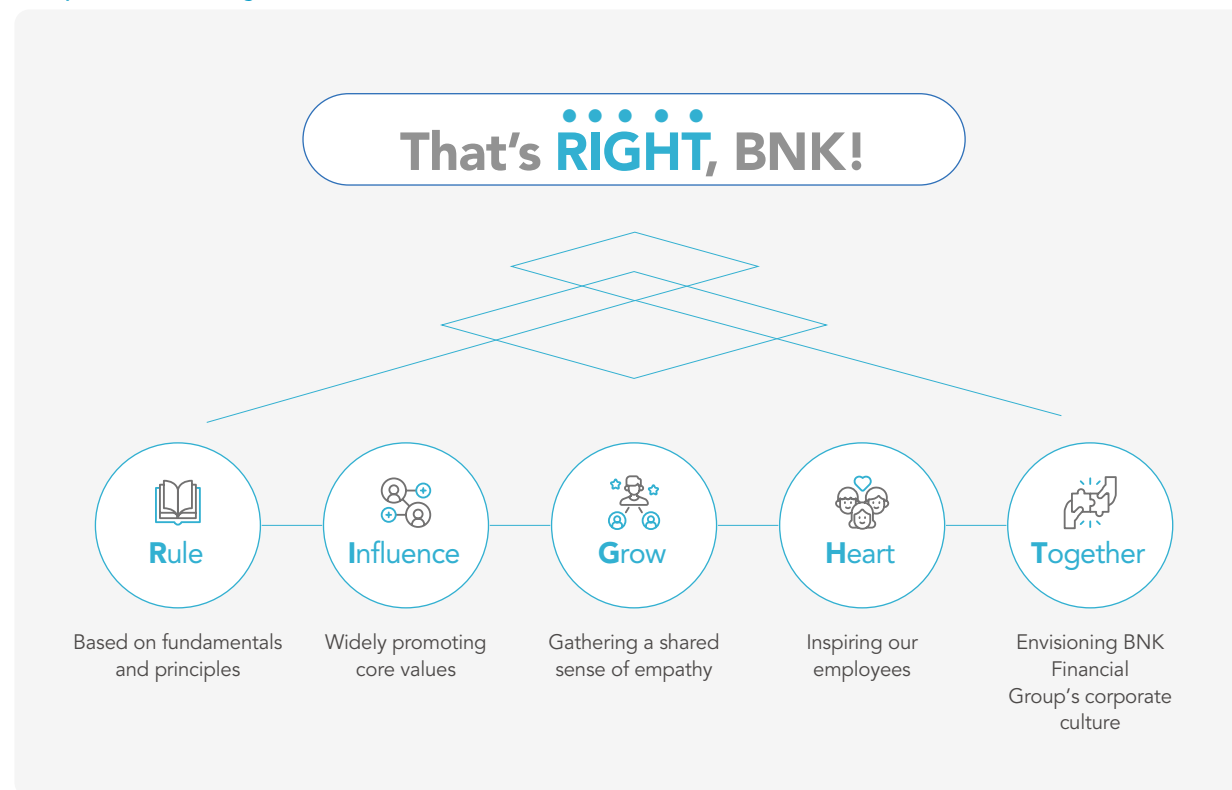


### Strategies and Activities

#### That's RIGHT, BNK!

In 2024, BNK Financial Group unveiled its slogan 'That's RIGHT, BNK!', conveying the meanings of 'correct' and 'right' to build a corporate culture that resonates with the broader public. This slogan embodies our commitment to widely promoting BNK Financial Group's core values, building a shared sense of empathy, and envisioning a corporate culture that inspires employees together with stakeholders.

#### • Corporate Culture Slogan



## Strategies and Activities

### Performance Evaluation and Compensation

#### Operating Performance Evaluation Programs

BNK Financial Group operates fair and structured performance evaluation programs to assess organizational-level goal achievements across departments, offices, and branches with a focus on its mid-to long-term and annual management guidelines and strategic priorities. The MBO (Management by Objective) approach is adopted for Individual employee evaluation to assess their achievement of individual work goals set based on their organizational goal in the first quarter of each year, with the results reflected in overall HR decisions, including promotion, relocation, awards, career development, and salary determination. Employees in rank level 4 and higher positions receive annual leadership evaluations and the results are used as basic inputs for leadership competency assessments and future talent development efforts.

#### Operating 360-degree Evaluations and Enhancing HR Transparency

Busan Bank has implemented 360-degree evaluations since 2023 to motivate employees' self-directed behavior change and teamwork improvement. This program applies to general and contract employees with three month or longer in employment to assess their basic, job, and leadership competencies through peer feedback. Busan Bank plans to conduct survey-based reviews to assess the effectiveness of this program and develop improvement measures.

To enhance fairness and transparency in HR operations, BNK Financial Group annually discloses overall job performance scores as a key metric for promotion reviews. These scores provide the basis for HR coaching and evaluator training, helping to guide employees in their growth.

#### Establishing a Reasonable Compensation System

BNK Financial Group provides fair compensation aligned with performance based on the evaluation results generated at the individual, organizational, and subsidiary levels. Unit organizational performance is evaluated from January to December, and the evaluation results are directly fed into the calculation of performance pay rates for employees.

We engage in external consulting and taskforce team research to continuously improve the objectivity and validity of our performance evaluation framework. We also ensure all employees are paid above the legal minimum.

#### Employee Stock Ownership Plan

BNK Financial Group operates an Employee Stock Ownership Plan (ESOP) to foster a sense of ownership among employees and share the company's performance. As of the end of December 2024, this plan was joined by 5,641 employees, representing 82.37% of the Group's total workforce. Participating employees can purchase company stock through monthly wage reductions and are eligible for income tax deductions of up to KRW 4 million per year.

#### • Overview of Employee Performance Evaluation

BNK Busan Bank

Category	Subcategory	Description
360-degree evaluation	Objective	Motivate employees' self-directed behavior change and promote teamwork among employees
	Target	All employees (full-time, contract positions)
	Evaluator	<ul style="list-style-type: none"> <li>• Evaluator (10 persons) : Employees who have worked with the evaluated employee over the past three years</li> <li>• Randomly assign evaluators with maximum consideration of work relevance</li> </ul>
	Process	Access One HR or a mobile operational support app
	Area of evaluation	Basic competency, job competency, leadership competency



Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

## Strategies and Activities

### Strengthening Employee Communication and Satisfaction

BNK Financial Group operates a range of programs to promote communication among employees and enhance their organizational satisfaction. We have implemented the Birkman Assessment approach since 2024 to systematically identify employees' tendencies, work engagement, and stress levels. In the first quarter of 2025, we conducted an online satisfaction survey on all employees from seven subsidiaries. The survey consisted of questions designed to measure employee engagement including job satisfaction, sense of purpose, happiness, and stress. With a response rate of 9.8%, we measured satisfaction of 9.5% of total BNK Financial Group employees. The analysis revealed that the satisfaction score was 3.99 out of 5, with 71.2% of respondents indicating they were either satisfied (4 points) or very satisfied (5 points) with their company. In the following year (reporting year), we will survey employees from all 10 subsidiaries, with the goal of reaching 4.00 out of five in employee satisfaction score.

The 360-degree evaluations that have been conducted since 2023, the Birkman Assessment introduced in 2024, and the annual employee satisfaction surveys to be conducted at scale from 2025 will support our structured and ongoing efforts to ensure continuous employee communication and improve satisfaction.

#### • Employee Communication and Satisfaction Enhancement Programs

Type	Program
Labor-management communication	<ul style="list-style-type: none"> <li><b>BNK Busan Bank</b> • Held the annual Labor-Management Harmony Hope Day joined by labor and management representatives to convey the message of unity and mutual benefits</li> <li><b>BNK Kyongnam Bank</b> • Organized ski trips, tidal flat experiences, and a whiskey tasting event in 2024</li> <li><b>BNK Capital</b> • Established a labor-management council bulletin board within the groupware (intranet) to facilitate smooth communication and information sharing between labor and management</li> <li>• Expanded the scope of health check-up eligibility and increased childbirth congratulatory payments through the labor-management council</li> <li><b>BNK Securities</b> • Continued improvements and implementation of medical expense support and family health checkup eligibility through the labor-management council</li> <li>• Maintained a department head evaluation system to foster a horizontal corporate culture</li> <li>• Enhanced the wage peak system and leave programs, introduced a psychological counseling support program for the customer satisfaction team, and extended eligibility period for allowances for employees with disabled family members through the labor-management council</li> <li><b>BNK Asset Management</b> • Promoted labor-management harmony and explored workforce retention strategies through the labor-management council</li> </ul>
Employee communication and harmony	<ul style="list-style-type: none"> <li><b>BNK Financial Group</b> • Regularly hosted the BNK Management Forum every 1-2 months in 2024 covering expert lectures and CEO communication sessions</li> <li><b>BNK Kyongnam Bank</b> • Organized career experience events for employees and their families to enhance family happiness</li> <li>• Organized a filial piety trip for employees' parents in the fall of 2024</li> <li><b>BNK Capital</b> • Created the empathy story board on the Group's intranet to encourage communication and establish a new corporate culture</li> <li>• Hosted the "CEO Treats You to Chicken!" for summer morale</li> <li>• Organized luncheon meetings with remote workers hosted by the CEO to provide encouragement</li> <li><b>BNK Securities</b> • Held discussions for new hires to assess their onboarding level and collect feedback</li> <li><b>BNK Asset Management</b> • Hosted employee harmony events with the CEO</li> <li>• Strengthened internal communication through a company-wide workshop celebrating the Group's foundation day and division-level workshops</li> <li><b>BNK System</b> • Conducted anonymous employee surveys to develop organizational culture revitalization strategies and held autumn communication events including lucky draws and other activities</li> </ul>
Cultural experience	<ul style="list-style-type: none"> <li><b>BNK Financial Group</b> • In 2024, implemented the BNK Bookchelin program as a shared reading experience initiative to foster a new corporate culture through healthy leisure and work-life balance for employees</li> <li><b>BNK Kyongnam Bank</b> • Implemented the e-Book support program to cultivate reading practices and habits, hosted group viewing events for the Nakdong River Derby with the NC Dinos professional baseball team, supporting various cultural life activities</li> <li><b>BNK Capital</b> • Hosted movie events with the CEO, such as "Healing Touch on a Summer Night" and "An Autumn Journey with Film Memories"</li> <li>• Held a group viewing event for the BNK Some women's professional basketball team</li> <li>• Implemented the E-BOOK support program</li> <li><b>BNK Securities</b> • Supported in-house club activities in 2024, Implemented the E-book support program</li> </ul>

Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

## Building an ESG-driven Corporate Culture ESG-embedded Corporate Culture

### Strategies and Activities

#### Ensuring Work-Life Balance

To ensure a flourishing life for employees and foster a sustainable working environment, BNK Financial Group spares no efforts in providing a range of institutional support. This includes helping employees increase their work engagement through flexible hours, improved meeting practices, and focused workhours while arranging practical leave programs including annual leave incentives, refresh leave, and access to company-operated condominium and resorts to help employees recharge themselves. Cultural experience programs for employees and employee families and gifts for holidays and employees' children are just some of our family-friendly welfare benefits aimed at supporting employees to achieve the right work-life balance. These benefits equally apply to most contract workers.



#### • Work-Life Balance Support Programs



Promoting leisure activities and ensuring a work-life balance with evenings free

- Operate the PC shutdown program and introduce Lunch Saver to ensure lunch (break) time
- Support in-house club activities and operate after-work self-development programs
- Foster rational meeting practices (no meetings before 9 a.m., limit meeting duration to 1 hour)
- Establish a joint labor-management taskforce team for organizational culture improvement
- Introduce the PC-OFF program
- Discourage the use of corporate cards for business dinners and minimize overtime on Family Day every Wednesday
- Discourage personal tasks for 2 hours in the morning and afternoon through focused work hours, and improve work efficiency by minimizing meetings and restricting chat use
- Provide joint health management programs



Enhanced leave programs to guarantee ample rest

- Provide annual leave incentives
- Support self-development incentives when taking annual leave
- Ensure free use of leave through the self-determined leave program with registrations made two months in advance
- Extend the refresh leave program (restoration of used leave days)
- Operate vacation facilities year-round for refreshment opportunities
- Assign staff from the head office to prevent work disruptions during employee leave
- Support condominium use
- Provide summer vacation allowances



Family-inclusive programs to spend time together

- Provide Family Month incentives
- Organize filial piety travel for parents and family-friendly sports and movie outings (NC Dinos baseball games)
- Provide gifts and cash for children entering school and encouragement gifts for high school seniors taking the Korean SAT
- Operate year-round vacation facilities

## Strategies and Activities

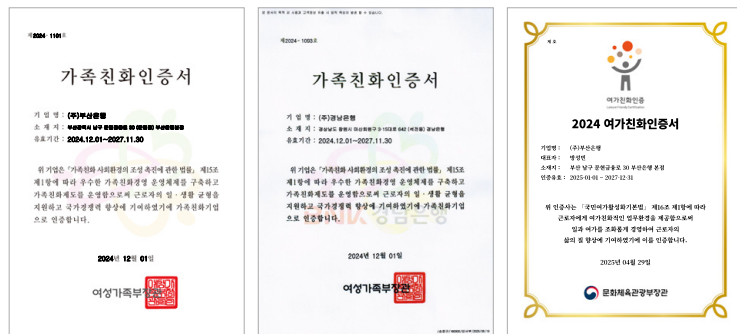
### Childcare and Parenting Support

BNK Financial Group is moving towards building cooperative and productive relationships with employees to improve their satisfaction and support work-life balance.






Busan Bank remains committed to providing a work environment that supports a balance between work and leisure. In recognition of its efforts, the bank was certified as a 'leisure-friendly business' by the Ministry of Culture, Sports and Tourism. Busan Bank provides a range of family-friendly programs that engage employees' families, including weekend family farms, kid pool resorts, and family psychological counseling, ensuring its employees are satisfied with both leisure and family life. Such efforts earned the company family-friendly business certification awarded by the Ministry of Gender Equality and Family.

Kyongnam Bank effectively operates childbirth and childcare support programs, spanning reduced workhours during pregnancy, relaxed eligibility for parental leave, in-house daycare centers, and family health checkups, making sure employees can work with peace of mind.

Looking ahead, BNK Financial Group will continue improving working conditions and expanding welfare benefits so that employees lead fulfilling lives both at work and at home.



### Childcare and Parenting Support Program

Type	Program
 <p>Childbirth and childcare support</p>	<ul style="list-style-type: none"> <li>In-house daycare centers (4 at Busan Bank, 2 at Kyongnam Bank)</li> <li>Childbirth incentives and celebration allowances</li> <li>Electromagnetic shielding garments to pregnant employees</li> <li>'Expecting Mom' nameplates placed at bank branches and congratulatory gifts</li> </ul>
 <p>Maternity and parental leave and leave of absence</p>	<ul style="list-style-type: none"> <li>10 days of paid family care leave per year</li> <li>Family care leave and reduced workhours for family care</li> <li>90 days of pre- and post-natal leave based on business days (BNK Capital)</li> <li>Support for fertility treatment and leave</li> <li>Reduced workhours during pregnancy and childrearing periods</li> <li>Prenatal checkup leave during pregnancy</li> <li>Up to 24 weeks of paid parental leave and up to 36 months of unpaid parental leave for primary and non-primary caregivers, and up to 120 days of pre/post-natal leave</li> </ul>
 <p>Flexible work arrangements</p>	<ul style="list-style-type: none"> <li>Flexible and reduced workhours for employees returning after parental leave or having children entering elementary school</li> </ul>
 <p>Remote work</p>	<ul style="list-style-type: none"> <li>Work-at-home available</li> </ul>
 <p>Others</p>	<ul style="list-style-type: none"> <li>Miscarriage/stillbirth condolence allowances</li> <li>Congratulatory allowances for children entering elementary, middle, high school or university</li> <li>Kindergarten tuition support</li> </ul>

### ESG Performance

- Environment
- Social
- Governance
  - Fostering responsible governance
  - Advancing the ESG risk management framework
  - Establishing a business culture of ethics and compliance
  - Sustainability in Focus
  - Building an ESG-driven corporate culture
  - Establishing an autonomous financial security framework

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

## Building an ESG-driven Corporate Culture ESG-embedded Corporate Culture

### Targets and Metrics

#### Targets and Metrics for an ESG-embedded Corporate Culture

BNK Financial Group manages and monitors employees who receive regular performance and career development evaluations to improve their job satisfaction and foster a corporate culture of belonging built on fair assessment practices.

To drive sustainable management, BNK Financial Group provides long-term incentives to employees involved in implementing key ESG tasks such as climate crisis response, inclusive finance, and financial consumer protection. These incentives are awarded based on a comprehensive evaluation of three-year performance. In particular, Busan Bank and Kyongnam Bank incorporate specific ESG indicators - reductions in energy consumption, paper and toner usage, and greenhouse gas emissions - into their KPIs, ensuring that tangible environmental performance is directly linked to employee compensation.



## Governance

### Implementation Framework for Safety and Health Management

BNK Financial Group operates the Occupational Safety and Health Committee to provide a safe and healthy workplace. The Committee consists of the Head of the Management Support Group, the employee representative, employee-side members, and employer-side members, designating the Head of the Management Support Group as the general manager of safety and health operations. The Committee convenes regularly on a quarterly basis to deliberate and decide on agenda items including developing occupational injury prevention plans, establishing and revising safety and health management regulations, maintaining and promoting employee safety and health, improving the workplace environment, investigating the causes of occupational injuries and developing measures to prevent their recurrence.

#### • Implementation Framework for Health and Safety Management



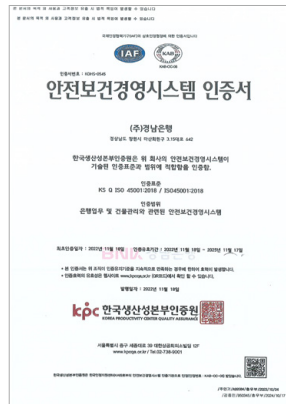
## Strategies and Activities

### Industrial Safety and Health Policy

BNK Financial Group prioritizes the safety and health of stakeholders – employees, customers, and partners – as its core value throughout the entire operations. We strictly abide by applicable laws and standards and foster a healthy and safety workplace to prevent occupational injuries. We continue monitoring our occupational safety and health policies to reflect evolving social issues and regulatory changes. When revisions are required, they are reviewed and approved by senior management or the Board of Directors to implement. These policies apply to all employees from BNK Financial Group and its subsidiaries as well as partners and customers. We have consistently maintained a zero occupational injury rate, staying at the forefront in ensuring workplace safety and health.

Notably, Kyongnam Bank became the first regional bank in Korea in 2022 to certify its operations to ISO 45001 for occupational health and safety management, and has remained certified through surveillance audits, maintaining systemic safety and health management.

[Industrial Safety and Health Policy](#) →



## Introduction

### ESG Management System

#### ESG Performance

##### Environment

##### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

### ESG Data Pack

#### Appendix

## Strategies and Activities

### Safety and Health Management Strategy

At BNK Financial Group, 'protecting the lives of employees' and 'ensuring workplace safety' are at the core of its business operations. We provide all employees with regular safety training in conformity with the Occupational Safety and Health Act. This value guides each subsidiary to establish a structured safety and health management system and continue with efforts to safeguard the health and safety of varying stakeholders.

Busan Bank has set five safety and health goals, including achieving zero occupational injuries and protecting the lives of all employees and customers, and is engaging in systemic activities to reach these goals. In particular, the scope of safety management has been extended beyond its own employees to include personnel from outsourcing companies and subcontractors and workers at commissioned construction site, ensuring safe environment for all.

Kyongnam Bank achieved ISO 45001 certification for occupational health and safety management and is conducting risk assessments and taking safety measures in line with safety and health risk assessment guidelines. While pursuing these initiatives, the bank is aligning its safety system with global standards to promote the health and safety of employees.

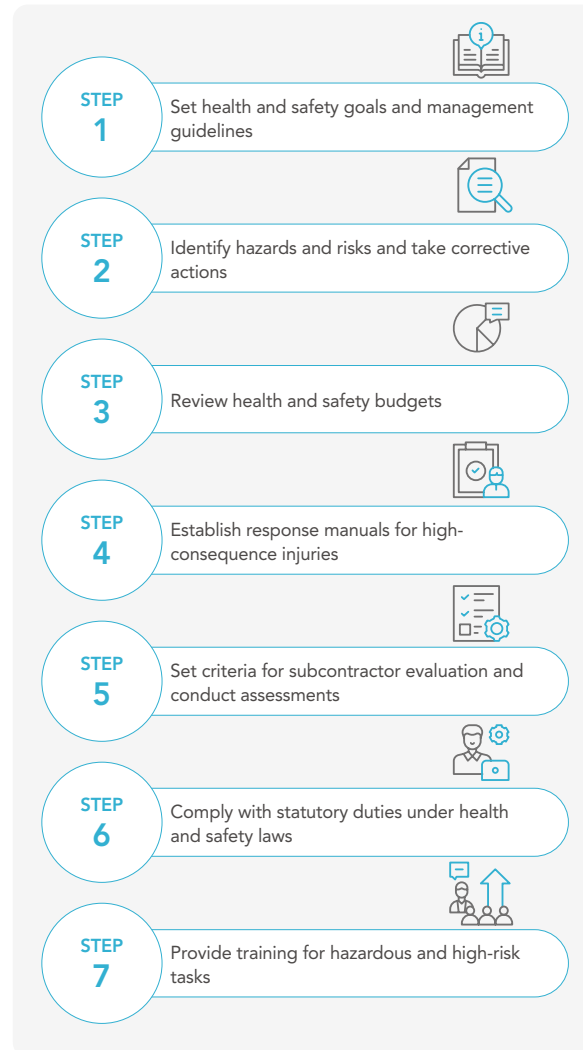
BNK capital and BNK Securities sets annual safety goals and guidelines while developing specific action plans to systematically identify and address risks and hazards within the workplace. This is paired with regular safety training, awareness campaigns, and feedback collection from employees and workers to raise safety and health awareness across the board.

### Safety and Health Risk Management

BNK Financial Group has developed manuals to respond to high-consequence occupational injuries with an aim to standardize its safety and health management systems at the Group level in accordance with the Occupational Safety and Health Act. We conduct semiannual reviews of subsidiaries and assess their fulfillment of obligations specified within operational manuals. In accordance with the Occupational Safety and Health Management Plan, we have established a risk assessment system to identify risk-inducing factors in the workplace and to mitigate safety and health hazards.

BNK Financial Group conducts annual regular risk assessments in collaboration with external specialized organizations to ensure the health and safety of employees. This begins with selecting aged branch facilities and engaging contracted companies to assess a range of risks such as finger entrapment and slip hazards, identifying necessary improvements for continuous management. In parallel, we review each business site for their proper management of health and safety risk levels and targets. For work-related injuries or illnesses, we thoroughly investigate their causes in accordance with internal procedures and take corrective actions to prevent similar incidents from occurring.

#### • Key Items for Semiannual Inspection to Address High-consequence Occupational Injuries



Introduction

ESG Management System

**ESG Performance**

Environment

Social

**Governance**

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- **Building an ESG-driven corporate culture**
- Establishing an autonomous financial security framework

ESG Data Pack

Appendix

### Strategies and Activities

#### Support for Employee

BNK Financial Group provides comprehensive support to ensure the physical and mental well-being of employees by expanding the coverage of group accident insurance, extending eligibility for health checkups, and increasing financial assistance for medical expenses. In particular, our health checkup program, previously limited to employees aged 30 or older, now covers their spouse and one parent (or parent-in-law), in an effort to establish an employee welfare system supporting employees and their families. We also offer Guksundo designed to promote physical and mental well-being after work, office yoga and Pilates classes, taking the lead in fostering a culture of work-life balance across the organization.

Busan Bank operates the 'Visiting Health Keeper Refresh Day' program to help employees relieve their work-related fatigue. In partnership with organizations specializing in EAPs (Employee Assistance Program), the bank provides employees and their families with psychological counseling to deal with a range of issues ranging from family to personal relationships and parenting.

BNK Capital offers a wide range of health checkup benefits through its partnership with integrated health checkup management platforms, offering optional screening items at partner hospitals nationwide. For unmarried employees aged 33 or older, the company supports health checkups for one of their parents, ensuring comprehensive, gap-free health management. BNK Savings Bank supports essential welfare programs, including group accident insurance, resort access, medical support for immediate family members including parents and children, health checkups, and financial support for experience-based training for long-serving employees, ensuring comprehensive coverage for employee health and well-being.

#### • Employee Communication and Satisfaction Enhancement Program

Type	Support Program
Basic welfare program	<ul style="list-style-type: none"> <li>Enhance group injury insurance coverage (increased cancer diagnosis benefits, added traffic accident coverage, and increased death benefits)</li> <li>Support health checkups</li> <li>Expand medical expense coverage (diagnostic tests for treatment purposes, CT, MRI, and ultrasound)</li> </ul>
Support for disease prevention	<ul style="list-style-type: none"> <li>Respond to emergencies and support employee health management with the help of on-site nurses stationed at the head office health center</li> <li>Provide additional health checkups for departments at increased risk for illness                             <ul style="list-style-type: none"> <li>IT department: Musculoskeletal health</li> <li>Customer consultation department: Ear, nose and throat health</li> </ul> </li> </ul>
Psychological counseling	<ul style="list-style-type: none"> <li>Operate the Guksundo program to provide professional psychological counseling for employees' mental well-being</li> <li>Busan Bank's 'Mind Healing Project' to support counseling to address job-related concerns, family issues, and personal relationships</li> </ul>
Culture of appreciation	<ul style="list-style-type: none"> <li>Foster an integrity-driven corporate culture by encouraging mutual appreciation among employees</li> </ul>
Others	<ul style="list-style-type: none"> <li>Operate fitness facilities and employee lounges</li> </ul>

### Targets and Metrics

#### Targets and Metrics for Safety and Health Management

To establish a safe corporate environment and a safety-driven culture, we have set a quantitative target of achieving zero occupational injury rates. We continue to monitor relevant metrics, including the number of absence days due to illness or injury, to ensure systemic safety and health management. Progressing towards the goal of maintaining zero occupational injury rates, we will advance our safety management framework.

**Metrics for Health and Safety Management**

**Occupational injury rates of employees and partner companies <sup>1)</sup>**

**0%**

<sup>1)</sup>Based on BNK Financial Group, Busan Bank, and Kyongnam Bank

**Health and safety-related certifications**

**ISO 45001**  
certification

#### Introduction

#### ESG Management System

#### ESG Performance

- Environment
- Social
- Governance**
  - Fostering responsible governance
  - Advancing the ESG risk management framework
  - Establishing a business culture of ethics and compliance
  - Sustainability in Focus
  - **Building an ESG-driven corporate culture**
  - Establishing an autonomous financial security framework

#### ESG Data Pack

#### Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

# Establishing an Autonomous Financial Security Framework

## Governance

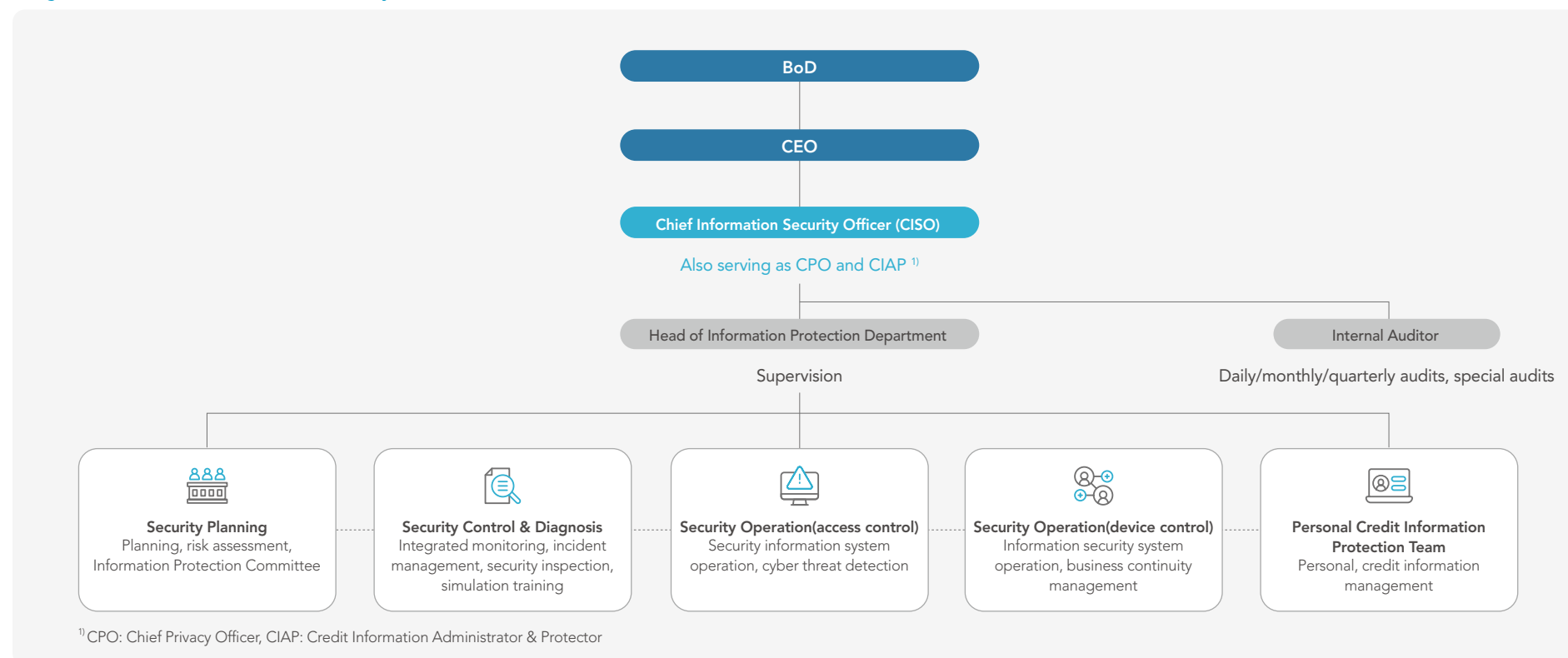
### Information Security Implementation Framework

BNK Financial Group appoints the Chief Information Security Officer (CISO) based on expertise in information security and IT to ensure systemic information security management. The Information Protection Department under the direct leadership of the CEO is responsible for all aspects of information security operations covering planning, management, assessment, control, and audits. To bolster the protection of personal credit information, the Personal Credit Information Protection Team operates under the Information Protection Department with independent authority.

The Information Protection Committee convenes regularly by the CISO with the heads of IT, information security, and compliance departments in attendance to support decision-making on key information security matters and the development of regulations and guidelines. The Group Board of Directors conducts direct quarterly reviews on customer information protection and serves as the highest decision-making body for information security risk management. Information security plans are developed annually in alignment with the Group's IT plans and are reviewed by the

Information Protection Committee and approved by the CEO before being reported to the Financial Services Commission to ensure their legal and institutional consistency.

#### • Organizational Chart for Information Security



# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Information Security Strategy

BNK Financial Group establishes mid-to long-term strategies anchored on its autonomous security framework and bolsters capabilities to predict and respond to cyber threats, delivering safe and secure financial services. These initiatives are guided by our four key information security strategies – responding to potential information security threats, preventing electronic financial fraud, raising security awareness through internal controls, and enhancing personal (credit) information protection – ensuring preemptive response to a range of potential threats. These strategic pillars drive our efforts to advance our information security risk management framework and operate structured information security systems suited to the digital environment, preventing personal data leaks as a result.

#### • BNK Financial Group's 4 Information Security Strategies

Respond to potential threats to reduce internal/external risks	<ul style="list-style-type: none"> <li>• Achieve zero cyber hacking and data leaks</li> <li>• Improve vulnerability management for safe open-source use</li> <li>• Implement ASM (Attack Surface Management) to manage the inventory of attack surface</li> <li>• Advance Extended Detection and Response (XDR) for integrated threat detection and incident response</li> </ul>
Enhance protection against electronic financial fraud	<ul style="list-style-type: none"> <li>• Strengthen monitoring to prevent electronic/telecommunication-based financial fraud</li> <li>• Provide services to detect malicious apps and prevent identity theft</li> <li>• Establish cooperation systems with external agencies, including the Financial Security Institute</li> <li>• Update outdated anti-fraud (fraud detection) systems</li> </ul>
Raise security awareness through enhanced internal controls	<ul style="list-style-type: none"> <li>• Prevent financial incidents by deploying a personalized authentication system</li> <li>• Operate an employee information security portal to strengthen internal controls</li> <li>• Build a Zero Trust-based work environment</li> </ul>
Strengthen personal (credit) information management security	<ul style="list-style-type: none"> <li>• Establish a management system for outsourced service providers and affiliated companies handling personal credit information</li> <li>• Conduct full-scale security inspections and provide training for outsourced service providers</li> </ul>

### Information Security Certification

In line with BNK Financial Group's key information security strategies, Busan Bank, Kyongnam Bank, and BNK System have achieved Information Security Management System (ISMS) certification, and Busan Bank has been also certified to ISO 27001, the international standard for information security management systems in infrastructure operation. Within BNK Financial Group, 86% of affiliates, based on total assets, have obtained ISMS certification. Each subsidiary undergoes assessments by external expert organizations and regular audits by the Financial Security Institute to maintain the validity of certifications and continuously enhance their security performance, which in turn helps ensure the credibility and effectiveness of the Group-wide information security framework.

#### • Information Security Certification Achieved



### Information Security Investment

BNK Financial Group invests actively in advancing its information security risk management framework. Busan Bank has set 'information security risk management' as its overarching strategic direction for information security and operates the 'risk management team' which integrates security monitoring and security assessment functions. The team performs real-time analyses on security threats and asset vulnerabilities to strengthen the bank's organizational capabilities for risk identification and assessment. Busan Bank's information security budget represented 11.1% of its total IT budget in 2024 and this figure rose to 11.5% in 2025. At Kyongnam Bank, the information security budget accounts for 7.46% of the total IT budget. The bank is working to establish a risk management framework, reinforce Zero Trust principles, and enhance personnel competencies in alignment with its mid-to long-term strategy rooted in the autonomous security framework. Both banks are committed to improving the effectiveness of their security management frameworks by leveraging internal controls and information security KPIs.

### Introduction

### ESG Management System

#### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

### ESG Data Pack

### Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

## Establishing an Autonomous Financial Security Framework

### Strategies and Activities

#### Enhancing Employees' Information Security Capabilities

BNK Financial Group mandates all employees, including contractors, to complete information security training to raise their information security awareness and strengthen internal control capabilities. Each subsidiary offers job-specific training content tailored to working-level needs, ensuring employees maintain up-to-date security competencies through training. This annual training covers both full-time and contract positions. For third-party personnel, separate training is provided or their training completion is verified through outsourced service provider inspection results.

To support a swift response to security incidents, we are developing Group-wide guidelines to handle IT security incidents. Relevant training includes procedures for employees to autonomously report security vulnerabilities or suspicious cases. This training framework helps us enhance our internal control and information security for financial IT operations while fostering a culture of individual responsibility for information security, contributing to the advancement of our Group-wide information security framework on an ongoing basis.

#### Information Security Training Provided



- Raise awareness of threats to personal data leaks
- Share major types and real-life cases of personal data leaks
- Analyze the legal liabilities and business impact of data leaks
- Provide guidance on information security measures and employee actions required for incident prevention
- Improve practical understanding through legal advice and real consultation cases related to personal data
- Provide in-depth training on the latest security trends and technical issues
- Strengthen practical application capabilities through third-party training institutions such as Multicampus
- Produce short-form drama content (in-house broadcast) on personal data breach incidents and conduct training
- Provide employees with information security training to prevent personal data breaches



- Conduct both in-person and virtual training to prevent personal data leaks
- Establish annual training plans based on relevant regulations, including the Electronic Financial Supervisory Regulations, the Credit Information Act, and the Personal Information Protection Act
- Report training results to the CEO and establish a performance management system
- Conduct training by using customized content through YouTube dramas and IPTVs in connection with Information Security Day campaigns
- Shift employees' security awareness by producing and distributing security training promotional materials
- Share monthly security incidents and issues and cautionary guidance through groupware

#### Information Security Training Hours by Position

Category	Unit	BNK Busan Bank	BNK Kyongnam Bank	BNK Capital
Employees Hours	Hours	19,711	13,539	3,430
Information Technology Officer	Hours	4,269	1,277	2,562
Information Security Officer	Hours	818	160	2,702

# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Advancing AI-related Information Protection and Security Policies

BNK Financial Group is establishing a robust response system to mitigate security vulnerabilities arising from rapid advances in AI technology and to prevent customer data breaches stemming from technological transformation. Kyongnam Bank is advancing its security solutions in response to the growing use of generative AI and operates a real-time monitoring and response system to address high-risk activities, such as employees entering personal or internal data into ChatGPT and other generative AI models. We closely monitor the emerging issue of data breaches associated with generative AI and offer regular employee guidance on relevant issues to prevent security incidents and threats in so doing. Amid the evolving information security trends and threats, BNK Financial Group is fully committed to upholding and safeguarding data integrity for financial consumers and the Group as a whole.

### Integrated Information Protection Monitoring White Paper

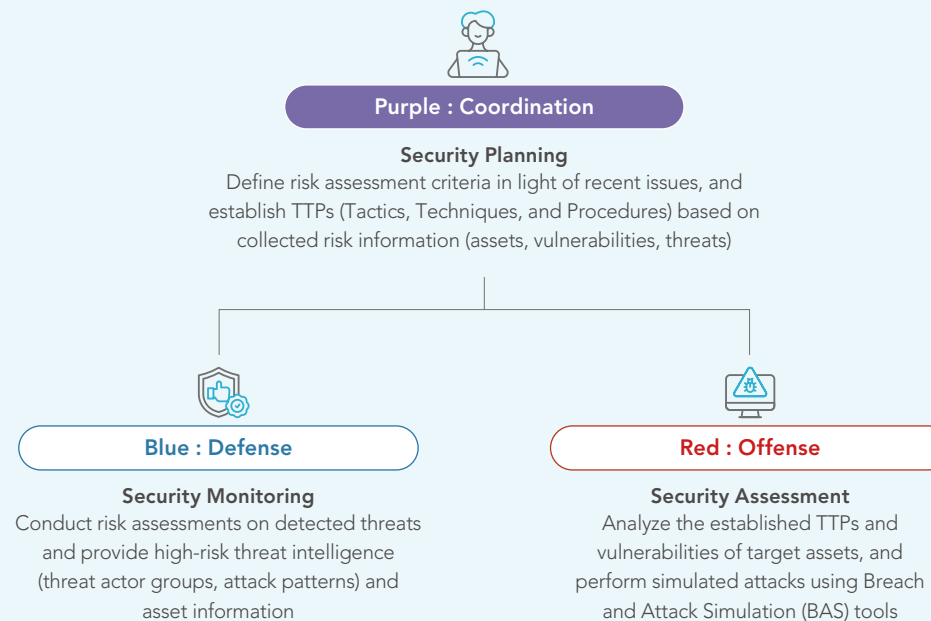
Building on our accumulated experience and expertise in information security, BNK Financial Group operates an advanced security management framework. Busan Bank's Information Protection Department has published a white paper titled 'Successfully Implementing Integrated Information Protection Monitoring' which compiles the bank's seven-year journey in deploying an integrated information security monitoring system, publicizing the Group's information security capabilities among the broader public. This white paper elaborates on specific implementation know-how relating to the design and operation of real-time risk management systems in addition to such technical components as vulnerability analysis and assessment, making meaningful contributions to establishing a risk-based security framework going forward.

#### In Focus

BNK Busan Bank

#### Busan Bank Operating the Purple Team

Busan Bank's Information Protection Department operates the Purple Team, a new unit established to bolster real-world security capabilities. The Purple Team is structured around the collaborative framework between the Blue Team responsible for defense operations and the Red Team focused on simulated offense, with an aim to proactively address the evolving cyber threat environment. This supports the execution of intrusion testing and simulated attacks based on actual attack scenarios, identifying security vulnerabilities in real time and taking immediate improvement measures. This proactive security initiative enables the prevention of and prompt response to security incidents, helping to safeguard customers' information assets and strengthen trust.



- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

# Establishing an Autonomous Financial Security Framework

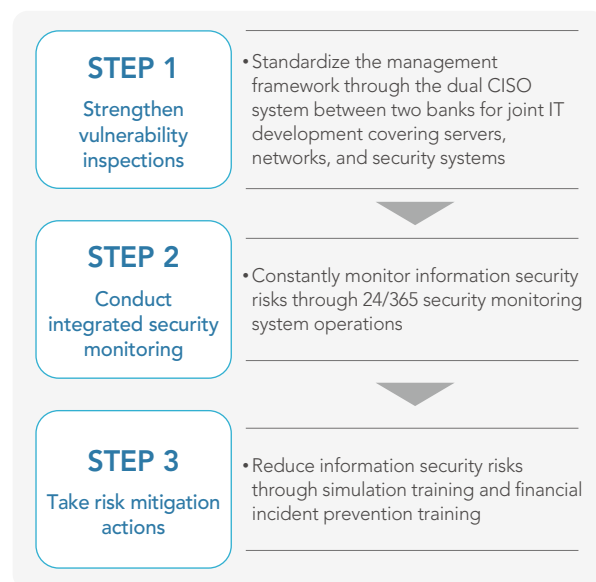
## Strategies and Activities

### Information Security Risk Assessment

As cyber threats become increasingly sophisticated amid the accelerating digital transformation, BNK Financial Group continuously enhances its Group-wide information security framework to proactively address these threats. In particular, we focus on systematically identifying potential threats and refining our response measures to advance our information security performance across the board.

We have developed an information security risk management process and regularly engage in a range of security operations accordingly, covering vulnerability assessments, website security inspections, and mock drills against security incidents. We also support information security managers by providing competency enhancement training and upgrading their roles to elevate the Group's overall information security performance.

#### • Information Security Risk Management Process



#### • Information Security Activities Undertaken

Category	Key Activity	Implementation
Breach Response Training	Conduct employee training to respond to malicious code attacks to raise information security awareness	May 2024
Vulnerability assessment of electronic financial infrastructure	Analyze and assess vulnerabilities in electronic financial infrastructure to enhance the IT security system	Jun. 2024
Website vulnerability assessment	Assess and analyze vulnerabilities in publicly-available websites to operate an enhanced IT security framework	Oct. 2024
CISO-led information security activities	Designate a monthly information security day and check employees' compliance with 34 information security items	Monthly

### Cyber Security Response Drills

BNK Financial Group ensures cyber security performance across all subsidiaries remains up-to-date through systemic assessment of and response to information security risks.

Busan Bank conducts annual real-time risk assessments on its information assets associated with electronic financial services. The bank has set and maintains its DoA (Degree of Assurance) at 31 and revised relevant internal regulations to apply more stringent assessment criteria. In cases a risk exceeds the set DoA threshold, immediate action is taken to eliminate the risk. Regular mock drills are conducted in conjunction with the Financial Security Institute in preparation for DDoS attacks, hacking, and malicious emails. The results of these drills are reported to the CISO and the Financial Services Commission.

Kyongnam Bank conducts vulnerability assessments of its electronic financial infrastructure (annually) and websites (twice a year) with the help of external expert organizations. The resulting action plans are approved by the Information Protection Committee and the CEO before being submitted to the Financial Supervisory

Service. Its internal security assessment personnel perform reviews prior to launching a new system, and this is paired with response drills for cloud-based DDoS attacks, hacking, and malicious emails to strengthen real-world response capabilities.

BNK Capital conducts annual vulnerability assessments of its critical systems in partnership with external organizations designated by the Ministry of Science and ICT. Its information security budgets, personnel, and plans are evaluated for their appropriateness through deliberations by the Information Protection Committee and are approved by the CEO before being reported to the Financial Supervisory Service.

BNK Savings Bank annually participates in the security breach response drills organized by the Financial Security Institute, and conducts scheduled and ad-hoc inspections on its operational systems in partnership with external organizations. The bank also performs annual disaster recovery drills to build crisis response capabilities.

#### • DDoS and Cyber Security Response Drills Conducted

Subsidiary	DDoS Response Drills Conducted	Training Schedule (example)	Other Details of Security Training
Busan Bank	Regularly	Regularly throughout the year	Server hacking response, malicious email response, improvement measures taken following deliberations by the Information Protection Committee
Kyongnam Bank	Jointly with the Financial Security Institute	Annually	Vulnerability assessment of websites and electronic financial infrastructure, server hacking/ email drills, reporting to the Financial Services Commission
BNK Capital	Regularly with the Financial Security Institute	At least once a year	APT response, deployment of email security solutions, planning by the Information Protection Committee
BNK Savings Bank	Independently	Apr. 2025	APT response drill (Apr.), electronic financial infrastructure inspection (Oct.), disaster recovery simulation drill (Nov.)

#### Introduction

#### ESG Management System

#### ESG Performance

#### Environment

#### Social

#### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

#### ESG Data Pack

#### Appendix

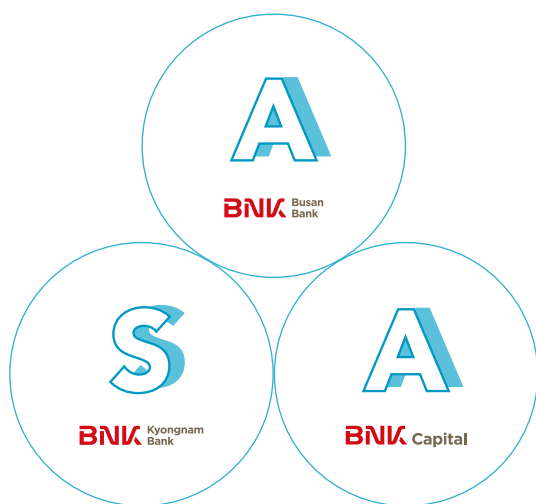
# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Data Privacy Strategy

BNK Financial Group established the BNK Personal Information Protection Policy in 2024 in compliance with the Electronic Financial Transactions Act and the Credit Information Use and Protection Act. This policy applies to all subsidiaries to clearly outline core principles of minimum personal data collection and the prohibition of sharing personal data with third-parties. We operate an integrated framework that oversees the entire lifecycle of personal data processing. BNK Financial Group, Busan Bank, and Kyongnam Bank are evaluated annually for their personal credit information security management by the Financial Security Institute serving as an external independent audit organization. We mandate data privacy training for all employees and regularly assess our customer data handling practices to prevent data breaches or misuse. In parallel, we maintain liability insurance and allocate reserves in preparation for data breaches to proactively respond to potential incidents.

#### • 2024 Financial Security Institute Inspection Results



### Customer-centric Data Privacy Framework

#### Data Privacy Policy

BNK Financial Group's data privacy policy, established in accordance with Article 30 of the Personal Information Protection Act, ensures that data subjects may exercise their rights to access, rectify, delete or suspend the processing of their personal data at any time, upholding customers' right to informational self-determination. All personal data collected and held by BNK Financial Group is based on pertinent laws or consent from data subjects. Once the retention period has expired or the intended purpose of collection has been fulfilled and the data is deemed no longer necessary, personal data in electronic form is permanently deleted and personal data in paper form is shredded or incinerated. We also provide the Comprehensive Privacy Policy on our website, which is a labeled version of the Comprehensive Personal Information Processing Consent Guide of the Personal Information Protection Commission, supporting customers to better understand and access details on how their data is handled.

#### Privacy Policy for Children

To strengthen the protection of data privacy for children aged under 14, Busan Bank established its own easy-to-understand data privacy policy dedicated to children, moving beyond conventional legal terminology. The bank completed the analysis of existing policies and relevant data collection on October 28, 2024, and in November conducted content reviews and revisions with the help of a child advisory panel. The final version of the policy was confirmed and disclosed at the end of December, incorporating UI/UX designs tailored to child users.

#### Data Use based on Customer Consent

BNK Financial Group does not rent, sell or provide customer data to third-parties for secondary purposes. Our customer-facing marketing activities are all based on prior customer consent. The Marketing consent rates are 42.9% for Busan Bank and 34.3% for Kyongnam Bank.

#### • Customer Data Used for Secondary Purposes (Unit: persons)

	BNK Busan Bank	BNK Kyongnam Bank
Customers who consented to marketing (PUSH, LMS marketing targets)	2,241,641	1,135,347
Proportion of the total customers	42.9%	34.3%

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

##### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

#### ESG Data Pack

#### Appendix

# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Advancing the Electronic Financial Fraud Prevention System

To stay ahead of increasingly sophisticated electronic financial fraud, BNK Financial Group is systematically operating an integrated monitoring system to prevent voice phishing.

Busan Bank and Kyongnam Bank leverage their Fraud Detection System (DFS) to perform precise analyses on transaction patterns and to upgrade detection criteria to prevent fraudulent transactions from ever occurring. Notably, Busan Bank detected over 181 suspicious transactions in the first half of 2024 alone, which is a significant improvement from the 130 cases detected in 2023. In 2024, the bank introduced a new identity theft detection system to support early detection and blocking of mobile phones illegally activated or devices operated under stolen identities. Through an MOU signed with the Financial Supervisory Service, Busan Bank is establishing a non-face-to-face financial fraud prevention system and has developed responsibility sharing criteria, strengthening its post-incident response capabilities.

BNK Capital maintains a real-time information sharing system with the Financial Security Institute and has adopted a suite of tools including firewalls for access control on apps and websites and a dedicated mobile app for voice phishing blocking. In December 2024, the company introduced a consumer compensation program in accordance with the Financial Supervisory Service – Korea Financial Investment Association Agreement to Prevent No-face-to-face Financial Fraud while establishing shared fraudulent transaction detection criteria applicable across multiple financial institutions. These efforts further reinforced the company's detection system to support early detection of electronic financial fraud such as voice phishing with increased agility and accuracy.

BNK Savings Bank has deployed a credit transaction blocking system and is engaging in awareness campaigns to prevent electronic financial fraud through poster production and client guidance. The company is adopting anti-fraud systems

powered by advanced security technologies such as face recognition solutions and ID copy verification solutions, building practical anti-fraud capabilities.

### • Prevention of Electronic Financial Fraud and Telecommunication-based Financial Scams (Unit: Cases)

Category		BNK Busan Bank	BNK Kyongnam Bank	BNK Capital
FDS prevention data	Malicious app inspections	10,838,948	6,690,084	842,275
	Detections	4,001	2,127	50,787

### Security Inspections for Outsourced Service Providers and Suppliers

BNK Financial Group is strengthening regular training and monitoring to ensure secure data privacy operations on the part of personnel from outsourced service providers and affiliated companies as well as Group employees. Busan Bank and Kyongnam Bank conduct both written and on-site inspections on outsourced services providers for their compliance with information security regulations in partnership with the Financial Security Institute, and the results are internally reported on a regular basis. To prevent the risk of personal data breaches that may occur during outsourcing processes, a separate risk management policy has been established and an independent control system is deployed to upgrade relevant procedures and systems.

### • Data Protection Management for Outsourced Service Providers

Subsidiary	Inspection Method	Pre/Post-Inspection Measure	Others
BNK Busan Bank	Conduct inspections on 75 outsourced service providers (20 companies inspected by the Financial Security Institute (FSI), 39 inspected internally, and 16 subject to training)	Use outsourced service providers' checklists and ensure the completion of training	17 companies rated 'excellent' and 3 rated 'good' by the Financial Security Institute
BNK Kyongnam Bank	Internal inspection/FSI inspection	Perform security inspections before contract signing, review the agreement at the time of contract signing, and manage/monitor data export	Review by the Information Committee on the use of cloud for enhanced security
BNK Capital	Monthly/quarterly inspections, annual regular inspections	Review customer information categories using conservative criteria when conducting regular inspections	Regular verification of information security training completion

#### Introduction

#### ESG Management System

#### ESG Performance

##### Environment

##### Social

##### Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

#### ESG Data Pack

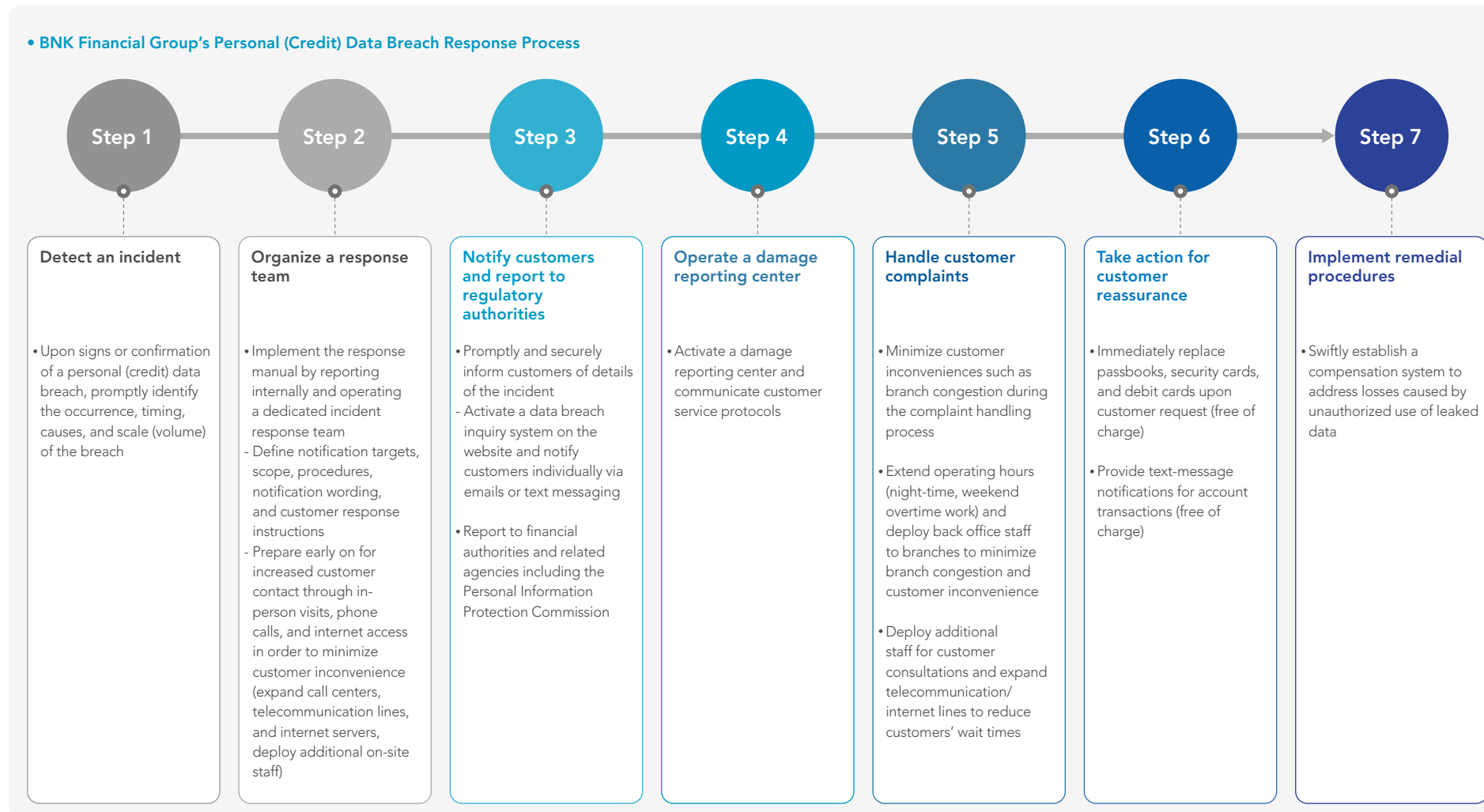
#### Appendix

# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Personal Data Breach Response Process

BNK Financial Group has established a structured response manual to minimize customer inconvenience and swiftly implement remediation procedures in the event of personal data breaches.



Introduction

ESG Management System

ESG Performance

Environment

Social

Governance

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

ESG Data Pack

Appendix

- Fostering responsible governance
- Advancing the ESG risk management framework
- Establishing a business culture of ethics and compliance
- Sustainability in Focus
- Building an ESG-driven corporate culture
- **Establishing an autonomous financial security framework**

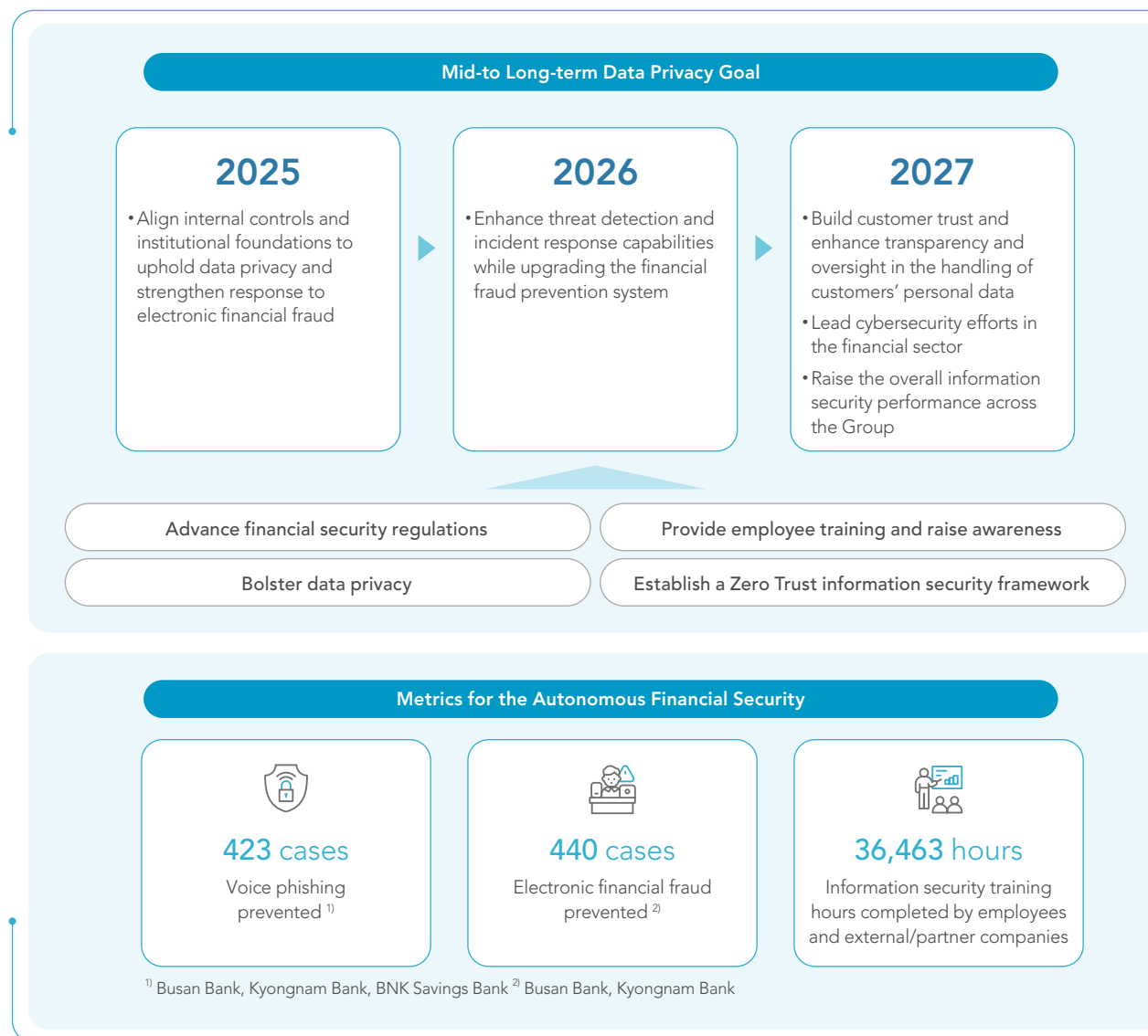
# Establishing an Autonomous Financial Security Framework

## Strategies and Activities

### Targets and Metrics

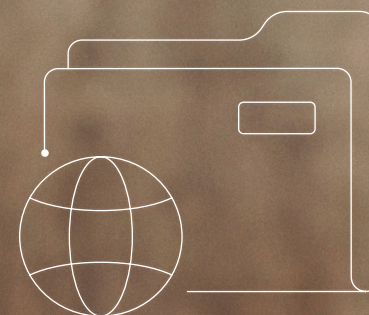
#### Targets and Metrics for Autonomous Financial Security

BNK Financial Group systematically manages information security performance in line with its mid-to long-term data privacy strategy. Our mid-to long-term goal is to advance the overall information security performance at the Group level and position ourselves as a leader in cyber security in the financial sector. We will achieve this goal by enhancing our information security management capabilities, including enhancing transparency in the handling of customers' personal data, while expanding the foundation of trust with employees and stakeholders across the Group.



# ESG DATA PACK

Environmental	143
Social	149
Governance	161
ESG Finance	164
Economy	174



- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Environment
- Social
- Governance
- ESG Finance
- Economy

## Appendix

# ESG Data Pack

## Environmental Performance

### • Material Usage <sup>1)</sup> \_ Paper Purchased

Category	Unit	2022	2023	2024
BNK Financial Group	Ton	4	5	6
Busan Bank		155	152	147
Kyongnam Bank		203	183	196
BNK Capital		12	10	11
BNK Securities		9	11	5
BNK Savings Bank		5	6	5
BNK Asset Management		1	1	1
BNK Venture Capital		0.4	0.3	0.4
BNK Credit Information		2	2	3
BNK System		1	2	1
<b>Total</b>	<b>Ton</b>	<b>392</b>	<b>372</b>	<b>375</b>

<sup>1)</sup>Based on the Headquarters and branches

### • Material Usage \_ Products and Services Purchased by all Subsidiaries

Category	Unit	2022	2023	2024
Printing paper	Ton	392	373	375
Credit cards	Cards/ Accounts	587,743	399,680	624,311
Bankbooks		1,978,013	1,774,004	1,934,008

### • Waste

Category	Unit	2022	2023	2024
Busan Bank	Ton	110	167	131
Kyongnam Bank		86	116	100

### • Water Resources \_ Water Consumption

Category	Unit	2022	2023	2024
BNK Financial Group	Ton	1,308	3,515	3,045
Busan Bank		73,447	167,500	186,798
Kyongnam Bank		33,164	55,961	74,764
BNK Capital		1,987	11,059	12,840
BNK Securities		961	228	234
BNK Savings Bank		1,034	27,318	23,840
BNK Asset Management		35	36	48
BNK Venture Capital		0	11	9
BNK Credit Information		1,243	919	830
BNK System		7	30	32
<b>Total</b>	<b>Ton</b>	<b>113,186</b>	<b>266,578</b>	<b>302,440</b>
Water consumption intensity (based on sales)	Ton/ KRW 100 million	1	2.76	3.01

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

**Environment**

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Environmental Performance

### • Total Energy Consumption \_ Direct + Indirect

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	5	10	10
Busan Bank		429	399	385
Kyongnam Bank		141	133	130
BNK Capital		25	11	10
BNK Securities		14	13	10
BNK Savings Bank		7	6	6
BNK Asset Management		1	2	2
BNK Venture Capital		0.39	0.38	0.6
BNK Credit Information		2	2	2
BNK System		31	28	28
<b>Total</b>		<b>TJ</b>	<b>655</b>	<b>604</b>
Energy use intensity (on a consolidated sales basis)	TJ/ KRW 100 million	0.009	0.006	0.006

### • Direct Energy Consumption

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	2	2	2.39
Busan Bank		27	28	15.70
Kyongnam Bank		20	16	13.72
BNK Capital		4	3	2.16
BNK Securities		4	3	2.35
BNK Savings Bank		2	1	0.99
BNK Asset Management		1	1	1.05
BNK Venture Capital		0.25	0.28	0.34
BNK Credit Information		0.32	0.29	0.20
BNK System		1	1	0.59
<b>Total</b>		<b>TJ</b>	<b>62</b>	<b>56</b>

### • Indirect Energy Consumption \_ Electricity

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	3	7	7
Busan Bank		401	371	369
Kyongnam Bank		121	116	116
BNK Capital		22	8	8
BNK Securities		10	10	8
BNK Savings Bank		5	5	5
BNK Asset Management		1	1	1
BNK Venture Capital		0.14	0.1	0.3
BNK Credit Information		2	2	2
BNK System		31	27	28
<b>Total</b>		<b>TJ</b>	<b>596</b>	<b>547</b>

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

**Environment**

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Environmental Performance

### • Renewable Energy Consumption

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	-	-	-
Busan Bank		3	4	4
Kyongnam Bank		-	-	-
BNK Capital		-	-	-
BNK Securities		-	-	-
BNK Savings Bank		-	-	-
BNK Asset Management		-	-	-
BNK Venture Capital		-	-	-
BNK Credit Information		-	-	-
BNK System		-	-	-
<b>Total</b>		<b>TJ</b>	<b>3</b>	<b>4</b>
Proportion of renewable energy use	%	0.40	0.64	0.62

### • Energy Consumption Reduction <sup>1)</sup>

Category	Unit	2022	2023	2024
BNK Financial Group	TJ	7	-5	0
Busan Bank		-86	30	14
Kyongnam Bank		55	8	3
BNK Capital		-7	14	1
BNK Securities		-1	1	3
BNK Savings Bank		6	1	0
BNK Asset Management		-0.2	-1	0
BNK Venture Capital		0.6	0	0
BNK Credit Information		2	0	0
BNK System		-26	3	0
<b>Total</b>		<b>TJ</b>	<b>-49</b>	<b>52</b>
Energy consumption reduction rate	%	-8	8	3

<sup>1)</sup> Positive numbers indicate reductions and negative numbers indicate increases

# ESG Data Pack

## Environmental Performance

### • GHG Emissions \_ Scope 1, 2

Category		Unit	2021	2022	2023	2024
GHG Emissions (Scope 1, 2)	BNK Financial Group	Direct emissions (Scope 1)	196	113	147	143
		Indirect emissions (Scope 2)	436	156	343	352
		<b>Total</b>	<b>632</b>	<b>269</b>	<b>490</b>	<b>495</b>
	Busan Bank	Direct emissions (Scope 1)	2,131	1,498	1,396	882
		Indirect emissions (Scope 2)	14,717	18,720	17,751	17,671
		<b>Total</b>	<b>16,848</b>	<b>20,218</b>	<b>19,147</b>	<b>18,553</b>
	Kyongnam Bank	Direct emissions (Scope 1)	1,302	1,287	1,000	839
		Indirect emissions (Scope 2)	8,367	5,748	5,568	5,571
		<b>Total</b>	<b>9,669</b>	<b>7,035</b>	<b>6,568</b>	<b>6,410</b>
	BNK Capital	Direct emissions (Scope 1)	230	243	172	145
		Indirect emissions (Scope 2)	700	1,033	384	372
		<b>Total</b>	<b>930</b>	<b>1,275</b>	<b>555</b>	<b>517</b>
	BNK Securities	Direct emissions (Scope 1)	225	263	221	158
		Indirect emissions (Scope 2)	473	475	462	371
		<b>Total</b>	<b>698</b>	<b>737</b>	<b>683</b>	<b>529</b>
	BNK Savings Bank	Direct emissions (Scope 1)	83	119	80	66
		Indirect emissions (Scope 2)	551	243	231	227
		<b>Total</b>	<b>634</b>	<b>362</b>	<b>311</b>	<b>293</b>
	BNK Asset Management	Direct emissions (Scope 1)	62	41	77	70
		Indirect emissions (Scope 2)	22	26	38	35
		<b>Total</b>	<b>84</b>	<b>67</b>	<b>115</b>	<b>105</b>
	BNK Venture Capital	Direct emissions (Scope 1)	22	17	19	24
		Indirect emissions (Scope 2)	179	7	5	12
		<b>Total</b>	<b>201</b>	<b>24</b>	<b>24</b>	<b>36<sup>1)</sup></b>
	BNK Credit Information	Direct emissions (Scope 1)	58	22	20	13
		Indirect emissions (Scope 2)	203	81	84	95
		<b>Total</b>	<b>261</b>	<b>103</b>	<b>103</b>	<b>108<sup>2)</sup></b>
BNK System	Direct emissions (Scope 1)	19	47	40	39	
	Indirect emissions (Scope 2)	13	1,257	1,309	1,320	
	<b>Total</b>	<b>32</b>	<b>1,304</b>	<b>1,349</b>	<b>1,360<sup>3)</sup></b>	
<b>Total</b>	Direct emissions (Scope 1)	<b>4,328</b>	<b>3,649</b>	<b>3,172<sup>4)</sup></b>	<b>2,380</b>	
	Location-based indirect emissions (Scope 2)	<b>25,661</b>	<b>27,745</b>	<b>26,175</b>	<b>26,026<sup>4)</sup></b>	
	Market-based indirect emissions (Scope 2)	<b>25,661</b>	<b>27,745</b>	<b>26,175</b>	<b>26,026</b>	
	<b>Total</b>	<b>29,989</b>	<b>31,394</b>	<b>29,347<sup>4)</sup></b>	<b>28,406<sup>5)</sup></b>	
GHG Emissions Intensity	<b>Sales (consolidated basis)</b>	<b>KRW billion</b>	<b>5,579</b>	<b>7,560</b>	<b>9,664</b>	<b>10,031</b>
	Emissions intensity (Scope 1, 2)	tCO <sub>2</sub> eq/KRW billion	5.38	4.15	3.04	2.83

<sup>1)</sup> Scope 1: 13.17tCO<sub>2</sub>eq, Scope 2: 12.43tCO<sub>2</sub>eq, totaling 35.52tCO<sub>2</sub>eq as a rounded value.

<sup>2)</sup> Scope 1: 13.18tCO<sub>2</sub>eq, Scope 2: 94.44tCO<sub>2</sub>eq, totaling 107.63tCO<sub>2</sub>eq as a rounded value.

<sup>3)</sup> Scope 1: 39.44tCO<sub>2</sub>eq, Scope 2: 1,320.44tCO<sub>2</sub>eq, totaling 1,359.88tCO<sub>2</sub>eq as a rounded value.

<sup>4)</sup> Verified total of Scope 2 emissions is 26,026.638.

<sup>5)</sup> Numbers were verified

<sup>6)</sup> Restated the data to reflect errors in the previous report

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

**Environment**

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Environmental Performance

### • GHG Emissions <sup>1)</sup> \_ Scope 3 Category 15 – Investments

Category	Unit	2022	2023	2024
Listed stocks and loans	10,000 tCO <sub>2</sub> eq	131	166	144
Corporate loans and unlisted stocks		2,228	2,370	2,344
Project finance		60	38	38
Commercial real estate		4	4	4
Mortgage		5	5	5
Car loan		6	5	5
Treasury bond		140	189	166
<b>Total</b>		<b>10,000 tCO<sub>2</sub>eq</b>	<b>2,574</b>	<b>2,777</b>

### • GHG Emissions \_ Scope 3 Category 1, 3, 5, 6, 7, 12

Category		Unit	2022	2023	2024
Busan Bank	Category 1	Purchased goods and services	107	98	165
	Category 3	Fuel- and energy-related activities	1,612	1,521	2,794
	Category 5	Waste generated in operations	-	-	22
	Category 6	Business travel	108	349	335
	Category 7	Employee commuting	-	-	1,126
	Category 12	End-of-life treatment of sold products	-	-	22
<b>Subtotal</b>		<b>tCO<sub>2</sub>eq</b>	<b>2,766</b>	<b>2,807</b>	<b>4,465</b>
Kyongnam Bank	Category 1	Purchased goods and services	115	118	219
	Category 3	Fuel- and energy-related activities	456	497	902
	Category 5	Waste generated in operations	-	-	13
	Category 6	Business travel	273	325	64
	Category 7	Employee commuting	-	-	856
	Category 12	End-of-life treatment of sold products	-	-	-
<b>Subtotal</b>		<b>tCO<sub>2</sub>eq</b>	<b>1,012</b>	<b>1,106</b>	<b>2,062</b>

<sup>1)</sup> Other indirect emissions: GHG emissions from the asset portfolio have been calculated since 2021. The calculation covers Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, and BNK Asset Management. The 2022 data were restated to reflect errors in the previous year's report

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

**Environment**

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Environmental Performance

### • Eco-friendly Vehicles

Category	Unit	2023	2024
Corporate vehicle fleet	BNK Financial Group	21	21
	Busan Bank	331	331
	Kyongnam Bank	224	223
	BNK Capital	61	56
	BNK Securities	44	46
	BNK Savings Bank	19	20
	BNK Asset Management	0	0
	BNK Venture Capital	6	7
	BNK Credit Information	3	3
	BNK System	12	14
Eco-friendly vehicles owned	BNK Financial Group	1	6
	Busan Bank	226	263
	Kyongnam Bank	6	7
	BNK Capital	23	24
	BNK Securities	0	0
	BNK Savings Bank	0	11
	BNK Asset Management	0	0
	BNK Venture Capital	3	4
	BNK Credit Information	0	0
	BNK System	7	9
<b>Corporate vehicle fleet (total)</b>	<b>Vehicles</b>	<b>729</b>	<b>721</b>
<b>Eco-friendly vehicles owned (total)</b>	<b>Vehicles</b>	<b>266</b>	<b>325</b>
<b>Percentage of eco-friendly vehicles owned</b>	<b>%</b>	<b>36</b>	<b>45</b>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack**
- Environment**
- Social
- Governance
- ESG Finance
- Economy
- Appendix

# ESG Data Pack

## Social Performance

### •Employee Profile <sup>1)</sup> \_ By Gender, By Type of Employment

Category		Unit	2022			2023			2024		
			Regular	Contracted	Total	Regular	Contracted	Total	Regular	Contracted	Total
BNK Financial Group	Male	Persons	71	28	99	91	21	112	95	16	111
	Female		4	9	13	5	11	16	8	9	17
	<b>Total</b>		<b>75</b>	<b>37</b>	<b>112</b>	<b>96</b>	<b>32</b>	<b>128</b>	<b>103</b>	<b>25</b>	<b>128</b>
Busan Bank	Male		1,211	193	1,404	1,201	205	1,406	1,221	205	1,426
	Female		1,483	100	1,583	1,478	99	1,577	1,469	100	1,569
	<b>Total</b>		<b>2,694</b>	<b>293</b>	<b>2,987</b>	<b>2,679</b>	<b>304</b>	<b>2,983</b>	<b>2,690</b>	<b>305</b>	<b>2,995</b>
Kyongnam Bank	Male		1,065	68	1,133	1,046	77	1,123	1,045	82	1,127
	Female		1,117	26	1,143	1,113	35	1,148	1,108	42	1,150
	<b>Total</b>		<b>2,182</b>	<b>94</b>	<b>2,276</b>	<b>2,159</b>	<b>112</b>	<b>2,271</b>	<b>2,153</b>	<b>124</b>	<b>2,277</b>
BNK Capital	Male		296	50	346	291	46	337	289	32	321
	Female		130	2	132	120	2	122	122	6	128
	<b>Total</b>		<b>426</b>	<b>52</b>	<b>478</b>	<b>411</b>	<b>48</b>	<b>459</b>	<b>411</b>	<b>38</b>	<b>449</b>
BNK Securities	Male	58	202	260	55	201	256	55	202	257	
	Female	43	67	110	42	67	109	44	68	112	
	<b>Total</b>	<b>101</b>	<b>269</b>	<b>370</b>	<b>97</b>	<b>268</b>	<b>365</b>	<b>99</b>	<b>265</b>	<b>369</b>	
BNK Savings Bank	Male	45	34	79	54	26	80	55	29	84	
	Female	39	14	53	47	10	57	46	9	55	
	<b>Total</b>	<b>84</b>	<b>48</b>	<b>132</b>	<b>101</b>	<b>36</b>	<b>137</b>	<b>101</b>	<b>38</b>	<b>139</b>	
BNK Asset Management	Male	19	32	51	6	45	51	6	39	45	
	Female	15	15	30	14	17	31	15	14	29	
	<b>Total</b>	<b>34</b>	<b>47</b>	<b>81</b>	<b>20</b>	<b>62</b>	<b>82</b>	<b>21</b>	<b>53</b>	<b>74</b>	
BNK Venture Capital	Male	9	9	18	8	7	15	7	7	14	
	Female	4	0	4	5	0	5	5	0	5	
	<b>Total</b>	<b>13</b>	<b>9</b>	<b>22</b>	<b>13</b>	<b>7</b>	<b>20</b>	<b>12</b>	<b>7</b>	<b>19</b>	
BNK Credit Information	Male	9	22	31	9	24	33	11	55	66	
	Female	19	18	37	19	21	40	20	21	41	
	<b>Total</b>	<b>28</b>	<b>40</b>	<b>68</b>	<b>28</b>	<b>45</b>	<b>73</b>	<b>31</b>	<b>76</b>	<b>107</b>	
BNK System	Male	184	31	215	215	9	224	216	20	236	
	Female	41	0	41	48	0	48	55	0	55	
	<b>Total</b>	<b>225</b>	<b>31</b>	<b>256</b>	<b>263</b>	<b>9</b>	<b>272</b>	<b>271</b>	<b>20</b>	<b>291</b>	

<sup>1)</sup> Employee-related data is based on the internal management system, indicating discrepancies may exist compared to data disclosed in business reports due to differences in calculation criteria

- Introduction
- ESG Management System
- ESG Performance
  - ESG Data Pack
  - Environment
  - Social**
  - Governance
  - ESG Finance
  - Economy

Appendix

# ESG Data Pack

## Social Performance

### • Employee Profile \_ By Age Group

Category		Unit	2022	2023	2024
BNK Financial Group	Under 30	Persons	4	3	1
	30 and over and under - 50		70	94	88
	50 and over		38	31	39
Busan Bank	Under 30		191	266	242
	30 and over and under - 50		2,165	2,115	2,095
	50 and over		631	602	658
Kyongnam Bank	Under 30		186	174	142
	30 and over and under - 50		1,646	1,618	1,622
	50 and over		444	479	513
BNK Capital	Under 30		12	12	22
	30 and over and under - 50		384	354	348
	50 and over		82	93	79
BNK Securities	Under 30		17	20	35
	30 and over and under - 50		269	266	263
	50 and over		84	79	71
BNK Savings Bank	Under 30	15	25	26	
	30 and over and under - 50	86	85	87	
	50 and over	31	27	26	
BNK Asset Management	Under 30	13	14	12	
	30 and over and under - 50	51	49	46	
	50 and over	17	19	16	
BNK Venture Capital	Under 30	2	1	2	
	30 and over and under - 50	11	13	11	
	50 and over	9	6	6	
BNK Credit Information	Under 30	1	2	4	
	30 and over and under - 50	45	46	54	
	50 and over	22	25	49	
BNK System	Under 30	66	60	39	
	30 and over and under - 50	172	194	226	
	50 and over	18	18	26	
Total	Under 30		507	577	525
	30 and over and under - 50	Persons	4,899	4,834	4,840
	50 and over		1,376	1,379	1,483

### • Non-Employee Workers \_ 2024

Category	Unit	2024	Category	Unit	2024
BNK Financial Group	Persons	15	BNK Savings Bank	Persons	8
Busan Bank		489	BNK Asset Management		1
Kyongnam Bank		302	BNK Venture Capital		2
BNK Capital		67	BNK Credit Information		1
BNK Securities		2	BNK System		1

### • Diversity Overview \_ Nationality

Category		Unit	2022	2023	2024
BNK Financial Group	Korea	Persons	112	128	128
	Foreign		0	0	0
Busan Bank	Korea		2,987	2,983	2,995
	Foreign		0	0	0
Kyongnam Bank	Korea		2,273	2,268	2,277
	Foreign		3	3	3 <sup>1)</sup>
BNK Capital	Korea		478	459	449
	Foreign		1,089	1,043	939 <sup>2)</sup>
BNK Securities	Korea		368	364	369
	Foreign		2	1	1
BNK Savings Bank	Korea		132	137	139
	Foreign		0	0	0
BNK Asset Management	Korea		81	82	74
	Foreign		0	0	0
BNK Venture Capital	Korea		22	20	19
	Foreign		0	0	0
BNK Credit Information	Korea	68	73	107	
	Foreign	0	0	0	
BNK System	Korea	256	272	291	
	Foreign	0	0	0	

<sup>1)</sup> Employees of foreign nationalities at Kyongnam Bank: Chinese (3)

<sup>2)</sup> Employees of foreign nationalities at BNK Capital: Lao PDR (78), Myanmar (423), Cambodia (303), Kazakhstan (112), Kyrgyzstan (23)

<sup>3)</sup> Employees of foreign nationalities at BNK Securities : Canada (1)

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

**Social**

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Social Performance

### • Diversity Overview \_ Including All Subsidiaries <sup>1)</sup>

Category		Unit	2022	2023	2024
Female leadership	Women in top management positions	Persons	4	3	4
	Percentage of women in top management positions	%	3	2	5
	Women in management positions <sup>2)</sup>	Persons	713	773	809
	Percentage of women in management positions	%	24	25	25
	Women in junior management positions <sup>3)</sup>	Persons	647	693	732
	Percentage of women in junior management positions	%	28	29	29
	Women in management positions in revenue-generating functions	Persons	457	476	510
	Percentage of women in management positions in revenue-generating functions	%	32	32	31
	Women employees in STEM roles	Persons	155	158	181
	Percentage of women employees in STEM roles	%	21	21	24
Employees with veteran family members	-	Persons	247	245	235
Employees with disabilities <sup>4)</sup>	-	Persons	65	71	81

<sup>1)</sup> The 2022 data do not include BNK Venture Capital's performance.

<sup>2)</sup> Total management positions: Generally refer to deputy general managers and department heads based on Busan Bank and Kyongnam Bank while the position system varies by subsidiary

<sup>3)</sup> Junior management positions: Generally refer to associate directors based on Busan Bank and Kyongnam Bank while the position system varies by subsidiary

<sup>4)</sup> Based on the data reported to the Korea Employment Agency for Persons with Disabilities

<sup>1)</sup> Aim to achieve 20% representation of women in management positions across BNK Financial Group by 2027

<sup>2)</sup> Aim to achieve 30% representation of women in management positions within revenue-generating departments across BNK Financial Group by 2027

### • New Hires and Turnover

Category	Unit	New Hires			Turnover		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	Persons	6	9	8	8	11	6
Busan Bank		113	157	118	227	183	109
Kyongnam Bank		60	90	75	176	119	107
BNK Capital		31	29	48	62	50	47
BNK Securities		77	58	98	60	67	93
BNK Savings Bank		19	21	10	19	16	8
BNK Asset Management		29	8	10	23	7	20
BNK Venture Capital		12	4	6	5	6	6
BNK Credit Information		40	33	63	15	29	52
BNK System		48	34	32	22	20	13
<b>Total</b>		<b>435</b>	<b>443</b>	<b>468</b>	<b>617</b>	<b>508</b>	<b>461</b>

### • Internal Recruitment

Category	Unit	2022	2023	2024
BNK Financial Group	%	0	0	0
Busan Bank		96	94	92
Kyongnam Bank		95	93	93
BNK Capital		86	85	75
BNK Securities		27	24	54
BNK Savings Bank		70	67	87
BNK Asset Management		0	0	0
BNK Venture Capital		0	0	0
BNK Credit Information		0	0	0
BNK System		33	52	32

# ESG Data Pack

## Social Performance

### • New Hires \_ Profile Across All Subsidiaries

Category		Unit	2022	2023	2024
Total number of employees	Regular	Persons	147	178	125
	Contracted		288	265	343
By gender	Male		281	279	313
	Female		154	164	155
By nationality	Korean		434	443	468
	Non-Korean		1	0	0
By age group	Under 30		93	159	136
	31 - Under 50		222	176	192
	50 and over		120	108	140

### • Voluntary Turnover (Including All Subsidiaries)

Category	Unit	2022	2023	2024
Number of voluntary leavers	Persons, %	466	303	222
Percentage of voluntary leavers		7	4	3

### • Turnover \_ Profile Across All Subsidiaries

Category		Unit	2022	2023	2024
By type of employment	Regular	Persons	373	236	129
	Contracted		244	272	332
By gender	Male	Persons	381	316	276
	Turnover of male employees	%	62	62	61
	Female	Persons	236	192	178
	Turnover of female employees	%	38	38	39
By nationality	Korean	Persons	615	508	468
	Turnover of Korean employees	%	100	100	100
	Non-Korean	Persons	2	0	0
	Turnover of non-Korean employees	%	0	0	0
By age group	Under 30	Persons	38	39	48
	Turnover of employees under 30	%	6	8	10
	30 and over and under 50	Persons	321	265	200
	Turnover of employees 30 and over and under 50	%	52	52	43
	50 and over	Persons	258	204	213
	Turnover of employees 50 and over	%	42	40	46

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

**Social**

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Social Performance

### • Length of Service \_ Busan Bank, Kyongnam Bank

Category	Unit	2022	2023	2024
Average of all employees	Years	15	15	16
Average of male employees		16	16	17
Average of female employees		14	14	15

### • Labor-Management Meetings held

Category	Unit	2022	2023	2024
BNK Financial Group	Sessions	4	4	6
Busan Bank		4	4	4
Kyongnam Bank		4	4	4
BNK Capital		7	4	4
BNK Securities		5	4	4
BNK Savings Bank		0	4	4
BNK Asset Management		4	4	4
BNK Venture Capital		0	0	0
BNK Credit Information		0	0	0
BNK System		4	4	4

### • Labor Union Membership <sup>1)</sup>

Category	Unit	2022	2023	2024
Busan Bank	%	100	100	100
Kyongnam Bank		99.94	99.94	99.94

<sup>1)</sup> Collective bargaining applies to all employees

# ESG Data Pack

## Social Performance

### • CEO Remuneration

Category		Unit	2022	2023	2024
CEO and Chairman	Earned income	KRW million	729	575	729
	Bonus		498	-	152
	Severance pay		1,073	-	-
	Total compensation		2,300	575	881

### • Defined Contribution Retirement Plan

Category	Unit	2022	2023	2024
Externally funded assets	KRW 100 million	7,633	7,981	8,357
Defined benefit obligation		5,697	6,395	7,303
Net defined benefit liability (asset)		(1,936)	(1,586)	(1,054)

### • Labor Productivity

Category	Unit	2022	2023	2024
Group-adjusted operating income (A)	KRW 100 million	32,284	32,298	37,549
Group total headcount (B)	Persons	6,772	6,790	6,479
Per-capita labor productivity (C=A/B)	KRW 100 million, Persons	4.77	4.76	5.80
Human capital ROI	-	7.11	10.23	9.78

### • Employee Compensation <sup>1)</sup>

Category		Unit	2022	2023	2024
BNK Financial Group	Total employee compensation	KRW 100 million	205	220	251
	Average employee compensation	KRW million	112	106	101
	Median employee compensation		112	95	83
Busan Bank	Total employee compensation	KRW 100 million	3,426	3,344	3,477
	Average employee compensation	KRW million	118	112	118
Kyongnam Bank	Total employee compensation	KRW 100 million	2,533	2,555	2,537
	Average employee compensation	KRW million	111	113	111

<sup>1)</sup> Average employee compensation: Based on Busan Bank and Kyongnam Bank (annual average headcount), median employee compensation: Exclude the CEO

### • Equal Pay

Indicator		Unit	Female	Male	Ratio of Female to Male
Executive level	Base salary	KRW million	214	214	100%
	Base salary + other cash incentives		326	326	100%
Management level	Base salary		106	106	100%
	Base salary + other cash incentives		129	129	100%
Non-management level	Base salary		68	68	100%

\* There is no difference in pay between male and female employees, and the calculations are based on the employees of the representative levels for each indicator at Busan Bank and Kyongnam Bank. (The average salary of the tenure with the highest number of employees(both male and female) within the job level.)

# ESG Data Pack

## Social Performance

### • Employees on Parental Leave <sup>1)</sup> \_ 2024

Category	Unit	Employees Who Took Parental Leave			Employees Who Returned from Parental Leave			Employees Who Returned from Parental Leave and Worked 12 Months and Longer		
		Male	Female	Total	Male	Female	Total	Male	Female	Total
BNK Financial Group	Persons	0	0	0	0	0	0	0	0	0
Busan Bank		8	146	154	5	57	62	1	81	82
Kyongnam Bank		5	132	137	2	76	78	6	79	85
BNK Capital		4	19	23	1	5	6	2	4	6
BNK Securities		0	1	1	0	3	3	0	3	3
BNK Savings Bank		0	2	2	0	0	0	0	0	0
BNK Asset Management		0	0	0	0	0	0	0	1	1
BNK Venture Capital		0	0	0	0	0	0	0	0	0
BNK Credit Information		0	0	0	0	0	0	0	0	0
BNK System		2	1	3	1	1	2	0	1	1

<sup>1)</sup> The number of eligible employees was excluded from the 2024 report due to difficulties in data collection related to personal data.

### • Employee Training \_ Per Employee

Category	Unit	Training Expenses per Person			Training Hours per Person		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	KRW 10,000, Hours	210	117	131	45	41	54
Busan Bank		82	80	83	74	93	99
Kyongnam Bank		98	92	74	68	63	56
BNK Capital		84	80	96	68	67	80
BNK Securities		36	19	41	15	29	42
BNK Savings Bank		93	74	80	53	95	44
BNK Asset Management		60	34	63	20	18	30
BNK Venture Capital		104	147	284	3	8	0
BNK Credit Information		29	14	2	24	4	3
BNK System		29	16	33	92	53	108

### • Employees Who Received Regular Performance and Career Development Evaluations

Category	Unit	Number of Employees Evaluated			Percentage of Employees Who Received Performance Evaluations		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	Persons, %	104	117	130	93	91	102 <sup>1)</sup>
Busan Bank		2,599	2,613	2,683	87	88	90
Kyongnam Bank		2,012	2,017	2,034	88	89	89.3
BNK Capital		417	410	410	88	89	91
BNK Securities		329	313	410	89	86	91
BNK Savings Bank		110	121	122	83	88	88
BNK Asset Management		66	74	65	81	90	88
BNK Venture Capital		22	16	19	100	80	100
BNK Credit Information		9	7	101	20	10	94
BNK System		224	246	261	88	91	90

<sup>1)</sup> The year-end headcount declined due to personnel changes including transfers, resulting in the performance evaluation rate exceeding 100% relative to the reference headcount.

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack**
- Environment
- Social**
- Governance
- ESG Finance
- Economy
- Appendix

# ESG Data Pack

## Social Performance

### • Human Rights Training

Category	Unit	Employees Who Participated in Training			Training Hours Completed		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	Persons, Hours	112	128	128	366	417	443
Busan Bank		2,987	2,983	2,995	17,500	17,329	17,564
Kyongnam Bank		2,276	2,271	2,241	4,388	4,514	4,491
BNK Capital		478	459	422	3,036	3,294	1,350
BNK Securities		370	365	337	1,110	1,095	1,011
BNK Savings Bank		132	137	137	750	786	411
BNK Asset Management		81	82	72	171	231	216
BNK Venture Capital		22	20	19	51	160	152
BNK Credit Information		68	73	107	149	146	214
BNK System		256	272	285	776	834	885

### • Ethics Training

Category	Unit	Participants in Training on Ethical Standards		
		2022	2023	2024
BNK Financial Group	Regular	75	96	94
	Contracted	37	32	34
	<b>Total</b>	<b>112</b>	<b>128</b>	<b>128</b>
Busan Bank	Regular	2,694	2,679	2,690
	Contracted	293	304	298
	<b>Total</b>	<b>2,987</b>	<b>2,983</b>	<b>2,988</b>
Kyongnam Bank	Regular	2,182	2,159	2,155
	Contracted	94	112	124
	<b>Total</b>	<b>2,276</b>	<b>2,271</b>	<b>2,279</b>

### • Anti-corruption Training

Category	Unit	Employees Who Completed Anti-corruption Training (Financial Fraud Prevention)		
		2022	2023	2024
BNK Financial Group	Persons	112	128	128
Busan Bank		2,987	2,983	2,545
Kyongnam Bank		2,276	2,271	2,199

### • Information Security Training

Category	Unit	Participants in Information Security Training			Information Security Training Hours Completed		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	Own employees	104	119	120	600	696	702
	External/partner companies	14	45	37	4	14	11
Busan Bank	Own employees	3,140	3,136	3,116	19,400	19,419	19,711
	External/partner companies	254	267	335	2,298	2,952	3,147
Kyongnam Bank	Own employees	2,160	2,184	2,185	13,350	13,521	13,539
	External/partner companies	70	88	66	70	88	66
BNK Capital	Own employees	457	445	426	3,680	3,661	3,430
	External/partner companies	59	58	52	626	617	460

\* The differences in the number of participants in human rights training and training on ethical standards are attributable to the differences in the number of employees who completed the training at the time. The data were prepared based on internal management data.

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack**
- Environment
- Social**
- Governance
- ESG Finance
- Economy
- Appendix

# ESG Data Pack

## Social Performance

### • Grievance Handling

Category	Unit	Grievances Submitted			Human Rights Training Hours			Grievances Handled		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Busan Bank	Cases, Hours	96	93	120	17,500	17,329	17,564	54	76	35
Kyongnam Bank		56	79	115	4,388	4,514	4,491	32	44	63

### • Information Security \_ Customer Data Privacy

Category	Unit	Number of Incidents of Privacy Breach			Number of Customers Affected by Privacy Breaches			Financial Losses Caused by Data Breach		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Busan Bank	Cases, Persons, KRW million	0	0	0	0	0	0	0	0	0
Kyongnam Bank		0	0	0	0	0	0	0	0	0

### • Information Security \_ Information Security(Data Protection) Investments

Category	Unit	Ratio of information security investment to total IT investment		
		2022	2023	2024
BNK Financial Group	%	12	7	7
Busan Bank		10	9	11.5
Kyongnam Bank		6	7	7.46
BNK Capital		12	9	7
BNK Securities		10	10	11
BNK Savings Bank		14	10	26
BNK Asset Management		10	12	29
BNK Venture Capital		-	-	-
BNK Credit Information		4	34	26
BNK System		7	5	12
<b>Total</b>		<b>9</b>	<b>8</b>	<b>11</b>

### • Prevention of Electronic Financial Fraud <sup>1)</sup>

Category	Unit	Electronic Financial Fraud Prevented			Amount Prevented from Electronic Financial Fraud		
		2022	2023	2024	2022	2023	2024
Busan Bank	Cases, KRW million	163	130	380	3,900	2,057	2,886
Kyongnam Bank		1,497	848	60	10,641	8,375	794.2

<sup>1)</sup> In 2024, Kyongnam Bank applied the Financial Supervisory Service's '51 Rules' to proactively identify and block approximately 50,000 suspicious transactions. Its overall prevention performance is being stabilized with the number of cases declining. It is noted, however, that only those cases prevented through outbound calls were reported in 2024 due to the standardization of criteria for both banks, resulting in a total of 60 cases.

### • Prevention of Voice Phishing

Category	Unit	Voice Phishing Prevented			Amount Prevented from Voice Phishing		
		2022	2023	2024	2022	2023	2024
Busan Bank	Cases, KRW million	285	308	354	6,665	8,642	7,753
Kyongnam Bank		145	93	58	1,927	1,485	1,280

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

**Social**

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Social Performance

### • Access to Digital Finance

Category	Unit	Number of Mobile Customers			Non-face-to-face Deposits (balance)			Non-face-to-face Loan(credit) Balance		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Busan Bank	1,000 persons, KRW 100 million	2,142	2,410	2,554	42,201	62,700	65,381	14,777	19,689	27,564
Kyongnam Bank		1,308	1,487	1,688	21,958	32,463	38,582	13,050	17,647	28,907
BNK Capital		144	197	278	-	-	-	6,155	9,747	15,199
BNK Securities		15	17	46	-	-	-	452	451	4,470
BNK Savings Bank		32	46	76	1,873	2,533	4,135	2,558	4,563	6,266

### • Customer Complaints

Category	Unit	Customer Complaints Submitted and Handled			Percentage of Customer Complaints Handled		
		2022	2023	2024	2022	2023	2024
Busan Bank	Cases, %	635	935	952	100	100	100
Kyongnam Bank		385	611	582	100	100	100
BNK Capital		169	162	175	100	100	100
BNK Securities		5	12	4	100	100	100
BNK Savings Bank		10	23	22	100	100	100

### • Absentee Days due to Illness or Injury

Category	Unit	Total Absentee Days Due to Illness or Injury (excluding leave of absence)			Absentee Days Due to Work-related Illness or Injury		
		2022	2023	2024	2022	2023	2024
BNK Financial Group	Days	0	0	0	0	0	0
Busan Bank		2,417	2,471	2,135	0	0	17
Kyongnam Bank		2,662	2,522	3,869	0	0	0

### • Customer Satisfaction

Category	Unit	Customers Who Responded to Customer Satisfaction Surveys			Satisfied Customers Among Those Who Responded to Customer Satisfaction Surveys			Percentage of Satisfied Customers		
		2022	2023	2024	2022	2023	2024	2022	2023	2024
Busan Bank	Persons, %	40,133	38,344	29,218	39,329	37,574	27,604	98	98	94
Kyongnam Bank		14,586	10,962	16,627	13,332	10,051	15,403	91	92	93
Total		54,719	49,306	45,845	52,661	47,625	43,007	94.5	95	93.5

# ESG Data Pack

## Social Performance

### • Social Contribution Volunteers <sup>1)</sup>

Category	Unit	2022	2023	2024
BNK Financial Group	Persons	69	0	97
Busan Bank		1,112	3,777	5,728
Kyongnam Bank		1,631	2,262	3,842
BNK Capital		100	173	299
BNK Securities		30	18	180
BNK Savings Bank		0	0	61
BNK Asset Management		0	0	25
BNK Venture Capital		0	0	0
BNK Credit Information		0	0	20
BNK System		384	325	314

<sup>1)</sup> The number of volunteers for 2022 and 2023 at Busan Bank in the 2023 report were misstated, and were restated to 1,113 (2022) and 3,835 (2023).

### • CSR Investments

Category	Unit	2022	2023	2024
BNK Financial Group	KRW million	169	117	489
Busan Bank		40,313	54,853	59,881
Kyongnam Bank		24,291	33,291	34,555
BNK Capital		40	66	51
BNK Securities		331	300	41
BNK Savings Bank		218	109	102
BNK Asset Management		7	1	1
BNK Venture Capital		6	1	1
BNK Credit Information		3	0	6
BNK System		1	6	5

### Fostering a Culture of Fair Trade

We make bidding information always available through our integrated procurement system, and select contractors through fair competition via electronic bidding. This helps eliminate risks such as transaction refusal, discriminatory treatment, and abuse of superior bargaining position involving partner companies.

In the competitive bidding process, bid announcement, price estimation, bid execution, and payment verification and inspection are performed with audit oversight to ensure fairness. In the project execution phase, we digitalize the management of deliverables and inspection deadlines so that partner-related issues are monitored on an ongoing basis.

In addition, regular training is provided to procurement personnel on fair trade (subcontracting) laws. Our efforts continue beyond the completion of project to conduct as-needed performance evaluations and annual regular evaluations to strengthen post-contract management of partner companies. These measures help prevent the risk of unfair competition among contractors and enhance transactional transparency and fairness based on information disclosure through the integrated procurement system and ongoing evaluations.

In selecting contractors, we will utilize our partner screening process within the integrated procurement system aligned with the Korea ON-line E-Procurement System, doing our utmost to foster a culture of trust-based fair trade.

### • Establishing a Culture of Fair Trade <sup>1)</sup>

Category	Unit	2022	2023	2024
Electronic bids and contracts processed through the integrated procurement system	Cases	513	468	501
Performance evaluations (inspections) conducted		916	727	712

<sup>1)</sup> Implemented at BNK Capital and BNK System only

### • Integrity Pledge Management for Contractors <sup>1)</sup>

Category	Unit	2022	2023	2024
Contractors that signed the integrity pledge	Cases	85	88	92

<sup>1)</sup> Data from Busan Bank and Kyongnam Bank

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

**Social**

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## Social Performance

### • Significant Fines and Non-monetary Sanctions Imposed for Non-compliance with Laws and Regulations in the Social and Economic Areas \_ 2024

Category	Unit	Monetary Sanctions	Fines	Non-Monetary Sanctions
BNK Financial Group	Cases, KRW million	0	0	1
Busan Bank		1	1.5	1
Kyongnam Bank		2	305	0
BNK Capital		0	0	0
BNK Securities		0	0	1
BNK Savings Bank		0	0	0
BNK Asset Management		0	0	0
BNK Venture Capital		0	0	0
BNK Credit Information		0	0	0
BNK System		0	0	0

### • Legal Actions for Anti-competitive Behavior and Anti-trust and Monopoly Practices

Category	Unit	2022		2023		2024	
		Ongoing Litigation	Resolved Litigation	Ongoing Litigation	Resolved Litigation	Ongoing Litigation	Resolved Litigation
Anti-competitive behavior, anti-trust and monopoly practices	Cases	0	0	0	0	0	0

### • Substantiated Corruptive Practices \_ 2024

Category	Unit	2022	2023	2024
Substantiated cases of corruption or bribery	Cases	0	3	5
Conflicts of interest		0	0	0
Money laundering or improper internal transactions		0	0	0

### • Discrimination-related Sanctions \_ All Subsidiaries

Category	Unit	2022	2023	2024
Discrimination-related sanctions	Cases	0	2	0

# ESG Data Pack

## Governance Performance

### • Size of the Board of Directors

Category		Unit	2022	2023	2024
BNK Financial Group	Total number of directors	Persons	9	7	8
	Number of independent directors		6	6	7
	Number of internal directors		1	1	1
	Number of non-executive directors		2	0	0
Busan Bank	Total number of directors		7	7	7
	Number of independent directors		5	5	5
	Number of internal directors		2	2	2
	Number of non-executive directors		0	0	0
Kyongnam Bank	Total number of directors		7	7	7
	Number of independent directors		5	5	5
	Number of internal directors		2	2	2
	Number of non-executive directors		0	0	0

### • Independence of the Board of Directors

Category		Unit	2022	2023	2024
BNK Financial Group	Board meetings held	Meetings	13	13	9
	Average attendance at Board meetings	%	97	98	98
Busan Bank	Board meetings held	Meetings	11	14	16
	Average attendance at Board meetings	%	100	99	100
Kyongnam Bank	Board meetings held	Meetings	11	18	19
	Average attendance at Board meetings	%	100	94	99

### • Expertise of the Board of Directors

Category		Unit	2022	2023	2024
BNK Financial Group	Board committees each independent director serves on	Committees	5	5	4
	Independent directors with financial industry experience	Persons	3	3	4
Busan Bank	Board committees each independent director serves on	Committees	4	4	4
	Independent directors with financial industry experience	Persons	4	3	2
Kyongnam Bank	Board committees each independent director serves on	Committees	4	4	3
	Independent directors with financial industry experience	Persons	2	2	2

# ESG Data Pack

## Governance Performance

### • Diversity of the Board of Directors

Category		Unit	BNK Financial Group			Busan Bank			Kyongnam Bank		
			2022	2023	2024	2022	2023	2024	2022	2023	2024
Members of the Board (by gender)	Male	Persons	8	6	7	7	7	7	7	7	6
	Female		1	1	1	0	0	0	0	0	1
	Percentage of female directors	%	11	14	13	0	0	0	0	0	14
Members of the Board (by age group)	Under 30	Persons	0	0	0	0	0	0	0	0	0
	Percentage of directors aged under 30	%	0	0	0	0	0	0	0	0	0
	30 and over and under 50	Persons	1	1	0	0	0	0	0	0	1
	Percentage of directors aged 30 and over and under 50	%	11	14	0	0	0	0	0	0	14
	50 and over	Persons	8	6	8	7	7	7	7	7	6
	Percentage of directors aged 50 and over	%	89	86	100	100	100	100	100	100	86
Members of the Board (by nationality)	Korean	Persons	9	7	7	7	7	7	7	7	7
	Non-Korean		0	0	1*	0	0	0	0	0	0

\*US

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

**Governance**

ESG Finance

Economy

Appendix

# ESG Data Pack

## Governance Performance

### BNK Financial Group Executives' Stock Ownership and Requirements

In accordance with the Financial Law which limits individual ownership of commercial bank shares to 4% and below to uphold the public nature of financial institutions, BNK Financial Group does not impose shareholding requirements on its CEO and executives. As part of our efforts for responsible business conduct, however, members of our management have acquired and own shares in the company. The stock ownership multiple of our CEO Dae-In Bin relative to base salary was 0.736 as of the closing price on December 30, 2024.

### • Executive Stock Ownership \_ BNK Financial Group, As of Dec. 31, 2024

Name	Position	Unit	Shareholding
Dae-In Bin	Chairman & CEO	Shares	51,885
Jong-hoon Kang	Vice President		22,307
Jae-jung Kwon	Vice President		17,000
Sung-wook Park	Executive Director		17,000
Han-chang Lee	Executive Director		15,000
Kyong-ho Moon	Executive Director		5,000
Su-il Ahan	Managing Director		5,000
Seok-jun Yoon	Managing Director		5,004
Myoung-hee Choi	Managing Director		5,000

### • Major Shareholders of BNK Financial Group <sup>1)</sup> \_ BNK Financial Group, As of Dec. 31, 2024, Based on the Shareholder Register

Shareholder	Unit	Shares (common share)	Ownership (%)
Lotte Shopping Co., Ltd. and related parties	Shares	33,562,072	10.47
National Pension Service		29,362,109	9.16
Hypseong Construction Co., Ltd. and related parties		20,970,000	6.54
Total number of shares issued		320,436,727	-

<sup>1)</sup> Shareholders owning 5% or more

### • Director Remuneration \_ BNK Financial Group, As of Dec. 31, 2024

Category	Unit	Number of Directors	Total Compensation	Compensation per Person
Registered directors (excluding independent directors and members of the Audit Committee)	Persons, KRW million	1	881	881
Independent directors (excluding members of the Audit Committee)		3	206	68
Members of the Audit Committee		4	301	75

### • Stock Issuance \_ BNK Financial Group, As of Dec. 31, 2024

Category	Unit	Shares
Total number of shares issued	Shares	320,436,727
Number of shares outstanding		318,383,519

### • Dividend Payments \_ BNK Financial Group, As of Dec. 31, 2024

Category	Unit	Amount and Ratio
Total cash dividends	KRW million	207,360
(consolidated) Cash dividend payout ratio	%	28.46

[Dividend Policy](#) →

### • Membership Fees to Key Associations

Category	Unit	2022	2023	2024
Korea Chamber of Commerce and Industry	KRW million	429	418	490
Korea Federation of Banks		1,869	1,974	1,774
Credit Finance Association		212	207	208
Korea Financial Investment Association		518	540	514
Korea Federation of Savings Bank		445	539	634
Credit Information Companies Association		23	25	26
Lobbying and interest groups and similar organizations		0	0	0
Support for local, regional or national political campaigns/organizations/candidates		0	0	0

### BNK Financial Group's Policy Concerning Political Engagement

Chapter 6, Article 31 of the Political Funds Act (Restrictions on Contributions) specifies that 1) foreign nationals, foreign corporations and organizations are prohibited from making political contributions, and that 2) no person may make political contributions using funds related to domestic or foreign corporations or organizations. In compliance with this law, BNK Financial Group does not engage in any political activity. While our employees may participate in political activities in their personal capacity, any actions that may be misinterpreted at the company level are strictly prohibited. Meanwhile, we provide support for industry associations and public interest initiatives that are unrelated to political activities. In such cases, donations are thoroughly managed to fundamentally eliminate any risk of corruption.

# ESG Data Pack

## ESG Financial Performance

### • Sustainable Investment Products and Services

(Unit: KRW million)

Category	Description	2024
Sustainable investment products developed and managed by BNK Financial Group (AUM)	ESG-integrated investment	378,230
	Positive screening (best-in-class)	-
	Thematic investment	-
	Impact investment	-
	<b>Total</b>	<b>378,230</b>
	Total AUM	10,334,292
	Ratio of sustainable AUM to total AUM	3.66%
Sustainable investment products managed by external managers or customers (AUC: Assets Under Custody)	ESG-integrated investment	61,361
	Positive screening (best-in-class)	44,874
	Thematic investment	473,173
	Impact investment	-
	<b>Total</b>	<b>579,407</b>
	Total AUC	17,598,186
	Ratio of sustainable AUC to total AUM	3.29%

### • Sustainable Advisory Products and Services

(Unit: KRW million)

Description	2024
Bond issuance – Green, social, sustainable bonds	600,000
Bond issuance – Sustainability-linked bonds	-
Bond underwriting – Green, social, sustainable bonds	219,384
Bond underwriting – Sustainability-linked bonds	-
Sustainable securitization	-
Total monetary value of all bonds issued and underwritten	18,102,560
Total sustainable monetary value	819,384
Ratio of sustainable bonds to total bond monetary value	4.53%

### • Inclusive Financial Products and Services

(Unit: KRW million)

Description	2024
Provision and public disclosure of financial products or services focused on inclusive finance for underserved groups	13,789,569

\* Loan(Credit)/deposit products for financially-underserved groups (low-income, low-credit, elderly, youth, persons with disabilities), social enterprises, SMEs and small business owners

### • Sustainable Financial Products and Services

(Unit: KRW million)

Category	Description	2024
Corporate finance	Amount of green loans, social loans, and sustainability loans	10,608,039
	Loans and description of sustainability-linked loans(sustainable loans and mortgages)	68,761
	Total corporate loan amount	44,132,800
Retail finance	Amount and description of sustainable loans and mortgages	2,733,168
	Total amount of personal loans(consumer finance) and mortgages	22,440,400
SME loans	Amount and description of sustainable loans for SMEs	1,577,142
	Total amount of SME loans	35,811,300

# ESG Data Pack

## ESG Financial Performance

### • Deposit Products for SMEs, Small Business Owners, and Local Residents

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Neighborhood Business Preferential Savings	7.0	1.21	1.09
	Lifetime Business Partner Account <sup>1)</sup>	1,231	1,487	1,423
	BNK Success Era Account <sup>1)</sup>	770	1,010	967
	BNK Golden Egg Account <sup>1)</sup>	350	416	407
	BNK Youth Sympathy Installment Savings	13	1.32	0.53
	Busan International Film Festival Account	310	318	340
	2030 Busan Expo Installment Savings	901	2,752	2,712
	The Special Installment Savings	2.0	91	8.79
	Dongbaek Account <sup>1)</sup>	62	101	130
	Busan Youth Double Happiness Account	68	395	362
	It's Better in Busan Big Installment Savings	-	-	21
Kyongnam Bank	Changwon City Youth Tomorrow Account	27	16	30
	New Start!! Regular Deposit	6,081	7.0	2.98
	BNK Gyeongsangnam-do Mutual Growth Deduction Installment Savings	20	12	0.28
	Geochang-gun Partnership Installment Savings	1.20	0.25	13
	Geoje City Partnership Installment Savings	2.20	5.0	0.01
	Ulsan City Partnership Installment Savings	2.70	10	3.53
	Gaya Kingdom Gimhae Love Account	-	0.05	-
	True Jinju City Love Account	1.0	-	-
	Ulsan City Love Dream Account	11	-	-
	Ulsan 2022 Regular Deposit	708	10	0.13
	BNK With-Us Free Installment Savings <sup>2)</sup>	-	269	1,639

<sup>1)</sup> Restated the 2023-2024 data to reflect changes in calculation criteria

<sup>2)</sup> Provided ESG-linked preferential interest rates with a focus on social contributions such as address relocation and volunteering; added eco-friendly actions such as Korea Electric Power Corporation's Energy Cashback program since 2024

### • Card Products for SMEs, Small Business Owners, and Local Residents

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Multicultural Love Card	0.50	0.40	0.54
	B Smart Cars	624	596	537
	Happy Kid Card	146	92	48
	Happy People Card	665	670	619
	Busan Youth Stepping Stone Card+	35	29	19
	[YO] Debit Card	56	56	41
	Youth Joy Card	11	12	18
	Dongbaekjeon Card	5,874	6,411	9,337
	Education Love Card	1,439	1,610	1,596
	Others (including Braille card) <sup>3)</sup>	1,760	0.06	0.22
Kyongnam Bank	Ulsan City Multiple Children Card (credit)	220	106	17
	Ulsan City Multiple Children Card (debit)	90	90	102
	New Ulsan City Multiple Children Card (credit)	271	411	504
	Ulsan Parenting Love Card	345	325	306
	Braille card	0.60	0.64	0.54
	Happy Kid Card	196	156	122
	Happy People Card	267	260	231
	Others (including Kyongnam Youth Support Card)	25	25	18

<sup>3)</sup> Included COVID-19 relief subsidy cards (KRW 176 billion) and Braille cards (KRW 6 million) in 2022; 2023 and 2024 numbers reflect Braille cards

Introduction

ESG Management System

ESG Performance

ESG Data Pack

Environment

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • Deposit Products for Low-income People

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Youth Hope Installment Savings	973	1,784	14
	You are SOLO Installment Savings	-	124	499
	BNK Tax-Advantaged Savings	646	115	83
	BNK Hope Fostering Installment Savings	344	312	358
	BNK Regional Love Account <sup>1)</sup>	10,085	10,560	10,420
	Youth Housing Dream Subscription Savings Account	-	193	437
	BNK Happiness Keeper Account	90	100	118
	BNK Danbi Account <sup>1)</sup>	4,556	4,908	4,575
	BNK National Pension Security Account	114	130	145
	Baekse Youth Pension Account	223	282	393
	Baekse Youth Silver Savings	241	937	2,434
	Baekse Youth Silver Regular Deposit	854	506	977
	Baby Angel Installment Savings	-	-	65
	BNK Welcome Global Account	-	-	6.0
	Dream Come True Installment Savings	543	487	495
	BNK Childcare & Parenting Account	86	86	69
Others <sup>1)</sup>	184	584	1,221	
Kyongnam Bank	ManiMani Flexible Installment Savings	159	156	193
	Youth Hope Installment Savings	125	229	0.47
	My Steady Pension Savings	22	84	847
	My Steady Pension Account <sup>1)</sup>	182	338	515
	National Pension Safe Account	46	52	56
	Childcare-only Savings Account	57	45	52
	Youth Housing Dream Subscription Savings Account	32	38	80
	Others <sup>1)</sup>	64	102	286

<sup>1)</sup> Restated the 2023-2024 data to reflect changes in calculation criteria

### • Green Deposit and Installment Savings Products

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Low-carbon Practice Deposits	6,912	1,758	2,427
	Low-carbon Practice Savings	1,568	332	1,194
	Galmet-gil Installment Savings	582	133	3.87
	BNK Eco Installment Savings	2.0	1.33	0.49
Kyongnam Bank	Healthy Dullegil Installment Savings	2.0	0.04	0.003

### • Green Card Products

Category		2022	2023	2024
Busan Bank	Green Card	3,724	4,292	4,167
	My Zone Green Card	429	413	371
	Green Company Debit Card	769	1,219	1,225
	Green Card v2	69	70	66
	No Driving Day Card	6.0	6.0	5.0
	Anywhere Green Card	-	-	6.4
	Green Card (credit)	449	581	711
Kyongnam Bank	Green Card (debit)	318	311	285
	Anywhere Green Card	-	0.52	21
	NEW Dandi Card	2,379	2,434	2,227
	Green Company Card (credit)	278	275	257
	Green Company Card (debit)	143	141	131

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • Loan(credit) Products Supporting Inclusive Finance

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Sunshine Loan Bank	32	51	25
	Stepping Stone Mid-Range-Interest Rate Loan	36	312	572
	New Hope Seed Loan I · II	870	1,439	1,614
	Safety Net Loan I · II	6.0	3.60	1.92
	Sunshine Loan 15·17	1,416	1,093	545
	A Place to Stay Loan	533	527	852
	Busan Metropolitan City Charter Loan for Newlyweds	2,235	3,123	2,475
	Convention Newlywed, Multicultural	1,281	859	538
	Standard Loan for ONE Office Workers	2,810	4,716	5,994
	Reliable Support Charter Loan	-	1,095	2,992
	Bogeumjari Loan	-	773	240
	BNK Welcome Global Loan	-	-	2.04
Kyongnam Bank	A New Hope Loan	1,028	1,274	1,360
	Sunshine Loan 15·17	49	66	94
	Regional Credit Guarantee Foundation Bridge Guarantee Finance Support Special Guarantee Loan	-	72	104
	Sunshine Loan Bank	12	14	12
	Warm Sunshine Loan Bank	-	152	703
	Change Dream Loan	-	0.54	0.04
	Charter Loan for Newlyweds	-	275	217
	Safety Net Loan I · II	-	0.90	0.45
	Charter and Monthly Rent Loan for Youth	120	70	47
	Stepping Stone Mid-Range-Interest Rate Loan	34	16	6.27
	U-Bogeumjari Loan	-	20	10
	BNK Mobile Credit Loan Plus	2,050	3,389	4,246
BNK Capital	Successful Dream CAR	332	398	326
	Support for Small Business Loan	689	506	1,215
BNK Savings Bank	Sunshine Loan	-	2,724	2,823
	BNK Stepping Stone Mid-Range-Interest Rate Loan 2	-	88	278
	Special Guarantee for Low Credit Individuals	-	9.13	43

### • Loan(credit) Products for Innovative SMEs

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Technology Finance	70,881	75,241	79,207
	Relational Finance	3,704	3,716	3,974
	Busan Shipbuilding & Marine Equipment Company Special Guarantee Loan <sup>1)</sup>	-	64	125
	Technology Guarantee Fund Innovation Growth Technology Small and Medium Business Agreement Guarantee Loan <sup>1)</sup>	-	162	337
	Others <sup>1)</sup>	-	462	1,165
	Kyongnam Bank	Technology Finance	13,095	20,047
Relational Finance		1,426	3,042	2,880
Medium Interest Rate Loan_Social Enterprise		366	297	261
Medium Interest Rate Loan_Chattel Mortgage Loan		90	63	74
Kyongnam New Deal Industry Convention Loan		26	12	7.45
Ulsan Urban Corporation Mutual Growth Loan		-	-	9.50
Special Guarantee Loan for Emergency Funding Support for Busan Shipbuilding and Marine Equipment Companies		-	1.0	-
BNK Capital	Technology Support Project for Outstanding Small and Medium Enterprises	156	295	208

<sup>1)</sup> Restated the 2023-2024 data to reflect changes in calculation criteria

Introduction

ESG Management System

ESG Performance

ESG Data Pack

Environment

Social

Governance

ESG Finance

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • Loan(credit) Products Supporting Local Small Business Owners (Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	2021 Busan Small Business Lease Business Agreement Guarantee Loan	260	167	81
	Three-non Guarantee Loan	784	403	184
	Three-non Plus Guarantee Loan	721	596	380
	2021 Busan Small Business Support Agreement Guarantee Loan (I·II)	1,336	779	495
	Special guarantee loan for small and medium-sized business owners with low and medium-sized credit	356	238	112
	Secondary financial support (consignment guarantee) loan for small business owners	502	304	135
	Guarantee loan for Busan prohibition and limited industry support agreement	91	46	30
	Modoo loan (loan for everyone)	237	385	292
	Loan for liquidity support for SMEs and small business owners in Gyeongsangnam-do	78	49	28
	Special loan for financial support for SMEs and small business owners in Ulsan Metropolitan City	24	20	16
	Seoul Credit Guarantee Foundation Convention Loan	31	14	2
	Hope Plus Special Guarantee Loan	1,009	880	477
	Convention Loan for Secondary Conservation of Small Businesses Affected by COVID-19 <sup>1)</sup>	-	1,140	-
	IKEA Korea special contribution small business agreement guarantee loan	3	4	11
	2022 Busan Small Business Support Agreement Guarantee Loan	779	611	380
	Busan Small Business Dongbaekpium Agreement Guarantee	419	316	880
	2022 Busan Small Business Lease Business Agreement Guarantee Loan	176	143	106
	Korea Credit Guarantee Fund's small business consignment guarantee loan replaced with low-interest rate	17	51	58
	2023 Busan City Tenant Small Business Support Agreement Guarantee Loan	-	159	137

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Re-venture Special Guarantee Loan	-	18	34
	Special Guarantee Loan for SMEs and Small Business Owners with Medium Credit	-	131	171
	Bank Joint Financial Support Agreement Guarantee Loan for SMEs and Small Business	-	129	301
	Employment Promotion and Vocational Rehabilitation Fund for Persons with Disabilities	-	18	19
Kyongnam Bank	Hope Sharing Project for Local Small Businesses	156	240	225
	Our local energy-up support loan	430	373	272
	Convention Loan for Secondary Conservation of Small Businesses	774	310	229
	Support for Small Business Owners affected by Coronavirus	686	387	184
	COVID-19 Emergency Liquidity Support Special Guarantee Loan	41	30	20
	Special Guarantee Loan for SMEs and Small Business Owners with Medium Credit	-	232	173
	Special guarantee for supporting small businesses with low and medium credit <sup>2)</sup>	189	125	62
	Support for growth finance for small business owners in Gyeongsangnam-do	116	62	-
	Korea Credit Guarantee Fund's COVID-19 guarantee loan replaced with low-interest rate	-	93	116
	Hope Plus Credit Loan	-	935	741
	Hope Plus Financial Support Special Guarantee Loan	-	632	345
	Others	-	231	161

<sup>1)</sup> Discontinued in 2024

<sup>2)</sup> Restated the 2023-2024 data to reflect changes in calculation criteria

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • Youth Start-up and Job Creation Support Products

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	Innovation Growth and Job Creation(Korea Credit Guarantee Fund)	1,264	791	745
	Innovation Growth and Job Creation (Korea Technology Finance Corporation)	338	76	204
	Guarantee of Agreements for banking sector job creation companies (Korea Credit Guarantee Fund/ Korea Technology Finance Corporation)	172	91	72
	BNK Job Creation and New Growth Company Support Loan under Credit Guarantee Fund Agreement	50	27	31
	Special Guarantee Loan for Restructuring and Job Creation Support	-	76	57
	Kyongnam Bank	Smart Factory Creation in Gyeongnam	236	219
	Korea Aerospace Convention Loan	90	66	26
	TOP PLUS Corporate Loan	-	1,520	1,590
	Co-operative Growth Loan	-	15	17
	New Growth Job Support Loan	-	542	806
	Innovation Growth and Job Creation(Korea Credit Guarantee Fund)	-	549	494
	Innovation Growth and Job Creation (Korea Technology Finance Corporation)	-	28	32
	Guarantee of Agreements for banking sector job creation companies (Korea Credit Guarantee Fund/ Korea Technology Finance Corporation)	-	67	67
	Big Benefit Corporate Loan	-	73	41

### • Green Loans

(Unit: KRW 100 million)

Category		2022	2023	2024
Busan Bank	ESG Good Company Loan	191	385	652
	Loan for Photovoltaic Power Generation Facilities	9.0	3.82	5.0
	Eco-friendly (semi-public) Bus Purchase Fund	49	25	15
	Loans from the Energy Use Rationalization Fund	525	174	499
	Fund to Foster the Recycling Industry	119	31	22
	Clean Green Enterprise Preferred Loan	14	1.98	55
	Fund to Improve and Foster the Environment	343	96	261
	Natural gas supply facility installation fund	50	17	27
	Fund to Promote Green Vehicles	-	30	30
	Korea Technology Finance Corporation Fund Agreement Loan for Supporting Financing Costs of Carbon Reduction Technology Companies	-	-	45
Kyongnam Bank	Loan from the Energy Use Rationalization Fund	1,324	588	631
	Fund to Foster the Recycling Industry	62	35	9
	Fund to Improve and Foster the Environment	214	404	428
	Natural gas supply facility installation fund	19	16	7
	Carbon Neutrality Transition Leading Project	-	7.0	20
	Secondary Conservation for Funds to promote the Supply of Green Vehicles	-	14	38
	Photovoltaic Power Eco-friendly Corporate Loan	339	256	219
	E-Green Loan	137	130	20
	Korea Technology Finance Corporation Fund Agreement Loan for Supporting Financing Costs of Carbon Reduction Technology Companies	-	-	15
	BNK Capital	Support for eco-friendly rental cars	436	1,192
	Financial support for eco-friendly enterprises	111	305	456

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • ESG Bond Issuance

(Unit: KRW 100 million)

Category		Issuance Amount	Issuance Data
Busan Bank	Busan Bank 2020-11 Series 2.0A-30 Fixed Rate Coupon Bond (Green Bond)	1,000	2020.11.30
	Busan Bank 2021-10 Series 2A-29 Floating Rate Coupon Bond (Private Placement)	1,000	2021.10.29
	Busan Bank Subordinated Contingent Capital Bond 2204-A07 Fixed Rate Coupon (New Issuance, Private Placement)	1,500	2022.04.07
	Busan Bank 2023-09 Series 1.2A-19 Fixed Rate Coupon Bond (Green Bond)	600	2023.09.19
	Busan Bank Subordinated Contingent Capital Bond 2404-A29 Fixed Rate Coupon (New Issuance, Green, Private Placement)	1,000	2024.04.29
	Busan Bank 2024-10 Series 1A-14 Fixed Rate Coupon Bond (Private Placement)	1,000	2024.10.14
	Kyongnam Bank	Kyongnam Bank 2021-04 Series 2A-12 Fixed Rate Coupon Bond (Private Placement)	2,000
Kyongnam Bank	Kyongnam Bank Subordinated Contingent Capital Bond 2205-A10 Fixed Rate Coupon (New Issuance, English Currency, Private Placement)	2,000	2022.05.10
	Kyongnam Bank 2023-11 Series 1A-27 Floating Rate Coupon Bond (Social Bond)	2,000	2023.11.27
BNK Capital	BNK Capital 292 (Social Bond)	400	2022.09.19
	BNK Capital 314 (Green Bond)	300	2023.04.18
	BNK Capital 357-1 (Social Bond)	200	2024.08.01
	BNK Capital 357-2 (Green Bond)	300	2024.08.01

### • ESG Bond Investment

(Unit: KRW 100 million)

Category		2024
Busan Bank	Green bonds	100
	Social bonds	20,986
	Sustainable bonds	500
Kyongnam Bank	Green bonds	500
	Social bonds	8,159
	Sustainable bonds	600

### • ESG Bond Underwriting

(Unit: KRW 100 million)

Category		2024
BNK Securities	Green bonds	300
	Social bonds	1,694
	Sustainable bonds	200

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • 2024 Key ESG Fund Sales/Management Performance <sup>1)</sup>

(Unit: KRW million)

Fund	Busan Bank	Kyongnam Bank	BNK Securities	BNK Asset Management
BNK Sustainable ESG Securities Investment Trust No.1	62	47	9,593	10,538
KB ESG Growth Leaders Equity Investment Trust	106	1,940	-	-
NH-Amundi Green Korea 100-Year Corporate Securities Investment Trust	21	127	-	-
NH-Amundi Long-Term Performance Leading Companies Securities Investment Trust No.1	-	72	-	-
Eugene Champion Mid-Short Term Bond Securities Investment Trust	4,354	1,154	-	-
Samsung Global Dividend Aristocrats ESG Securities Investment Trust (Hedged)	175	-	-	-
Kiwoom Retirement Pension 10 Securities Investment Trust Class B-1	1.8	-	-	-
Fidelity Global Multi-Asset Income Securities Investment Trust	29	-	-	-
Korea Investment e-Short Term Bond ESG Securities Investment Trust	103	-	-	-
Mirae Asset Green New Deal Index Securities Investment Trust <sup>2)</sup>	216	-	-	-
Mirae Asset Clean Tech Securities Investment Trust <sup>2)</sup>	142	3,816	-	-
Samsung Global Clean Energy Securities Investment Trust No.1 <sup>2)</sup>	17	64	-	-
Korea Investment Global EV & Battery Securities Investment Trust <sup>2)</sup>	732	1,024	-	-
KB Korea New Wave Equity Investment Trust <sup>2)</sup>	10	1,146	-	-
Samsung Global Water Securities Investment Trust No.1 (Equity) <sup>2)</sup>	0.5	-	-	-
KB Global Hydrogen Economy Securities Investment Trust (Equity) <sup>2)</sup>	138	46	-	-

(Unit: KRW million)

Fund	Busan Bank	Kyongnam Bank	BNK Securities	BNK Asset Management
Mirae Asset Global Innovation ESG Fund	-	307	-	-
Mirae Asset Asia Great Consumer Equity Fund No.1	-	524	-	-
VI Active Growth Long-Term Tax Deduction Equity Fund	-	180	-	-
Shinhan Beautiful SRI Green New Deal Equity Fund No.1	-	124	-	-
Kiwoom Retirement Pension 40 Equity Fund Class B-1	-	1,022	-	-
Kiwoom Retirement Korea Index 40 Equity Fund No.1	-	811	-	-
Kiwoom Pioneer ESG Equity Fund No.1	-	466	-	-
Korea Investment Credit Focus ESG Equity Fund No.1	463	2,444	-	-
Hanwha ESG Private Equity Fund No.1	-	-	31,927	-
Investment Pool General ESG Private Equity Fund 1-1	-	-	359,705	-
NH-Amundi Yellow Umbrella ESG Private Fund	-	-	39,249	-
Hangang Solar Power Private Special Asset Fund No.10	-	-	44,959	-
Kiwoom Next-Gen Mobility Equity Fund <sup>2)</sup>	308	5,391	-	-
DB Next-Gen Mobility Equity Fund <sup>2)</sup>	-	213	-	-

<sup>1)</sup> Key products extracted from total ESG funds

<sup>2)</sup> Recognized as green funds

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • PF Investment Performance

(Unit: KRW 100 million)

	Project Name	Project Description	Value (based on balance as of Dec. 2024)
Busan Bank	Mokpo Sewer Pipeline Maintenance BTL Private Investment Project	This Build-Transfer-Lease (BTL) project involves Pureun Mokpo Environment Co., Ltd., designated as the project operator by Mokpo City as the contracting authority. The company constructs sewer pipeline facilities and transfers ownership to the city. In return, the company is granted the right to operate and receives lease(rental) payments to recover its investment principal and interest.	38.29
	Yeongdeok-gun Sewer Pipeline BTL Project	In this BTL project, Yeongdeok Enviro Co., Ltd., designated by Yeongdeok County as the contracting authority constructs sewer pipeline infrastructure, donates it to the county, and is granted operational rights. Investment principal and interest are repaid in the form of facility lease(rental) fees.	17.59
	Gyeongju Sewer Pipeline BTL Project	In this BTL project, Gyeongju SMC Co., Ltd., designated as the project operator by Gyeongju City as the contracting authority, builds sewer infrastructure, donates it to the city, and is granted operational rights. Lease(rental) payments are made to cover the principal and interest of the investment.	57.80
	Acquisition Financing for IS Dongseo Co., Ltd. (ISTMC Co., Ltd.) – Refinancing	This loan supports the refinancing of the acquisition of a 10% stake in Town Mining Company (TMC) by IS Dongseo Co., Ltd., an ESG-rated enterprise, through its subsidiary ISTMC Co., Ltd.	450.00
	K&D Energene Co., Ltd. – Construction of a Hydrogen Production Facility for S-OIL Supply in the Onsan Industrial Complex, Ulsan	A project loan for K&D Energene Co., Ltd., jointly established by Kukdong Oil & Chemicals Co., Ltd. and Deokyang Energene Co., Ltd., to build a hydrogen production facility supplying to S-OIL Corporation as part of its Shaheen Project.	40.00
	CGN Daesan Power Co., Ltd. – LNG Combined Cycle Power Plant Construction Project	This project involves the construction of a new 557MW LNG combined cycle power plant within the Daesan Petrochemical Complex in Seosan-si, Chungcheongnam-do by CGN Daesan Power Co., Ltd. Construction is performed by Hanwha Ocean Co., Ltd. The financing includes the repayment of existing biomass power plant loans.	120.08
Kyongnam Bank	Taebaek Biomass Power Generation Project	A renewable energy project involving the construction and operation of a 3MW biomass power plant in Cheoram-dong, Taebaek-si, Gangwon-do.	140.49

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

**ESG Finance**

Economy

Appendix

# ESG Data Pack

## ESG Financial Performance

### • Green PI Performance

(Unit: KRW 100 million)

	Project Name	Project Description	Value (based on balance as of Dec. 2024)
Busan Bank	Korean Peninsula BTL Private Fund	The first large-scale BTL-dedicated fund in Korea, focused on investing in public infrastructure projects implemented under the BTL model by the government, including public welfare facilities, military housing, national university dormitories, old sewage pipeline renovations, and railway double-track construction.	344.25
	Korea BTL No. 1 Investment Company	Invest in infrastructure projects carried out under the BTL model pursuant to Article 4(2) of the Private Investment Promotion Act or equivalent BTL-type projects.	320.83
	Others	-	497.70
Kyongnam Bank	Kyobo AXA Clean Energy Center Specialized Private Equity Real Estate Fund No.1	Provide financing for the Siheung Clean Energy Center Private Investment Project	118.12
	Multi-Asset Hydrogen Infrastructure Private Investment Fund No.1	An eco-friendly hydrogen energy fund that supports the liquefied hydrogen project in Changwon (Hi-Changwon project)	325.35
	Others	-	687.70
BNK Capital	Korea Investment East Bridge Global Green Energy Private Equity Fund No.1 (PEF)	Invest in newly issued common shares of Bloom Energy, a U.S.-based hydrogen fuel cell manufacture	50.00
	Gravity PCH Private Equity Limited Partnership (Konek)	Invest in redeemable convertible preferred shares of Konek, a company that manufactures aluminum die-casting parts for electric and internal combustion vehicles	25.00
	Others	-	295.92
BNK Securities	BNK-Cape ESG Renewable Energy Fund No.1 (New Technology Business Investment Association)	A project fund that invests in redeemable convertible preferred shares of GRI Co., Ltd.	51.60
	BNK-K& Marine New Industry Investment Fund No.1 & No.2	Invests in marine industries, bio industries, marine leisure tourism, eco-friendly advanced vessels, and marine energy resources	183.50
BNK Venture Capital	Smart BNK New Deal Fund	Invests at least 60% of the committed capital within 3 years of registration in startups, venture companies, or SMEs that are either technology- or management-innovation-oriented, and are not listed on the securities market	66.27
	BNK Green Bio Investment Fund	Invests at least 60% of the committed capital within 3 years of registration in green bio industries, including microbiome, alternative foods/medical foods, seed industry, veterinary medicine, and other biological materials	23.05
	Others	-	64.19

- Introduction
- ESG Management System
- ESG Performance
  - ESG Data Pack
  - Environment
  - Social
  - Governance
  - ESG Finance
  - Economy

### Appendix

# ESG Data Pack

## Economic Performance

### • Summary of Consolidated Statements of Financial Position (Unit: KRW 100 million)

Category	2022	2023	2024
Total assets	1,369,326	1,457,836	<b>1,524,705</b>
Total liabilities	1,261,427	1,351,099	<b>1,413,229</b>
Total equity	107,899	106,737	<b>111,476</b>

### • Summary of Consolidated Statements of Comprehensive Income (Unit: KRW 100 million)

Category	2022	2023	2024
Operating income	11,561	8,012	<b>8,759</b>
Income before income tax expense	11,252	8,756	<b>9,918</b>
Net income (controlling interests)	8,332	6,789	<b>7,500</b>
Total comprehensive income	7,950	8,001	<b>7,579</b>

### • Operating Income by Business Division (Unit: KRW 100 million)

Category	2022	2023	2024
Banking	54,291	72,959	<b>71,702</b>
Financial investment	8,851	9,849	<b>13,095</b>
Loans	11,287	12,414	<b>13,821</b>
Savings	1,009	1,398	<b>1,528</b>
Others	5,208	5,394	<b>4,968</b>

### • Creation and Distribution of Direct Economic Value (Unit: KRW 100 million)

Category	2022	2023	2024		
Economic value created	75,601	96,639	<b>100,314</b>		
Economic value distributed	Employee wages and benefits	9,879	8,871	<b>9,642</b>	
	Payment of dividends and interests	Dividend	2,028	1,643	<b>2,074</b>
		Interest	18,579	37,863	<b>39,717</b>

### • Credit Ratings \_ Overseas Credit Ratings

Category	Moody's	Standard & Poor's
Busan Bank	A2	A-
Kyongnam Bank	A2	-

### • Credit Ratings \_ Domestic Credit Ratings

Category	Korea Credit Information (NICE)	Korea Investors Service (KIS)	Korea Ratings (KR)
BNK Financial Group	AAA	AAA	AAA
Busan Bank	AAA	AAA	AAA
Kyongnam Bank	AA+	AA+	AA+
BNK Capital	AA-	AA-	AA-

Introduction

ESG Management System

ESG Performance

**ESG Data Pack**

Environment

Social

Governance

ESG Finance

**Economy**

Appendix

# ESG Data Pack

## Economic Performance

### • Tax <sup>1)</sup>

Category	Unit	2022	2023	2024
Nominal tax		2,991	2,208	<b>2,515</b>
Tax paid	KRW 100 million	2,968	3,061	<b>1,595</b>
Income tax expenses		2,921	1,967	<b>2,418</b>
Effective tax rate	%	26	22	<b>24</b>
Paid tax rate		26	35	<b>16</b>

<sup>1)</sup> BNK Financial Group's tax policy is approved by the CEO and disclosed publicly.

### • Asset Quality Indicators : Capital Adequacy Ratios under BIS Guidelines

Category	Unit	2022	2023	2024
Common Equity Tier 1 (TIER1)		95,018	99,179	<b>104,258</b>
Total exposure amount under the Basel III Leverage Ratio Framework	KRW 100 million	1,492,274	1,566,831	<b>1,636,449</b>
Basel III Leverage Ratio	%	6.37	6.33	<b>6.37</b>

### • Taxes Paid by Corporations by Country

Category	Corporation	Main Business	Category	Unit	2022	2023	2024
Korea	BNK Financial Group	Banking, credit specialized financial services, investment services, etc.	Operating revenue	KRW 100 million	10,829	11,975	<b>13,344</b>
			Profit (Loss) before tax		2,403	1,508	<b>1,519</b>
			Corporate income tax payable(accrued)		491	170	<b>121</b>
			Corporate income tax paid		585	292	<b>241</b>
Cambodia	BNKC(Cambodia) Microfinance Institution	Microfinance services	Operating revenue		174	155	<b>112</b>
			Profit (Loss) before tax		50	(73)	<b>(40)</b>
			Corporate income tax paid		8	2	<b>2</b>
Myanmar	BNK Capital Myanmar	Microfinance services	Operating revenue		85	99	<b>119</b>
			Profit (Loss) before tax		(145)	10	<b>32</b>
			Corporate income tax paid		3	0	<b>0</b>
Lao PDR	BNK Capital Lao Leasing BNK Capital Lao NDTMFI	Leasing services, Microfinance services	Operating revenue		60	63	<b>79</b>
			Profit (Loss) before tax		21	16	<b>20</b>
			Corporate income tax paid	2	3	<b>3</b>	
Kazakhstan	MFO BNK Finance Kazakhstan	Microfinance services	Operating revenue	98	150	<b>189</b>	
			Profit (Loss) before tax	25	12	<b>16</b>	
			Corporate income tax paid	5	6	<b>4</b>	
Kyrgyzstan	MCC BNK Finance	Microfinance services	Operating revenue	1	5	<b>16</b>	
			Profit (Loss) before tax	(1)	(8)	<b>4</b>	
			Corporate income tax paid	0	0	<b>0</b>	

# APPENDIX

Introduction

ESG Management System

ESG Performance

ESG Data Pack

Appendix

Creating Financial Synergy

ESG Policy Book

GRI Standards Index

SASB Index

UN SDGs Index

PRB Index

UNGC Index

Independent Verification Opinion  
Statement

GHG Emissions Verification  
Opinion Statement

Awards

About This Report

Creating Financial Synergy	177
ESG Policy Book	186
Global Initiatives	187
Assurance Statement	200
Awards	203
About This Report	204

# Creating Financial Synergy

Busan Bank has advanced sound and ethical management on the back of the trust of customers and local communities, laying a strong foundation for the regional economy. Going forward, we will drive sustainable change through finance and further our role as a responsible bank growing together with the region.

## BNK Busan Bank



**Bang Sung-bin**  
CEO,  
Busan Bank

“Busan Bank prioritizes regional co-prosperity and trust as its utmost value. We abide by principles and fulfill our social responsibility as a financial institution. In so doing, we advance ESG management bringing hope and happiness to all stakeholders as well as customers.”

**Date of establishment:** Oct. 10, 1967  
**Headquarters:** 30 Munhyeongeumyung-ro, Nam-gu, Busan, Republic of Korea  
**Website:** <https://gbank.busanbank.co.kr>

Equity capital



KRW 5.8795 trillion

Headcount



2,995 persons

### Key ESG Performance

	Progress Overview	
 Environmental	Progress Overview	<ul style="list-style-type: none"> <li>Introduced and implemented an ESG climate risk management system</li> <li>Expanded green finance through the sale of eco-friendly financial products and issuance of ESG bonds</li> <li>Participated in eco-friendly energy policy projects and local environmental improvement initiatives</li> </ul>
	Performance Highlights	<ul style="list-style-type: none"> <li>Busan Bank has introduced an ESG-based climate risk management system with a goal of achieving net zero by 2050. Using our financed emissions measurement system and ESG data platform, we systematically manage and reduce GHG emissions. To expand green finance, we launched 'Low Carbon Deposit and Installment Savings' in partnership with Busan City, and issued Korean green bonds valued at KRW 100 billion to finance eco-friendly projects. In addition, we signed an 'MOU for energy saving' with Korea Electric Power Corporation and subscribed to 'DHL GoGreen Plus Service' as the first in the banking industry to support low-carbon fuels, taking the lead in carbon reduction efforts. We also conduct environmental cleanups with our regional volunteer teams playing a central role. In the event of regional disasters, we organize 'emergency disaster relief volunteer units' to promptly provide disaster relief support. These ESG efforts earned us recognition for 'Excellence in Green Management and Green Finance' by the Ministry of Environment in 2024 as well as the President's Award from the Korea Environmental Industry &amp; Technology Institute.</li> </ul>
 Social	Progress Overview	<ul style="list-style-type: none"> <li>Expanded support for 'inclusive finance' to promote mutual growth with local communities</li> <li>Launched financial products designed to address social issues</li> <li>Actively rolled out CSR initiatives to promote regional well-being</li> </ul>
	Performance Highlights	<ul style="list-style-type: none"> <li>Under the slogan 'finance that brings hope and happiness', Busan Bank has been committed to building a thriving community for all. Our 'Overcoming Crisis Together' project, aimed at pursuing inclusive finance for SMEs, small business owners, low-income people, and vulnerable groups, has provided financial support totaling over KRW 4.8 trillion in 118,000 cases, fulfilling our role as a reliable partner. To help address the nation's low birth rates, we launched the 'BNK Baby Angel Installment Savings' as a high-interest savings product. Each year, over 5,000 employees volunteer more than 10,000 hours throughout the region to foster warm connections with local communities. In recognition of these efforts, we were cited as '2024 Best Practices in Co-prosperity and Collaborative New Financial Products' by the Financial Supervisory Service and received the 'Excellence Award in the inclusive and co-prosperity category' by the Financial Supervisory Service for two consecutive years and the 'Presidential Award for Good Donors presented by the Ministry of the Interior and Safety' in 2024, setting an example as a responsible corporate citizen.</li> </ul>
 Governance	Progress Overview	<ul style="list-style-type: none"> <li>Implemented ethical and compliance management and strengthened internal controls</li> <li>Expanded efforts to protect the rights of financial consumers</li> <li>Enhanced support for the financial inclusion of financially-underserved groups</li> </ul>
	Performance Highlights	<ul style="list-style-type: none"> <li>Busan Bank prioritizes ethics and compliance throughout its decision-making process. The Internal Control Committee under the Board of Directors serves as the highest decision-making body for internal control operations, fostering a corporate culture of transparency and accountability. We have been driving customer-centric management over the years, and our Customer Panel program (CX Explorer) helps us directly heed the voice of financial consumers. In addition, our Senior Supporters, Custom Service Desk for Inclusive Finance, and dedicated consultation center for the elderly ensure that we fully support financially-underserved groups through diverse services. These efforts earned us top honors, including No.1 in the customer contact category in the 2024 Korea Service Quality Index for three consecutive years, No.1 in the regional bank service category in the 2024 National Customer Satisfaction Index for three consecutive years, and a top-ranking in the 2024 Korea Financial Consumer Protection Index for three consecutive years. Going forward, we will continue to advance warmhearted, trustworthy finance.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Kyongnam Bank is proactively navigating the evolving financial landscape characterized by ESG management and digital transformation, pursuing company-wide innovation for sustainable growth. We have launched the ESG Committee and a dedicated ESG planning unit under the Board of Directors, and have incorporated ESG considerations in the performance evaluations of headquarters departments, laying the basis for systemic ESG management. Going forward, we will strengthen our ESG capabilities and foster the value of future finance alongside local communities.

## BNK Kyongnam Bank



**Kim Tae-Han**  
CEO,  
Kyongnam Bank

“Kyongnam Bank was born out of the earnest aspirations of the local community where it is based, and has grown together with the region. We remain committed to the fundamentals while ceaselessly pursuing innovation, upholding the core values of our customers, local communities, and employees. On the back of principled management and autonomous internal control, we will shape the region’s agenda and design its future as a reliable financial partner.”

**Date of establishment:** May 22, 1970  
**Headquarters:** 642, 3.15-daero, Masanhoewon-gu, Changwon, Gyongsangnam-do, Republic of Korea  
**Website:** <http://www.knbank.co.kr/>

Equity capital




Headcount



KRW 3.5411 trillion

2,277 persons

### Key ESG Performance

Key ESG Performance		
 Environmental	<b>Progress Overview</b>	<ul style="list-style-type: none"> <li>Signed MOUs with external organizations to achieve net zero and reduce energy use</li> <li>Took action to reduce GHG emissions and conserve energy</li> <li>Engaged in environmental protection efforts</li> <li>Launched green-themed products and services</li> </ul>
	<b>Performance Highlights</b>	<ul style="list-style-type: none"> <li>Kyongnam Bank is advancing its environmental management system to proactively respond to climate change while taking a range of actions to reduce GHG emissions. We signed an MOU with Korea Electric Power Corporation to ‘achieve net zero and energy saving’, and provided preferential interest rates to the ‘BNK With-Us Free Installment Savings’ to make eco-friendly financial products more accessible. We also participated in the E-Circulation Governance program to donate end-of-life electric/electronic products and launch internal light-off campaigns for energy conservation. Our mobile banking-based electronic certificate receipt system also supports our efforts to promote resource conservation and efficient energy use. Going forward, we will drive sustainable management alongside local communities to further expand the value of finance.</li> </ul>
 Social	<b>Progress Overview</b>	<ul style="list-style-type: none"> <li>Enhanced support for co-prosperity finance</li> <li>Undertook a range of CSR initiatives</li> <li>Made special contributions to regional credit guarantee foundations (Gyeongnam, Ulsan)</li> </ul>
	<b>Performance Highlights</b>	<ul style="list-style-type: none"> <li>In 2024, Kyongnam Bank continued to advance co-prosperity finance together with local communities, revitalizing the local economy. This earned us the highest rating in the ‘2024 Financial Institution Regional Reinvestment Evaluation’ and the ‘Institutional Award’ in the SME support and small business consulting support category at the ‘2024 Inclusive and Co-prosperity Finance Awards’. For microbusinesses in the region where we operate, we signed agreements with local governments to provide low-interest emergency liquidity funds under significantly eased lending conditions, expanding practical financial support. In addition, we engaged in a range of CSR and donation initiatives – ‘Revive Gyeongnam Project for Overcoming Regional Depopulation and Low Birth Rates’, and writing and arts contests - shaping a sustainable future together with local communities.</li> </ul>
 Governance	<b>Progress Overview</b>	<ul style="list-style-type: none"> <li>Enhanced internal control management</li> <li>Developed and implemented information security(data protection) training and drills for employees</li> <li>Expanded internal control reviews and inspections for consumer protection</li> </ul>
	<b>Performance Highlights</b>	<ul style="list-style-type: none"> <li>Kyongnam Bank continues with multi-faceted efforts to enhance the soundness of financial transactions and advance trusted growth and transparent, ethical business conduct. Since September 2023, relevant departments have collaborated with the Internal Control Analysis Team taking the lead to identify company-wide internal control tasks and make meaningful progress accordingly. We also provide regular information security(data protection) training to employees, and conduct internal control inspections of branches to ensure we comply with laws and regulations governing financial consumer protection in the financial product sales process. Furthermore, the ‘Customer Panel’ program allows us to collect customer feedback regularly and the ‘Financial Consumer Protection Advisory Group’ serves to incorporate the perspectives of external experts in safeguarding the rights of financial consumers, paving the way for trust-based financial practices.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Even amid the rapidly evolving financial landscape, BNK Capital has maintained stable growth through customer-centric digital innovation and enhanced services. We place the highest priority on our customers' interests and are committed to fulfilling our social responsibilities as a financial institution that creates sustainable future value. Moving forward, we will continue to live up to the trust our customers place in us through innovation and accountability, striving to become a comprehensive financial services provider growing together with the region.

## BNK Capital



**Kim Sung-joo**  
CEO,  
BNK Capital

"BNK Capital is focused on customer-centric digital transformation and specialized services to achieve sustained innovation even amid the rapidly-changing financial landscape. We advance into Southeast Asia and Central Asia to expand our locally-tailored financial business and enhance our global competitive strengths. Leveraging our internal control capabilities prioritizing social responsibility and basics, we will advance sustainable finance while living up to the trust our customers place in us."

**Date of establishment:** Jul. 15, 2010  
**Headquarters:** 1 Saessak-ro, Busanjin-gu, Busan, Republic of Korea  
**Website:** <http://www.bnkcapital.co.kr/>

Equity capital






KRW 1.3888 trillion

Headcount



449 persons

### Key ESG Performance

 Environmental	<b>Progress Overview</b> <ul style="list-style-type: none"> <li>Expanded green (eco-friendly) mobility</li> <li>Supported the development of eco-friendly infrastructure</li> <li>Launched green management campaigns</li> </ul>
	<b>Performance Highlights</b> <ul style="list-style-type: none"> <li>Provided a 20% higher loan limit for auto loans secured by eco-friendly vehicles compared to conventional auto loans</li> <li>In 2024, recorded 259 billion on 5,544 cases of eco-friendly vehicle operation and KRW 160.3 billion on 4,546 cases of auto financing for eco-friendly vehicles</li> <li>Promoted strategic partnerships with renewable energy companies and supported infrastructure development for renewable energy projects such as solar power plants</li> <li>Conducted campaigns promoting and encouraging a range of ESG activities for employees to participate such as "No Disposables Day" and "No Food Waste Day"</li> </ul>
 Social	<b>Progress Overview</b> <ul style="list-style-type: none"> <li>Provided financial support to low-income and vulnerable individuals</li> <li>Hosted Happy Sharing events at overseas subsidiaries</li> <li>Engaged in community philanthropic activities and relief aids for vulnerable groups</li> <li>Contributed to revitalizing win-win partnerships with local communities</li> </ul>
	<b>Performance Highlights</b> <ul style="list-style-type: none"> <li>Practiced sustainable finance in partnership with local communities by providing financial support for underserved groups, funding for livelihood vehicles, and debt relief assistance for small business owners</li> <li>Actively engaged in social-giving initiatives in overseas markets through the global donation campaign Happy Sharing</li> <li>Provided economic self-reliance programs for vulnerable and marginalized groups and engaged in various volunteer initiatives serving the public good such as bread-making for charity and meal service</li> <li>Used the funds raised by employees who set aside a portion of their wage in purchasing local market gift certificates to revitalize traditional markets</li> </ul>
 Governance	<b>Progress Overview</b> <ul style="list-style-type: none"> <li>Implemented a system for allocating responsibility in non-face-to-face financial fraud incidents and an FDS (Fraud Detection System)</li> <li>Established the Internal Control Committee and strengthened its linkage to the governance structure</li> <li>Conducted training and employee awareness-raising programs to promote an ethical management culture</li> <li>Developed and promoted "BNK Keepers" as a new internal whistleblowing mechanism</li> </ul>
	<b>Performance Highlights</b> <ul style="list-style-type: none"> <li>Implemented a responsibility-sharing system for non-face-to-face financial fraud and advanced the Fraud Detection System (FDS) to prevent incidents, protect financial consumers, and ensure secure financial transactions</li> <li>In response to amendments to the Act on Corporate Governance of Financial Companies, established necessary regulations to create an Internal Control Committee within the Board of Directors, aiming to protect shareholders and stakeholders and ensure sound management practices</li> <li>Provided regular training and revised overall regulations to raise ethics awareness, with an aim to ensure all employees understand and abide by the code of ethics to foster a culture of ethical management</li> <li>Developed a new whistleblowing channel (BNK Keepers) in addition to existing ones, and offered training on whistleblowing procedures, including reporting channels, types of reportable cases, and reporting methods</li> <li>Contributed to creating an environment that enables employees to report workplace issues and building a corporate culture encouraging voluntary participation in ethical management</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Since our founding as a futures company in 1997, BNK Capital transitioned into a comprehensive securities firm in 2009. We have since built competitive strengths across all business areas including over-the-counter derivatives license. Leveraging our business model innovation and specialized sales strategies, we are delivering sustained growth in the face of rapidly-changing financial investment landscape. Going forward, we will draw on our customized financial solutions and market-leading investment strategies to become a leading securities firm shaping the nation's capital market.

## BNK Securities



**Shin Myeong-Ho**  
CEO,  
BNK Securities

“BNK Securities values growth and sharing in business conduct to pursue mutual development with customers, employees, and local communities in line with the guiding principles of continued growth, job creation, and social giving. On the strength of ethical management upholding the value of integrity and balance, we will be fully committed to growing into a top-tier financial investment company focused on bringing greater happiness and value to customers.”

**Date of establishment:** Jun. 2, 1997  
**Headquarters:** 1 Saessak-ro, Busanjin-gu, Busan, Republic of Korea  
**Website:** <http://www.bnkfn.co.kr/>

Equity capital






**KRW 1.174 trillion**

Headcount



**369 persons**

### Key ESG Performance

	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Introduced door-to-door sales services</li> <li>Pursued eco-friendly, innovative finance</li> </ul>	<ul style="list-style-type: none"> <li>BNK Securities is expanding customer-centric financial services by investing in digital transformation and sustainable future. We have introduced door-to-door sales services since December 2023, and adopted tablet PCs to go paperless for our branch operations. Currently, we are exploring more convenient and efficient service delivery methods through linkage with our digital counter system. In addition, we have launched the BNK-Hyundai Defense Technology Innovation Fund, the ForHumanLife CDMO New Technology Investment Partnership, and the BNK-K&amp; Marine New Industry Fund, expanding strategic investments in new breakthrough technologies such as energy storage systems (ESS). In 2024, we established the Daewon Plant Project Fund and the BNK Safe New Technology Investment Partnership to further our role as a responsible investor leading the growth of emerging industries.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Established a dedicated digital transformation department</li> <li>Enhanced a user-friendly MTS and upgraded mobile website UI/UX</li> <li>Advanced RPA</li> <li>Improved corporate culture through labor-management harmony and strengthened employee communication</li> </ul>	<ul style="list-style-type: none"> <li>BNK Securities is pursuing innovation throughout its organization and system to enhance digital competitiveness and customer-driven services. We have established the D-IT Department as a dedicated digital unit, and actively brought in professionals to clarify roles and responsibilities of the digital function. We also streamlined the account opening process and are offering large-font menus for senior customers while redesigning the MTS interface with simplified authentication features, enhancing user convenience in so doing. We will partner with fin-tech companies to continuously strengthen our content competitiveness. In addition, we have introduced RPA solutions, which allowed us to save approximately 8,357 work hours per year across 31 tasks at the headquarters. In terms of corporate culture, the labor-management council meets each quarter to gather employee feedback. We have introduced a performance evaluation system for executives and department heads to establish a horizontal corporate culture while offering childbirth and childcare support programs to expand family-friendly management.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Advanced the FDS (Fraud Detection System)</li> <li>Implemented a responsibility-sharing system for non-face-to-face financial fraud</li> <li>Launched a dedicated department (ethics management department) to strengthen ethical management</li> <li>Introduced an accountability structure chart</li> </ul>	<ul style="list-style-type: none"> <li>To advance sustainable finance based on customer trust, BNK Securities prioritizes financial consumer protection and ethical management as its core value. We provide in-person and virtual training to all employees twice a year in the first and second half, raising their awareness of financial consumer protection. To safeguard customer assets, we have upgraded our Fraud Detection System (FDS) and are implementing a responsibility-sharing system for non-face-to-face financial fraud. In addition, we have adopted caller ID spoofing prevention and security certification mark services to foster secure financial transactions. In 2024, we launched the Ethical Management Department as a dedicated ethical management unit, established ethical management standard regulations, and convened regular working-level council meetings across subsidiaries to systematically operate ethics-related programs. To clarify internal control responsibilities, we have introduced an accountability structure chart detailing duties by executive role, laying the groundwork for transparent and responsible organizational operation.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Since its inception in 2012, BNK Savings Bank has been leading the industry by building digital financial infrastructure and offering customer-centric services. We provide convenient and considerate financial services to underserved customers, bringing the value of finance into everyday life. We remain dedicated to becoming a trusted and supportive financial partner that our customers and local communities can take pride in.

## BNK Savings Bank



**Kim Young-moon**  
CEO,  
BNK Savings Bank

“BNK Savings Bank faithfully fulfills its role as a financial institution specialized for inclusive finance and provides more convenient digital financial infrastructure, realizing finance that truly inspires and empowers the world.”

Date of establishment: Dec. 13, 2011  
Headquarters: 92 Beomil-ro, Dong-gu,  
Busan, Republic of Korea  
Website: <http://www.bnksb.co.kr/>

Equity capital






KRW 220.7 billion

Headcount



139 persons

### Key ESG Performance

Category	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Promoted digitalization of expense management</li> <li>Eliminated paper-based expense reports</li> <li>Transitioned corporate fleet vehicles to hybrid models</li> </ul>	<ul style="list-style-type: none"> <li>BNK Savings Bank has completed the digitalization of controllable budgets to ensure systemic management. We plan to establish such a system for non-controllable budgets to improve the transparency and efficiency of budget operations. We have also promoted the transition to eco-friendly vehicles, replacing 11 of our 20 company vehicles with hybrid models (55%), reducing environmental burden and strengthening sustainable operations.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Sponsored a modern pentathlon team</li> <li>Delivered 210 servings of ginseng chicken soup on summer heat days</li> <li>Provided financial education and field experience programs under the 1 Company 1 School program</li> <li>Advanced inclusive finance and provided policy financing support on 6,642 occasions</li> <li>Operated a consulting program for self-employed people (ranked No.1 in number of support cases)</li> </ul>	<ul style="list-style-type: none"> <li>BNK Savings Bank fulfills social responsibility on multiple fronts to pursue mutual benefits with local communities. We contributed to regional sports development by supporting a gold medal win in the modern pentathlon event at the 105th National Sports Festival. We also foster the value of warmhearted finance through social-giving initiatives targeting less-privileged groups. We provide practical financial education to students, helping them develop financial literacy and enhancing our positive image as a local savings bank. These inclusive efforts were widely recognized when we received the Financial Services Commission Chairman's Commendation in the inclusive finance category at the 9th Financial Day Ceremony.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Strengthened internal controls and conducted checklist-based regular inspections</li> <li>Enhanced voice phishing prevention efforts and training on reimbursement procedures</li> <li>Launched ethical management campaigns and provided training for all employees</li> </ul>	<ul style="list-style-type: none"> <li>We regularly remind our employees of the code of ethics and provide regulatory compliance training to help employees raise their ethics and compliance awareness. We are also strengthening our internal control system to prevent financial fraud and improve the effectiveness of post-incident remedies. Such efforts for ethical management were widely recognized when we were honored with the Financial Services Commission Chairman's Commendation in the inclusive finance category at the 9th Financial Day Ceremony.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Since joining the Group in 2017, BNK Asset Management has enhanced its expertise by maintaining top-tier performance in equity, bond, and quant investing while improving its financial structure through strategic capital increases. In parallel, we engage in high-quality real estate investments in key regions as well as NPL and other alternative investments, solidifying our position as a comprehensive asset manager. Guided by ESG management principles, we will reliably manage differentiated products including ESG funds, TDFs, and ETFs, aiding in customers' asset growth.

## BNK Asset Management



**Sung Kyung Sik**  
CEO,  
BNK Asset Management

"BNK Asset Management is committed to managing client assets based on long-term, value-driven, research-focused, and consistent management as its asset management philosophy, doing its utmost for client asset management. We also advance sustainability management to remain the most trusted asset manager by clients."

**Date of establishment:** Jul. 15, 2008  
**Headquarters:** 21st Fl., 32 Gukjegeumyungro 2-gil (Yeouido Finance Tower), Yeongdeungpo-gu, Seoul, Republic of Korea  
**Website:** <http://www.bnkasset.co.kr/>

Equity capital






KRW 174 billion

Headcount



74 persons

### Key ESG Performance

Category	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Continued to promote the BNK Sustainable ESG Fund prioritizing environmental considerations</li> </ul>	<ul style="list-style-type: none"> <li>BNK Asset Management has launched the ESG Committee and the Research Center as an ESG unit since 2021, establishing systems and processes to enable real-time response to ESG regulations and market conditions. We launched the BNK Sustainable ESG Fund to invest in companies meeting ESG requirements, continuing with our efforts to lead sustainable finance as an asset manager. Following the launch of this ESG public offering fund, we were selected as a socially responsible investment manager by major pension funds in Korea in 2023 on the back of our strong two-year track record, successfully attracting capital and deliver strong performance on an ongoing basis.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Managed top-performing ESG funds</li> </ul>	<ul style="list-style-type: none"> <li>In recognition of our exceptional ESG fund management capabilities, BNK Asset Management was entrusted in June 2023 by an institutional investor with the management of an equity-type private fund focused on social responsibility. This discretionary investment applies negative screening criteria to exclude industries that do not align with the Social component of ESG, fostering a financial environment that supports companies with strong social values.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Achieved zero incidents in 2024 through enhanced effectiveness of internal controls</li> <li>Strengthened the prevention of financial incidents involving employees</li> <li>Established a pre-inspection system for financial consumer protection</li> </ul>	<ul style="list-style-type: none"> <li>To protect the interests of our fund investors, we have established an enhanced pre-inspection system by including the checklist for new product launches in our financial consumer protection standards. We have also strengthened our routine and non-routine inspection system to prevent financial incidents, achieving zero incidents for the past five years. We launched the ethical management team in 2024, and secured an independent office space for the internal control department to further strengthen its internal control function. These efforts allow us to further refine and deepen our ethical management practices that we have already implemented.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy**
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

Since its establishment in 2009, BNK Venture Capital was incorporated into BNK Financial Group in 2019 and has since evolved into a venture capital provider based on mutual growth with all stakeholders, including shareholders, investors, and portfolio companies. We focus our investments on sustainable future sectors – industry 4.0, renewable energy, biotechnology, and agriculture & fisheries, leading the Group’s innovation ecosystem. Moving forward, we will discover future growth drivers and engage in responsible investing, evolving into a venture finance platform connecting regions and industries.

## BNK Venture Capital



**Jeong Seong-Jae**  
CEO,  
BNK Venture Capital

“BNK Venture Capital will strengthen its role as a catalyst for venture investment to promote mutual growth between BNK Financial Group and local communities, paving the way for sustainable growth through regional value creation.”

**Date of establishment:** Mar. 24, 2009  
**Headquarters:** 15F, Yeonbong Building, 416 (Daechi-dong), Teheran-ro, Gangnam-gu, Seoul, Republic of Korea  
**Website:** <http://www.bnkvc.co.kr/>

Equity capital



KRW 56.5 billion

Headcount



19 persons

### Key ESG Performance

Category	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Operated eco-friendly investment funds, including the PM Resolution Investment Fund and the Green Bio Investment Fund</li> <li>Formed the BNK-Gyeongnam Smart Innovation Investment Fund</li> </ul>	<ul style="list-style-type: none"> <li>BNK Venture Capital is realigning its internal processes to establish and review ESG policies and systematically incorporate them into its entire investment process. We are expanding the proportion of environmental and climate tech sectors in our investment portfolio in step with sustainable growth. In 2024, we invested KRW 4 billion in three companies in the green and alternative energy sector through the investment fund currently in management. To strengthen net zero investments in alignment with policy financing, we have formed new investment funds valued at KRW 20 billion, fulfilling our role as a responsible investor moving towards a sustainable future.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Established a future business foundation for the Group by investing in new regional industries and regional companies holding new technologies</li> <li>Invested KRW 14.2 billion in 10 regional companies</li> <li>Formed additional funds worth KRW 17 billion to expand regional investment</li> </ul>	<ul style="list-style-type: none"> <li>BNK Venture Capital remains committed to fostering new growth drivers for the regional economy by investing in innovative companies in the nation’s southeastern and metropolitan regions. In 2024, we invested KRW 14.2 billion in 10 companies in the southeastern region and KRW 5.2 billion in five companies in the Seoul metropolitan area, recognizing the growth potential of locally-based companies. To further expand regional investments in alignment with policy financing, we have formed investment funds worth KRW 17 billion, contributing to balanced regional development and a sustainable industry ecosystem.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Established an independent ethical management department</li> <li>Set forth internal regulations and developed an operational system to establish an ethical management framework</li> </ul>	<ul style="list-style-type: none"> <li>BNK Venture Capital is enhancing its ethical management framework to fulfill its role as a responsible investment institution. In 2024, we established an ethical management department as an independent function to strengthen the execution of ethical management. We are currently building company-wide systems by realigning internal regulations, establishing an operational system, refining investment and follow-up management standards, and advancing our risk management and internal control systems. For employees, we require them to sign the ethics pledge and compliance pledge while providing systemic statutory training in relation to ethical management, building an elevated level of ethics awareness across the organization. Moving forward, we will continue to build a culture of transparent and trusted investment practices.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

As a leading regional credit information company, BNK Credit Information delivers social value through transparent financial information and ESG-driven responsible debt management. We engage in diverse CSR initiatives, including support for small business owners and financial education, to help resolve financial inequalities, pursuing co-prosperity with local communities on an ongoing basis. Going forward, we will enhance both the public interest and sustainability of financial services as a trusted credit information company.

## BNK Credit Information



**Shin Tae Soo**  
CEO,  
BNK Credit Information

“Through ESG management, BNK Credit Information will fulfill its social responsibility based on transparent and trustworthy financial services, furthering its efforts towards a sustainable future. We will redefine our corporate culture and advance environmental stewardship, social value, and ethical corporate governance to deliver long-term growth and sustainability.”

**Date of establishment:** Jul. 17, 2003  
**Headquarters:** 92 Beomil-ro, Dong-gu, Busan, Republic of Korea  
**Website:** <http://www.bnkci.co.kr/>

Equity capital






KRW 29 billion

Headcount



107 persons

### Key ESG Performance

Category	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>• Took action to go paperless</li> <li>• Conducted environmental cleanups</li> <li>• Increased the purchase of eco-friendly products</li> <li>• Transitioned to e-documentation and mobile electronic notices</li> </ul>	<ul style="list-style-type: none"> <li>• BNK Credit Information is working to reduce GHG emissions and energy consumption by fostering a paperless work environment through accelerated digital transformation and minimizing unnecessary business travel. We participate in CSR Day events to conduct environmental cleanups and opt for products from eco-certified companies to strengthen eco-friendly partnerships.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>• Hosted Happy Hope Sharing events</li> <li>• Expanded the financial safety net to support vulnerable groups with self-reliance and recovery</li> </ul>	<ul style="list-style-type: none"> <li>• BNK Credit Information is committed to advancing sharing-driven business practices and fostering a culture of sharing on multiple fronts. For low-income debtors including recipients of basic livelihood security and earned income tax credit, we support their credit recovery through extending repayment grace periods, allowing longer installment plans, exempting essential livelihood assets from collection, and expanding interest reduction benefits. Since 2016, we have hosted “Happy Hope Sharing” events during holidays, delivering Hope Sharing packages to households faithfully repaying their debts despite financial challenges, practicing the value of warmhearted finance.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>• Provided anti-corruption training</li> <li>• Promoted sound and fair credit operations</li> </ul>	<ul style="list-style-type: none"> <li>• BNK Credit Information has established ‘disciplined and ethical management’ as its core management policy, and is advancing fair and transparent business conduct based on high ethical standards. We have continuously enhanced training and monitoring concerning pertinent regulations including the Fair Debt Collection act and the Personal Information Protection Act, and have achieved zero complaints, one of the lowest levels in the credit information industry, demonstrating the effectiveness of our ethical management.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy**
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Creating Financial Synergy

As an IT service leader pioneering digital finance, BNK System has achieved sustained growth through the integration of the Group's IT infrastructure and the advancement of its digital transformation capabilities. Not only do we expand digital solutions tailored to Group affiliates, but we also employ big data and cloud-based technologies to support their financial competitive strengths. We will solidify our position as a core digital partner fostering regional IT companies and talent for shared growth and delivering financial technology innovation.

## BNK System



**Park Il-yong**  
CEO,  
BNK System

"BNK Systems delivers reliable and differentiated financial IT services while developing application technologies integrating IT with the rapidly-shifting financial landscape, helping advance the financial IT working environment. Drawing on our professional financial IT workforce and our track record in developing financial offerings, we will provide top-tier IT services and serve as a core pillar of the Group responsible for its sustained future growth."

**Date of establishment:** May 20, 2011  
**Headquarters:** 21, Mieumsandan-ro 127beon-gil, Gangseo-gu, Busan, Republic of Korea  
**Website:** <http://www.bnksys.co.kr/>

Equity capital



KRW 31.2 billion

Headcount



291 persons

### Key ESG Performance

Category	Progress Overview	Performance Highlights
 <b>Environmental</b>	<ul style="list-style-type: none"> <li>Transitioned to a paperless working environment for the overall integrated IT procurement</li> <li>Switched to and expanded high energy efficiency equipment</li> <li>Engaged in CSR initiatives relating to environmental cleanups</li> <li>Expanded the transition to eco-friendly corporate fleet vehicles</li> </ul>	<ul style="list-style-type: none"> <li>BNK Systems continues with its efforts for digital transformation and eco-friendly practices to advance sustainable management and operational efficiency. We have realigned our e-procurement system and streamlined our processes with a goal of establishing a company-wide IT system and going paperless while fostering eco-friendly business practices that reduce paper consumption. We are introducing high-efficiency equipment and transitioning to low-emission corporate fleet vehicles, minimizing energy waste and GHG emissions and building greener business infrastructure. We engage in plogging activities to help clean up the environment across local communities, and engage employees in social volunteering, embedding ESG into the everyday life of employees.</li> </ul>
 <b>Social</b>	<ul style="list-style-type: none"> <li>Strengthened contractors management</li> <li>Achieved and maintained Information Security Management System (ISMS) certification</li> </ul>	<ul style="list-style-type: none"> <li>We prioritize trust and stability in the digital environment. To strengthen our information security capabilities, we have established an information security management system (ISMS) and achieved the certification while maintaining this certification and advancing our security performance. We conduct regular vulnerability assessments to safeguard core internal information assets, and use the findings to identify potential risks and proactively manage such risks through systemic risk management planning and follow-up action. We will continue to bolster our security framework to provide a secure and trusted digital financial environment.</li> </ul>
 <b>Governance</b>	<ul style="list-style-type: none"> <li>Had relevant personnel sign the ethical management (anti-corruption) pledge</li> <li>Established a procurement system and enhanced transactional transparency</li> <li>Conducted regular (semiannual) and special audits in relation to anti-corruption compliance monitoring</li> </ul>	<ul style="list-style-type: none"> <li>BNK System is progressing towards shared growth with partners based on fair and transparent business transactions. Our integrated procurement system supports partners to freely participate in projects, fosters a fair competitive environment, and ensures transparency in partner selection. To enhance the reliability of contract processes, we conduct regular training and inspection while enhancing convenience for partners through digitalization. Going forward, we will continue with our efforts to establish anti-corruption and fair trade practices and contribute to establishing a healthy, mutually-beneficial ecosystem.</li> </ul>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# ESG Policy Book

## ESG Policy Book

BNK Financial Group's regulations and policies align with domestic and international initiatives and standards, driving its efforts to fulfill corporate responsibility and obligation in the areas of environmental, social, and governance.

● Environmental ● Social ● Governance

 Environment Policy	 Best Practice for Environmental and Social Risk Management	 Inclusive Finance Declaration	 Industrial Safety and Health Policy	 Board Independence and Diversity Policy	 Dividend Policy
 Biodiversity Policy	 ESG Finance Policy	 Human Rights Management Policy	 Community Engagement Policy	 Tax Policy	 Anti-Corruption and Bribery Policy
 Resource Circulation Policy	 Coal-Free Finance Declaration	 Fair Trade Policy	 Partner Management Policy	 Code of Ethics	 Anti-Money Laundering Policy
		 Diversity Policy	 Privacy Policy	 Debt Collection Policy	
		 Fair Advertising Policy	 Financial Consumer Protection Charter		

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
- Creating Financial Synergy
- ESG Policy Book**
- GRI Standards Index
- SASB Index
- UN SDGs Index
- PRB Index
- UNGC Index
- Independent Verification Opinion Statement
- GHG Emissions Verification Opinion Statement
- Awards
- About This Report

# Global Initiatives

## GRI Standards Index

Statement of use	GRI 1 used	Applicable GRI Sector Standard(s)
BNK Financial Group Sustainability Report 2024 in accordance with the GRI 2021 Standards (reporting period: Jan. 1, 2024 - Dec. 31, 2024)	GRI 1: Foundation 2021	As of June 2024, there are no GRI Sector Standards published by GRI that are applicable to BNK Financial Group.

### Universal Standards(GRI 2)

Topic	No.	Disclosure	Page	Index
The organization and its reporting practices	2-1	Organizational details	5	About BNK Financial Group
	2-2	Entities included in the organization's sustainability reporting	204	About This Report
	2-3	Reporting period, frequency and contact point	204	About This Report
	2-4	Restatements of information	-	Provide details in a footnote on the relevant page
	2-5	External assurance	200-202	Third-party Assurance Statement, GHG Verification Statement
Activities and workers	2-6	Activities, value chain and other business relationships	6	Global Network
	2-7	Employees	149, 150	Employee Profile
	2-8	Workers who are not employees	150	Non-Employee Workers
Governance	2-9	Governance structure and composition	88, 90	Composition of the Board, Committees under the Board
	2-10	Nomination and selection of the highest governance body	89, 92	Independence of the Board, Managing the Pipeline of Independent Director Candidates
	2-11	Chair of the highest governance body	88	Composition of the Board
	2-12	Role of the highest governance body in overseeing the management of impacts	11-13, 97-99	Double Materiality Assessment Process, ESG Committee, Advancing the ESG Risk Management System
	2-13	Delegation of responsibility for managing impacts	11-13, 97-99	Double Materiality Assessment Process, ESG Committee
	2-14	Role of the highest governance body in sustainability reporting	12, 13	Double Materiality Assessment: Concept and Process
	2-15	Conflicts of interest	89	Independence of the Board
	2-16	Communication of critical concerns	14	Fostering Stakeholder Communication
	2-17	Collective knowledge of the highest governance body	92	Competency Enhancement for Independent Directors
	2-18	Evaluation of the performance of the highest governance body	93, 94	Board and Committee Assessment, Independent Director Evaluation

### Universal Standards(GRI 2)

Topic	No.	Disclosure	Page	Index
Governance	2-19	Remuneration policies	93-95	Board and Committee Assessment, Executive Compensation System
	2-20	Process to determine remuneration	93-95	Board and Committee Assessment, Executive Compensation System
	2-21	Annual total compensation ratio	154	Employee Compensation
Strategies, policies and practices	2-22	Statement on sustainable development strategy	4	CEO's Message
	2-23	Policy commitments	10	ESG Management Strategy
	2-24	Embedding policy commitments	10	Mid- to Long-term ESG Strategy
Governance	2-25	Processes to remediate negative impacts	16	Material Issues for Enterprise Value Creation
	2-26	Mechanisms for seeking advice and raising concerns	92	Competency Enhancement for Independent Directors
	2-27	Compliance with laws and regulations	160	Significant Fines and Non-monetary Sanctions Imposed for Non-compliance with Laws and Regulations in the Social and Economic Areas
Stakeholder engagement	2-28	Membership associations	60, 163	Joining Global Environmental Initiatives, Membership Fees to Key Associations
	2-29	Approach to stakeholder engagement	13, 14	Double Materiality Assessment: Concept and Process, Fostering Stakeholder Communication
	2-30	Collective bargaining agreements	153	Labor Union Membership

### Universal Standards(GRI 3)

Topic	No.	Disclosure	Page	Index
Disclosures on material topics	3-1	Process to determine material topics	12-14	Double Materiality Assessment Process
	3-2	List of material topics	15	Double Materiality Assessment Results
	3-3	Management of material topics	16	Material Issues for Enterprise Value Creation

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index**
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## GRI Standards Index

### Universal Standards(GRI 200)

Topic	No.	Disclosure	Page	Index
Economic performance	201-1	Direct economic value generated and distributed	174	Creation and Distribution of Direct Economic Value
	201-2	Financial implications and other risks and opportunities due to climate change	31-35	Strategies and Activities
	201-3	Defined benefit plan obligations and other retirement plans	154	Defined Contribution Retirement Plan
Significant indirect economic impacts	203-2	Significant indirect economic impacts	16	Materiality Issues for External Stakeholders
Anti-corruption	205-1	Total number and percentage of operations assessed for risks related to corruption	21, 105	Establishing Internal Control Standards and Implementing System-based Enhancements, Internal Control Review Outcomes
	205-2	Communication and training about anti-corruption policies and procedures	104-108, 156	Fostering a Corporate Culture of Ethics and Compliance, Training on Ethical Standards, Anti-corruption Training
	205-3	Confirmed incidents of corruption and actions taken	20-22, 160	Establishing a Group-wide internal control and accountability framework, Discrimination-related Sanctions
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	160	Legal Actions for Anti-competitive Behavior and Anti-trust and Monopoly Practices
Tax	207-1	Approach to tax	175	Refer to BNK website <a href="https://eng.bnkg.com/05/05.jsp">https://eng.bnkg.com/05/05.jsp</a>
	207-2	Tax governance, control and risk management	175	Refer to BNK website <a href="https://eng.bnkg.com/05/05.jsp">https://eng.bnkg.com/05/05.jsp</a>

### Universal Standards(GRI 300)

Topic	No.	Disclosure	Page	Index
Materials	301-1	Materials used by weight or volume	143	Material Usage
Energy	302-1	Energy consumption within the organization	144	Energy Consumption
	302-3	Energy intensity	144	Energy Consumption (energy usage intensity)
	302-4	Reduction of energy consumption	47-49, 145	Advancing Environmental Management (Strategies and Activities)
	302-5	Reduction in energy requirements of products and services	40-46, 49-50	Establishing an Eco-friendly Financial Product Management System, Advancing Environmental Management
	303-3	Water withdrawal	143	Water Resources (Water Consumption)
Biodiversity	304-1	Operational sites adjacent to protected areas and areas of high biodiversity value outside protected areas	-	N/A
	304-3	Habitats protected or restored	50, 52-59	Establishing a Biodiversity Conservation Enhancement System, Biodiversity Conservation Efforts
	304-4	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by the operations of the organization, by level of extinction risk	-	N/A
	305-1	Direct (Scope 1) GHG emissions	146	GHG Emissions (Scope 1, 2)
Emissions	305-2	Energy indirect (Scope 2) GHG emissions	146	GHG Emissions (Scope 1, 2)
	305-3	Other indirect (Scope 3) GHG emissions	147	GHG Emissions (Scope 3)
	305-4	GHG emissions intensity	36-37, 146	GHG Emissions (Scope 1, 2, 3)
	305-5	Reduction of GHG emissions	47-49	Advancing Environmental Management (Strategies and Activities)
	305-6	Emissions of ozone-depleting substances	-	N/A
	Waste	306-3	Waste generated	143

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index**
  - SASB Index
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## GRI Standards Index

### Universal Standards(GRI 400)

Topic	No.	Disclosure	Page	Index
Employment	401-1	New employee hires and employee turnover	151, 152	New Hires and Turnover
	401-2	Benefits and welfare that are not provided to temporary or part-time workers but provided to full-time workers	127, 128	Ensuring Work-Life Balance, Childcare and Parenting Support
	401-3	Parental leave	128, 155	Childcare and Parenting Support, Employees on Parental Leave
Labor/management relations	402-1	Minimum notice periods regarding operational changes	126	Minimum Period: 9-25 Weeks
Occupational health and safety	403-1	Occupational health and safety management system	130-131	Safety and Health Management Strategy, Implementation Framework for Safety and Health Management
	403-2	Hazard identification, risk assessment, and incident investigation	131	Safety and Health Risk Management
	403-3	Occupational health services	132	Health Management Support for Employees
	403-4	Worker participation, consultation, and communication on occupational health and safe	132	Health Management Support for Employees
	403-5	Worker training on occupational health and safety	131	Safety and Health Management Strategy
	403-6	Promotion of worker health	132	Health Management Support for Employees
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	131	Safety and Health Risk Management
	403-8	Workers covered by an occupational health and safety management system	131	Safety and Health Management Strategy
	403-9	Work-related injuries	158	Absence Days Due to Illness or Injury
	403-10	Work-related ill health	158	Absence Days Due to Illness or Injury
Training and education	404-1	Average hours of training per year per employee	155	Employee Training
	404-2	Programs for upgrading employee skills and transition assistance programs	120-123	Talent Development Program
	404-3	Percentage of employees receiving regular performance and career development reviews	155	Employees Who Received Regular Performance and Career Development Evaluations

Topic	No.	Disclosure	Page	Index
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	109-110, 117, 150-151	Diversity Policy, Setting Mid-to Long-term Targets and Monitoring Metrics for Human Rights and Diversity, Diversity Overview
	405-2	Ratio of basic salary and remuneration of women to men	154	Business Report 554-555
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	111-114, 160	Human Rights and Diversity Risk Management, Discrimination-related Sanctions
Freedom of association and collective bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	N/A
Child labor	408-1	Operations and suppliers at significant risk for incidents of child labor	-	N/A
Forced or compulsory labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	-	N/A
Rights of indigenous peoples	411-1	Incidents of violations involving rights of indigenous peoples	-	N/A
Local communities	413-1	Operations with local community engagement, impact assessments, and development programs	83-86, 159	Fostering Regional Social Value Creation, CSR Investments
	413-2	Operations with significant actual and potential negative impacts on local communities	-	N/A
Public policy	415-1	Political contributions	-	No political donations are made in accordance with Article 31 of the Political Funds Act
Marketing and labeling	417-1	Requirements for product and service information and labeling	68, 73-75	Prevention of Mis-selling
	417-2	Incidents of non-compliance concerning product and service information and labeling	73-75	Business Report 595-601
	417-3	Incidents of non-compliance concerning marketing communications	73-75	Prevention of Mis-selling
Customer privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	118, 138	Potential Human Rights Risk Management and Performance In the Course of (Financial) Business Operations

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
- Creating Financial Synergy
- ESG Policy Book
- GRI Standards Index**
- SASB Index
- UN SDGs Index
- PRB Index
- UNGC Index
- Independent Verification Opinion Statement
- GHG Emissions Verification Opinion Statement
- Awards
- About This Report

# Global Initiatives

## SASB Index

In accordance with the SASB Standards, BNK Financial Group has identified three industries that best represent its business portfolio—Commercial Banks, Asset Management & Custody Activities, and Investment Banking & Brokerage—for the purposes of disclosure. Where metrics overlap across these industries, they have been disclosed under “Multiple Sectors.”

### Multiple Sectors

Topic	Code	Unit	Disclosure Item	2024 Disclosure
Business ethics	FN-CB-510a.1 FN-IB-510a.1	KRW 100 million	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	For further information, refer to page 160 of this report.
	FN-CB-510a.2 FN-IB-510a.2	N/A	Description of whistleblower policies and procedures	BNK Financial Group operates an internal whistleblower system that allows stakeholders to report violations of the Group’s Code of Ethics and Conduct to the Group’s compliance officer. Whistleblowers can report via various channels, including Group subsidiary websites, the BNK Help-Line (mobile app), an external agency (Red Whistle), and a direct phone line to the Ethical Management Department. In 2024, whistleblower protection and voluntary reporting systems were expanded to cover all subsidiaries, along with enhanced regular audits and inspections on reporting obligations. Furthermore, we have introduced an accountability chart to clarify internal control responsibilities. Evaluations of internal control implementation are conducted for CEOs of subsidiaries and tailored internal control training is provided by job level.
System risk management	FN-CB-550a.1 FN-IB-550a.1	Basis points (bps)	Global Systemically Important Bank(G-SIB) score, by category	BNK Financial Group does not fall under the G-SIB.
	FN-CB-550a.2 FN-IB-550a.2	N/A	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long- term corporate strategy, and other business activities	BNK Financial Group has established a group-wide integrated risk management framework to identify key types of risk and strategically manage them accordingly, proactively responding to the high volatility of financial markets and ensuring sustainable growth. Risks designated for targeted management include credit risk, market risk, interest rate risk, operational risk, credit rating risk, and liquidity risk. These risks are subject to quantitative assessment and enhanced follow-up controls. In addition, foreign exchange settlement risk, strategic risk, reputational risk, and climate-related risk are classified as separate categories and are managed under an independent management framework. Each year, we identify emerging priority risks in light of the evolving business landscape and develop forward-looking strategies to address them.

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index**
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

### SASB Index

#### Commercial Banks

Topic	Code	Unit	Disclosure Item	2024 Disclosure	
Data security	FN-CB-230a.1	Number, percentage (%)	(1) Number of data breaches (2) Personally Identifiable Information, PII) (3) Number of account holders affected	No data breaches or leaks occurred during the reporting year.	
	FN-CB-230a.2	N/A	Description of approach to identifying and addressing data security risks	<p>In accordance with the Electronic Financial Transactions Act, BNK Financial Group has appointed a qualified individual with expertise in information security(data protection) and information technology (IT) as the Chief Information Security Officer (CISO) to ensure systematic management of information security. The Information Protection Department, which reports directly to the CEO, is responsible for comprehensive information security operations including planning, operations, assessment, monitoring, and audits. In particular, a dedicated Personal Credit Information Protection Team operates within the Information Protection Department with independent authority to strengthen the protection of personal credit information. The Information Protection Committee meets regularly under the leadership of the CISO, and is attended by heads of departments responsible for IT, information security, and compliance. The Committee supports decision-making on major information security issues and the development of internal regulations and guidelines. The Group Board of Directors also directly reviews the status of customer data privacy each quarter, serving as the highest decision-making body for information security risk management. The Group's information security plans are developed annually in alignment with its IT plans, reviewed by the Information Protection Committee, approved by the CEO, and reported to the Financial Services Commission to ensure legal and regulatory compliance. In 2024, BNK Financial Group established a mid- to long-term strategy based on a self-directed security framework. To deliver secure financial services through the prediction of cyber threats and enhanced response capabilities, we defined four core strategic priorities - preemptive response to potential cybersecurity threats, prevention of electronic financial transaction fraud, enhancement of security awareness through internal controls, and strengthening protection of personal (credit) information to proactively responding to a host of potential threats. In 2024, Busan Bank allocated 11.1% of its total IT budget to information security, which has increased to 11.5% in 2025. Kyongnam Bank allocated 7.46% of its 2024 IT budget to information security.</p>	
Financial inclusion & capacity building	FN-CB-240a.1	Number, KRW 100 million	(1) Number and (2) amount of loans outstanding qualified to programs designed to promote small business and community development	[Busan Bank] (1) Number of outstanding loans: 36,532 cases (2) Unpaid loan amount: KRW 1,093.7 billion	[Kyongnam Bank] (1) Number of outstanding loans: 16,868 cases (2) Unpaid loan amount: KRW 575.8 billion
	FN-CB-240a.2	Number, KRW 100 million	(1) Number and (2) amount of past due and nonaccrual loans qualified to programs designed to promote small business and community development	[Busan Bank] (1) 2,858 cases (2) KRW 34.8 billion	[Kyongnam Bank] (1) 519 cases (2) KRW 7.2 billion
	FN-CB-240a.3	Number	Number of free retail checking accounts provided to clients who previously did not have bank accounts or did not use banking services	As of the end of 2024, the number of newly opened retail accounts was 368,325.	
	FN-CB-240a.4	Number	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	[Busan Bank] 3,050 persons	[Kyongnam Bank] 3,702 persons

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index**
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## SASB Index

### Commercial Banks

Topic	Code	Unit	Disclosure Item	2024 Disclosure	
Incorporation of environmental, social, and governance factors in credit analysis	FN-CB-410a.2	N/A	Description of approach to incorporation of environmental, social, and governance(ESG) factors in credit analysis	<p>To fulfill its responsibility as a sustainable financial institution, BNK Financial Group has embedded core sustainability values into its internal management systems, products &amp; services, and credit and investment processes while establishing the 'ESG Financial Policy' to advance ESG finance. To incorporate ESG elements across the full lifecycle of financial flows, we have established the definition and standards of sustainable finance and developed structured evaluation procedures.</p> <p>In 2024, we established a sustainable finance taxonomy for all financial products in the three categories of environmental, social, and governance, ensuring the systemic management of financial products in light of their category-specific characteristics. We regularly update the sustainable finance taxonomy to reflect the amendments made to the Korea's Green Taxonomy to maintain its relevance.</p> <p>For further information on the sustainable financial product and investment management framework incorporating ESG elements, refer to pages 40-46 of this report.</p>	
Financed emissions	FN-CB-410b.1	tCO <sub>2</sub> eq	(1) Scope 1, (2) Scope 2, (3) Scope 3 emissions	For further information, refer to pages 36-37 and pages 146-147 of this report.	
	FN-CB-410b.2	KRW 100 million	Total exposure by asset groups for each industry	For further information, refer to page 35 and pages 37-38 of this report.	
	FN-CB-410b.4	N/A	Explanation of the methodology used for calculating financed emissions	For further information, refer to pages 37-38 of this report.	
Activity	FN-CB-000.A	Number, KRW 100 million	(1) Number and (2) value of checking and savings accounts by segment: (a) personal, (b) SMEs and small business	<p>[Busan Bank]</p> <p>Number and value of retail accounts (1-a) 7,410,828 persons (2-a) KRW 20,051.2 billion</p> <p>Number and amount of SMEs and small businesses (1-b) 108,950 persons (2-b) KRW 2,847.3 billion</p>	<p>[Kyongnam Bank]</p> <p>Number and value of retail accounts (1-a) 5,108,849 persons (2-a) KRW 11,778 billion</p> <p>Number and amount of SMEs and small businesses (1-b) 127,754 persons (2-b) KRW 6,879.3 billion</p>
	FN-CB-000.B	Number, KRW million	(1) Number and (2) value of loans by segment: (a) personal, (b) SMEs and small business	<p>[Busan Bank]</p> <p>Number and value of personal loans (1-a) 263,727 cases (2-a) KRW 19,408.3 billion</p> <p>Number and value of SMEs and small businesses (1-b) 149,323 cases (2-b) KRW 38,918.2 billion</p>	<p>[Kyongnam Bank]</p> <p>Number and value of personal loans (1-a) 236,694 cases (2-a) KRW 13,300.1 billion</p> <p>Number and value of SMEs and small businesses (1-b) 135,486 cases (2-b) 27,392.2 billion</p>

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index**
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

### SASB Index

#### Asset Management & Custody Activities Topic

Topic	Code	Unit	Disclosure Item	2024 Disclosure
Providing transparent information and fair advisory to customers	FN-AC-270a.1	Number, percentage (%)	(1) Number and (2) percentage of employees with records of investment-related investigations, customer complaints received, civil lawsuits, or other legal regulations	Among employees responsible for investment transactions, (1) the number of individuals with records of investment-related investigations, customer complaints received, civil lawsuits, or other legal regulations was 0, and (2) their percentage was 0%.
	FN-AC-270a.2	KRW 100 million	Total monetary loss incurred as a result of legal procedures related to the information delivery and marketing of financial products to new and re-enrolled customers	No monetary losses were incurred as a result of legal proceedings related to the marketing and communication of financial products.
	FN-AC-270a.3	N/A	Description of approach to informing customers about products and services in relation to asset management	For relevant information, refer to page 69 of this report.
Employee diversity & inclusion	FN-AC-330a.1	%	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	For relevant information, refer to pages 149-152 of this report.
Reflecting ESG elements in investment management and advisory	FN-AC-410a.1	KRW 100 million	Size of assets under management by the following categories (1) ESG integration (2) Sustainable theme investing (3) Screening method	(1) ESG integration: KRW 30.5 billion (2) Sustainability theme investing: N/A (3) Screening method: KRW 358 billion
	FN-AC-410a.2	KRW 100 million	Methods of incorporating ESG elements into investment and asset management processes and strategies	For relevant information, refer to pages 40-41 of this report.
	FN-AC-410a.3	N/A	Description of proxy voting and investee engagement policies and procedures	For relevant information, refer to page 96 of this report.
Activity	FN-AC-000.A	KRW 100 million	Total assets under management (AUM)	BNK Asset Management's total AUM amounts to KRW 11.18 trillion.

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
- Creating Financial Synergy
- ESG Policy Book
- GRI Standards Index
- SASB Index**
- UN SDGs Index
- PRB Index
- UNGC Index
- Independent Verification Opinion Statement
- GHG Emissions Verification Opinion Statement
- Awards
- About This Report

# Global Initiatives

## SASB Index

### Investment Banking & Brokerage

Topic	Code	Unit	Disclosure Item	2024 Disclosure
Reflecting ESG elements in investment banking and brokering activities	FN-IB-410a.1	Cases, KRW 100 million	Revenue by industry from transactions of (1) acquisition, (2) advisory, and (3) securitization that reflect ESG elements	In 2024, BNK Securities recorded KRW 10.2855 trillion in underwriting transactions and KRW 20.1 billion in advisory services. The company is building ESG-related track records by systematically managing each financial product in accordance with the definition and the classification system established under the sustainable finance taxonomy.
	FN-IB-410a.2	Cases, KRW 100 million	(1) Number and (2) amount of investments and loans that reflect ESG elements	For relevant information, refer to pages 40-41 of this report.
Employee incentives and risk-taking	FN-IB-550b.1	Percentage (%)	Total variable remuneration ratio of Material Risk Takers (MRTs)	As of the end of 2024, BNK Securities achieved total consolidated assets of KRW 8.1289 trillion. In accordance with the Act on the Corporate Governance of Financial Companies, the company established the Compensation Committee in late March 2024 and institutionalized a deferred payment policy for performance-based bonuses (3-year deferral) along with clawback provisions.
	FN-IB-550b.2	Percentage (%)	Variable remuneration ratio of Material Risk Takers (MRTs) to which the regulations of remuneration reduction or clawback are applied	
	FN-IB-550b.3	Percentage (%)	Discussion of policies to supervise, manage, and verify trader's pricing for assets and liabilities classified as fair value level 3	BNK Securities conducts reviews to ensure that Level 3 derivatives are appropriately classified in accordance with internal guidelines.
Activity	FN-IB-000.A	Cases, KRW 100 million	Number and amount of transactions (acquisition/ advisory services/ securitization transactions) * For syndicated transactions, only the portion relevant to the Group is considered	The value and associated revenue for each transaction type are as follows: - Corporate bond underwriting and issuance: KRW 6,922.9 billion/fee income: KRW 700 million - Rights offering lead management and underwriting: KRW 96.1 billion/fee income: KRW 500 million - Commercial paper (CP) underwriting and issuance: KRW 99,684.7 billion/fee income: KRW 4.1 billion
	FN-IB-000.B	Cases, KRW 100 million	Number and amount of equity capital investments and loans	Not disclosed due to business confidentiality consideration











- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index**
  - UN SDGs Index
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## UN SDGs Index

The UN Sustainable Development Goals (UN SDGs), adopted by the United Nations and the international community, are the largest shared global agenda following the Millennium Development Goals (MDGs) which ended in 2015. Implemented from 2016 through 2030, the SDGs consist of 17 global priority goals set at the UN General Assembly in September 2015 to address universal human challenges such as poverty and disease, environmental issues, and to advance inclusive economic growth.

BNK Financial Group is actively aligning its business operations with the UN SDGs to address pressing social issues. Going forward, we will continue to create and share sustainable value and grow together with stakeholders, fulfilling our role as a global standard financial group.

UN SDGs	Our Response	Page
 No poverty	<ul style="list-style-type: none"> <li>Inclusive and win-win financial products</li> <li>Local community contribution</li> </ul>	62-67, 81, 82-86
 Good health and well-being	<ul style="list-style-type: none"> <li>Safety and health management</li> </ul>	130-132
 Quality education	<ul style="list-style-type: none"> <li>Customer financial education</li> <li>Talent development</li> </ul>	72, 84, 119-123
 Gender equality	<ul style="list-style-type: none"> <li>Diversity policy</li> <li>Diversity enhancement programs</li> </ul>	89, 109-118
 Affordable and clean energy	<ul style="list-style-type: none"> <li>Energy saving efforts</li> </ul>	26, 35, 47-49
 Decent work and economic growth	<ul style="list-style-type: none"> <li>Discovery of and support for regional venture firms and startups</li> <li>Support for mutual growth with key regional industries</li> <li>Financial support for innovative companies</li> <li>Expansion of investment in technology finance and movable assets finance</li> </ul>	62-64, 78
 Reduced inequalities	<ul style="list-style-type: none"> <li>Human rights management</li> </ul>	109-118
 Responsible consumption and production	<ul style="list-style-type: none"> <li>Finance prioritizing sustainability</li> </ul>	40-46
 Climate action	<ul style="list-style-type: none"> <li>Climate finance</li> </ul>	25-26, 29-39
 Life below water	<ul style="list-style-type: none"> <li>Establishment of a biodiversity conservation enhancement framework</li> <li>Biodiversity conservation efforts</li> </ul>	50, 53-59, 85
 Peace, justice, and strong institutions	<ul style="list-style-type: none"> <li>Internal control innovation task force activities</li> <li>Ethical and compliance management</li> </ul>	19-24, 68-70, 102-108

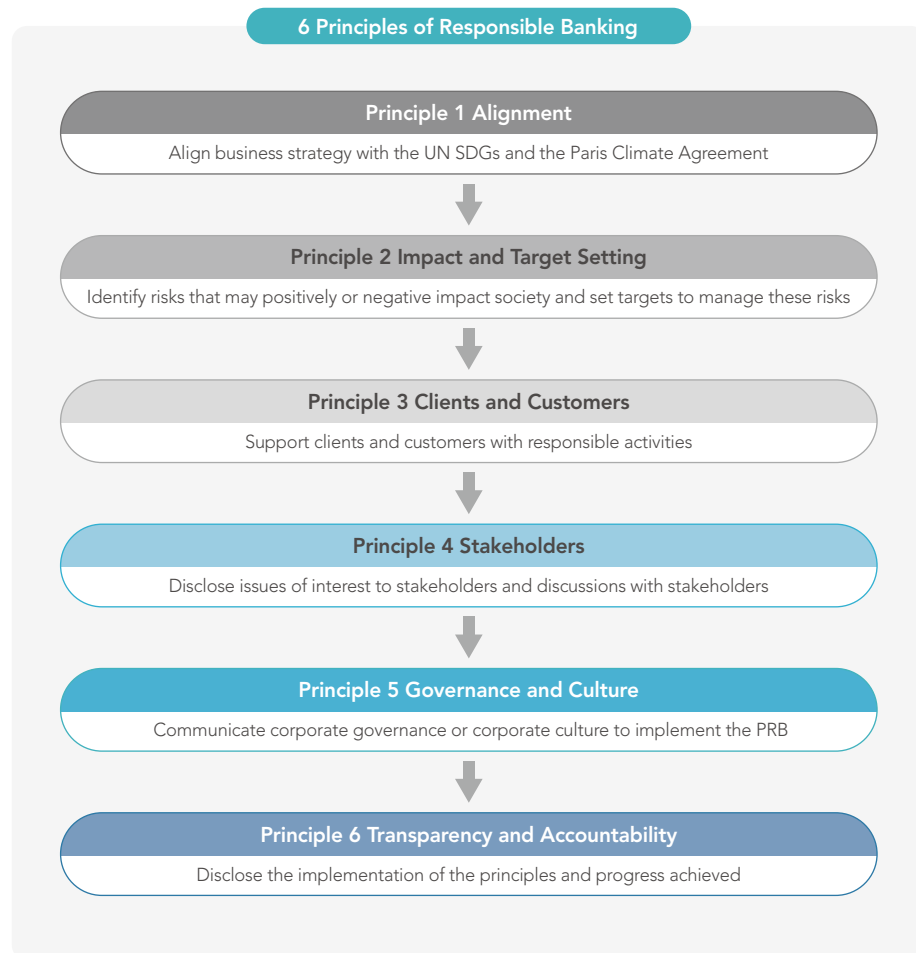
- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index**
  - PRB Index
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## PRB Index

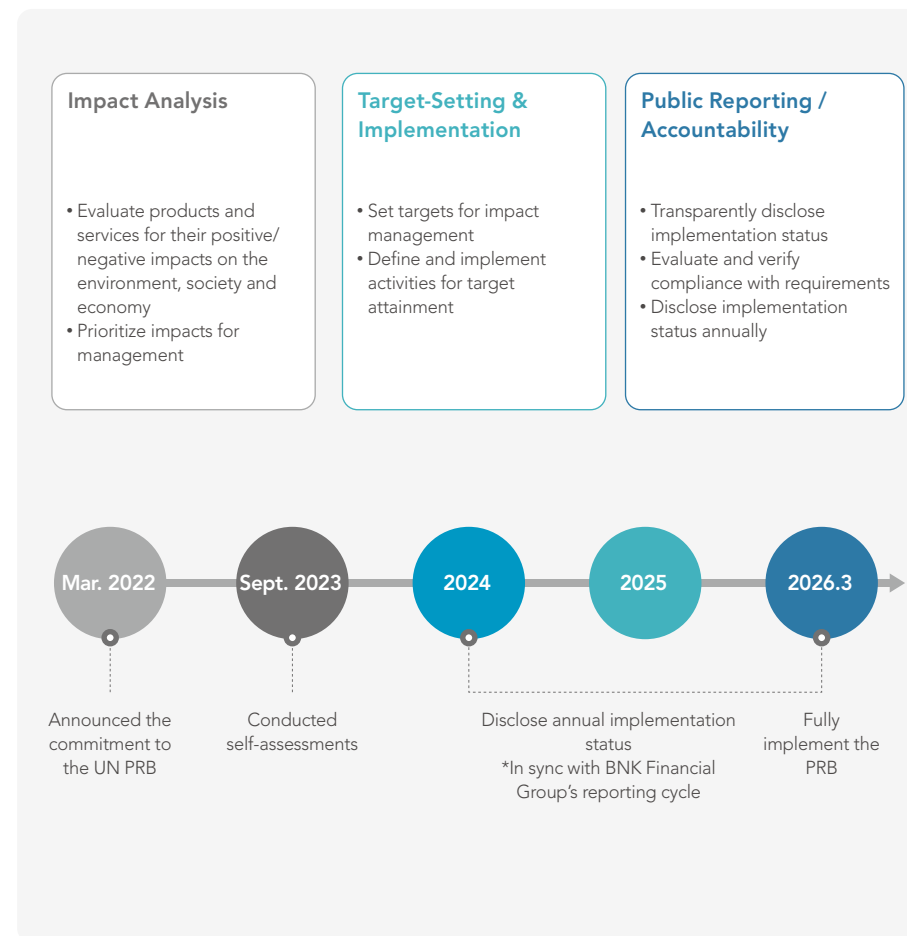
### | Committing to the Implementation of the PRB

In March 2022, BNK Financial Group became a signatory to the UNEP FI and officially committed to implementing the UN Principles for Responsible Banking (PRB). The PRB is a global framework comprising six principles that define the banking industry's role and responsibilities in progressing towards the Paris Climate Agreement and the United Nations Sustainable Development Goals (UN SDGs). By adhering to the Principles for Responsible Banking, BNK Financial Group will fulfill its role and responsibilities in advancing a sustainable future through finance.



### | PRB Implementation Plan

Following its formal commitment to the UN PRB, BNK Financial Group will conduct self-assessments and disclose relevant information within 18 months, and fully implement activities that align with the PRB within four years. To achieve full alignment with the PRB, BNK Financial Group will complete the three key implementation steps required by UNEP FI – impact assessment, target setting and implementation, and public reporting/accountability.



- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index**
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## PRB Index

Principle	Reporting and Self-Assessment Requirements	BNK Financial Group's Response	Page
1 Alignment	We encourage to link business strategies with social objectives presented in the SDGs, the Paris Climate Agreement and national/regional frameworks.		
	1.1 Describe the bank's business model including financing techniques for major customer sectors, types of products and services, main industrial and activity types, and areas where the bank operates or where products and services are provided	BNK Financial Group, established on March 15, 2011, is the first regional bank-based financial holding company in Korea. As of May 2023, the Group operates 399 domestic branches and 77 overseas locations, evolving into a global financial group. We are expanding our business portfolio across a wide range of financial services, including commercial banking, credit finance, financial investing, savings banking, venture capital, credit investigation and collection services, and system provision and development, solidifying our position as Korea's leading regional financial group and a comprehensive financial services provider.	See pages 5-6 of the sustainability report
	1.2 As explicitly set out in the SDGs, the Paris Climate Agreement and related national/regional frameworks, describe how the bank adjusts and plans strategies to correspond and contribute to the objectives of the society	In 2024, BNK Financial Group established the 2024-2026 mid- to long-term ESG strategy anchored on its Vision 2030, and has since advanced ESG management at full scale. This strategy is guided by three strategic pillars - advancing environmentally-responsible green finance, fostering finance for shared growth together with local communities, and establishing ethical finance towards sustainability – and aligns all Group subsidiaries towards 12 focus areas for organic implementation.	See page 10 and pages 35-39 of the sustainability report
2 Impact and Target Setting	We continue to enhance positive impacts while minimizing and managing the negative impacts and risks on people and the environment from activities, products and services. For this, set and disclose targets that can have the most significant impact.		
	2.1 Impact Analysis: Identifying areas that have the most important positive and negative impacts in consideration of the following factors a) Scope: Scope: Key business scope, Products and services provided to key business areas b) Portfolio composition: Consideration of technological and geographical aspects by area c) Context and relevance: Consideration of priority related to the national SDGs d) Performance measurement: Identifying the segment and industry that have the most important positive and negative impact, and the type of customers, and the method of evaluating their performance.	BNK Financial Group operates a climate change governance framework encompassing the Board of Directors, executive management, and relevant departments within the holding company and subsidiaries. Recognizing climate change as a material financial risk, we are enhancing our risk management framework to safeguard profitability and stability in our investment operations. In alignment with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), we systematically identify environmental and social risks and conduct quantitative and qualitative assessments. We are also building a financed emissions measurement system and a database to ensure the consistency and reliability of relevant information. Furthermore, we have realigned and enhanced our risk management governance and internal regulation framework to solidify the basis for climate risk response.	See pages 29-60 of the sustainability report
	2.2 Impact and goal setting a) Actions taken in consideration of the relevance and contribution to the SDGs, the Paris Climate Agreement and other national framework, as well as positive and negative impacts b) Current level and index, and base year c) SMART goals and KPI used in monitoring d) Implementation plan	In March 2024, BNK Financial Group set carbon reduction targets for operational emissions using the Absolute Contraction Approach (ACA) validated by the Science Based Targets initiative (SBTi). Based on its 2022 Scope 1 and 2 emissions, we aim to reduce operational emissions by 42% by 2030 and achieve net-zero emissions by 2045. Following the "Overcoming Crisis Together" project (2022–2024) providing KRW 14.7205 trillion for three years, we declared our 'regional co-prosperity management' initiative in August 2024 in response to the combination of challenges our region is facing including population decline, industrial contraction, and the risk of regional collapse. Under this initiative, we plan to provide KRW 18.4 trillion in financial support. This initiative focuses on four strategic priorities – supporting SMEs and microbusinesses, fostering region-specific industries, protecting financially-vulnerable groups, and responding to regional challenges – and we continue with our Group-wide efforts to generate tangible and sustainable performance with a focus on implementation performance and monitoring systems.	See pages 17-18 and pages 32-39 of the sustainability report

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index**
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## PRB Index

Principle	Reporting and Self-Assessment Requirements	BNK Financial Group's Response	Page
<b>3</b> Clients and Customers	We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.		
	<b>3.1</b> Method of cooperation with customers for sustainable practices and economic activities	BNK Financial Group develops products and services that support the growth of environmentally friendly businesses, laying the groundwork for responding to climate change and transitioning to a low-carbon economy. For instance, we provide loans linked with green performance and support the development of eco-friendly infrastructure. In addition, we offer retail customers deposit products and credit cards promoting sustainable consumption to encourage their voluntary participation in green finance.	See page 26 and pages 43-46 of the sustainability report
	<b>3.2</b> Describe what business opportunities and efforts in relation to the increase of positive and the reduction of negative impacts	In 2024, BNK Financial Group established its Environmental and Social Risk Management Guidelines, aimed at considering and managing environmental and social risks arising from its financial activities and proactively managing a range of potential environmental and social risks. Specifically, when an ongoing project falls under exclusion or high-risk sectors in relation to agriculture, power utilities, mining, oil and gas, or forestry, we retain the binding right to suspend credit and investment activities for the purpose of risk management.	See page 42 of the sustainability report
<b>4</b> Stakeholders	We ensure preliminary consultation, engagement, and collaboration with stakeholders for the achievement of society's goals.		
	<b>4.1</b> Types of stakeholders, methods of identifying/consulting/ collaborating with stakeholders, overview of addressed issues and achieved results in relation to the impact analysis and target setting process	We classify and define internal and external stakeholders into six different groups to systematically cater to stakeholder needs who influence our business operations throughout the key strategy setting and implementation process including materiality assessments. We also reach out closer to stakeholders through wide-ranging communication channels, and incorporated their feedback in developing our Group-level management plans and making important decisions.	See page 14 of the sustainability report
<b>5</b> Governance and Culture	We will implement the principles through effective governance and a culture of responsible banking.		
	<b>5.1</b> Describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage positive and negative (potential) impacts and support the effective implementation of the Principles	To drive systemic ESG management, BNK Financial Group has established and operates a Group-wide decision-making framework for climate change response with the ESG Committee and the Risk Management Committee under the Board of Directors playing a central role. The ESG Committee deliberates and decides on ESG strategies and policies including climate change response tasks while the Risk Management Committee regularly reviews our response to emerging ESG risks including climate-related ones.	See pages 29-31 and page 47 of the sustainability report
	<b>5.2</b> Initiatives and measures of your bank to foster a culture of responsible banking among its employees	In 2024, BNK Financial Group announced a new slogan 'That's RIGHT, BNK!' to foster a corporate culture that resonates broadly. Embodying the meanings of 'right' and 'ethical', this phrase reflects our commitment to widely promoting and building consensus on our core values based on fundamentals and principles and building a corporate culture that inspires employees.	See pages 124-129 of the sustainability report
	<b>5.3</b> Policies that address environmental and social risks within the portfolio, due diligence processes that have installed to identify and manage environmental and social risks associated with your portfolio	In 2024, BNK Financial Group established the sustainable finance taxonomy covering all its financial products to ensure their systemic management. This taxonomy classifies financial products into three categories – environmental, social, and governance – and has added a separate category for integrated products covering overall ESG areas, ensuring that our financial products are classified and managed in light of their category-specific characteristics.	See pages 40-41 of the sustainability report
<b>6</b> Transparency and Accountability	We disclose the negative/positive impacts on society arising from regular inspections and management activities.		
	<b>6.3</b> Matters of implementation for the next 12 months (or 18 months after the first report following the signature	In 2024, BNK Financial Group established the 2024-2026 mid- to long-term ESG strategy anchored on its Vision 2030, and has implemented ESG management at full scale accordingly. To embed sustainable finance into our day-to-day work, we will establish an ESG disclosure system and extend the scope of our ESG management to include biodiversity issues and ESG financial product management, further advancing our ESG performance management framework.	See page 10 of the sustainability report

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
  - Creating Financial Synergy
  - ESG Policy Book
  - GRI Standards Index
  - SASB Index
  - UN SDGs Index
  - PRB Index**
  - UNGC Index
  - Independent Verification Opinion Statement
  - GHG Emissions Verification Opinion Statement
  - Awards
  - About This Report

# Global Initiatives

## UNGC Index

The UN Global Compact (UNGC) is the world's largest voluntary corporate citizenship initiative, presenting ten principles in the areas of human rights, labour, the environment, and anti-corruption. As a participant in this initiative, BNK Financial Group is committed to fulfilling its social responsibilities and adhering to the ten UNGC principles. Going forward, we will continue to endorse these principles, transparently disclose our progress, and duly assume our role as a responsible corporate citizen in building a sustainable society.

Principle		Key Initiatives	Page
Human Rights	<b>Principle 1.</b> Businesses should support and respect the protection of internationally proclaimed human rights; and	<ul style="list-style-type: none"> <li>• Establish human rights management governance</li> <li>• Establish and revise the human rights management policy/diversity policy</li> <li>• Conduct human rights due diligence including human rights impact assessments (identify stakeholders and areas vulnerable to human rights risks, develop and implement improvement plans, and monitor effectiveness)</li> <li>• Establish a human rights grievance handling process and operate an ongoing whistleblowing channel</li> <li>• Provide human rights training to employees</li> </ul>	109-118, 156
	<b>Principle 2.</b> make sure that they are not complicit in human rights abuses.		
Labour	<b>Principle 3.</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	<ul style="list-style-type: none"> <li>• Establish and revise the human rights management policy (including provisions on the protection of labor rights)</li> <li>• Operate labor unions and the labor-management council</li> <li>• Facilitate labor-management communication and employee satisfaction enhancement programs</li> <li>• Establish fair and reasonable recruitment/performance evaluation/compensation systems and a fairness monitoring framework</li> </ul>	110, 124-129
	<b>Principle 4.</b> the elimination of all forms of forced and compulsory labour;		
	<b>Principle 5.</b> the effective abolition of child labour; and		
	<b>Principle 6.</b> the elimination of discrimination in respect of employment and occupation.		
Environment	<b>Principle 7.</b> Businesses should support a precautionary approach to environmental challenges;	<ul style="list-style-type: none"> <li>• Operate an ESG data platform to manage the environmental management performance of subsidiaries</li> <li>• Identify climate-related risks and opportunities, evaluate current responses, and develop plans in line with TCFD recommendations</li> <li>• Operate a financed emissions measurement system and a database</li> <li>• Have GHG emissions reduction targets validated by the SBTi</li> <li>• Advance the management of eco-friendly financial products based on the sustainable finance taxonomy</li> <li>• Expand the sale of and investment in eco-friendly financial products</li> <li>• Establish a culture of environmental management</li> </ul>	25-51
	<b>Principle 8.</b> undertake initiatives to promote greater environmental responsibility; and		
	<b>Principle 9.</b> encourage the development and diffusion of environmentally friendly technologies.		
Anti-Corruption	<b>Principle 10.</b> Businesses should work against corruption in all its forms, including extortion and bribery.	<ul style="list-style-type: none"> <li>• Establish the Internal Control Committee and a Group-level standardized internal control management framework</li> <li>• Strengthen internal control inspections and a management system</li> <li>• Establish anti-corruption/bribery policies and anti-money laundering policies</li> <li>• Operate internal whistleblowing mechanisms</li> <li>• Implement management training and action programs to foster business ethics and compliance culture</li> </ul>	19-22, 102-108

- Introduction
- ESG Management System
- ESG Performance
- ESG Data Pack
- Appendix**
- Creating Financial Synergy
- ESG Policy Book
- GRI Standards Index
- SASB Index
- UN SDGs Index
- PRB Index
- UNGC Index**
- Independent Verification Opinion Statement
- GHG Emissions Verification Opinion Statement
- Awards
- About This Report

# Independent Verification Opinion Statement

## Verification Opinion Statement

SR-25212

### Verification Opinion Statement

#### Sustainability Report Verification

BNK Financial Group Inc.

##### Dear Stakeholders

Korean Foundation for Quality (hereinafter 'KfQ') has been engaged to independently verify the 2024 Sustainability Report (hereinafter 'the Report')<sup>2)</sup> of BNK Financial Group Inc.<sup>1)</sup> (hereinafter 'the Company'). KfQ is responsible for providing an independent third-party verification opinion on the report based on the verification criteria and scope specified below. The responsibility for the preparation of this report lies with the Company's management.

<sup>1)</sup> Organization Address (based on headquarters) : 30 Munhyeongeumyung-ro (Munhyeon-dong), Nam-gu, Busan, Republic of Korea

<sup>2)</sup> Data Collection Period : From January 1 to December 31, 2024. Includes some information through the first half of 2025. Quantitative performance reported for three to four years for comparability.

##### Verification Purpose

The purpose of this verification is to ensure the reliability of the data and information stated in the Company's report.

##### Verification Scope

1. **Verification Boundary** : It includes all branches and performance related to overseas businesses is also disclosed if necessary. Includes headquarters and branches for BNK Financial Holding and its nine subsidiaries (Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, and BNK System). Includes performance related to overseas businesses as needed.

##### 2. Verification Items (Based on the GRI Standards 2021)

Category	GRI Standards	
Universal Standards	<ul style="list-style-type: none"> <li>2-1 to 2-5 (The organization and its reporting practices)</li> <li>2-6 to 2-8 (Activities and workers)</li> <li>2-9 to 2-21 (Governance)</li> </ul>	<ul style="list-style-type: none"> <li>2-22 to 2-28 (Strategy, policies, and practices)</li> <li>2-29 to 2-30 (Stakeholder engagement)</li> <li>3-1 to 3-3 (Material Topics Disclosures)</li> </ul>
Topic Standards	<ul style="list-style-type: none"> <li>GRI 201 (Economic Performance)</li> <li>GRI 203 (Indirect Economic Impacts)</li> <li>GRI 205 (Anti-corruption)</li> <li>GRI 206 (Anti-Competitive Behavior)</li> </ul>	<ul style="list-style-type: none"> <li>GRI 302 (Energy)</li> <li>GRI 305 (Emissions)</li> <li>GRI 417 (Marketing and Labeling)</li> </ul>

\* Topic Standards : Provisions Criteria for Material Issues

##### 3. Excluded Items from Verification

- The following items are not included within the scope of verification
- 1) Performance and reporting practices of related companies, partners, and third parties, excluding subsidiaries.
  - 2) Items related to other sustainability initiatives not based on the GRI Standards 2021 presented in the report
  - 3) Other related information such as periodic disclosure reports and financial statements

##### Verification Criteria

This verification has been conducted based on [AA1000AS (v3)], [AA1000AP (2018)], and [Type 2 – Moderate]

##### Verification Method

The audit team reviewed relevant procedures, systems, and control mechanisms, along with available performance data, to verify the reliability of the report's content based on the aforementioned criteria. The documents reviewed during the verification process are as follows:

- **Non-financial Information** : Data provided by the company, disclosed Business Reports, and information obtained from media and/or the internet.
- **Financial Information** : Data disclosed in the electronic disclosure system (dart.fss.or.kr) of the Financial Supervisory Service and data posted on the homepage.

※ However, the contents of the above data are not included in the verification scope.

SR-25212

The verification was conducted through document review, on-site visits, and interviews with the responsible personnel. The validity of the materiality assessment procedure in the Report, the selection of material issues considering stakeholders, the data collection, management, and report preparation procedures, as well as the accuracy of the descriptions, were evaluated through interviews with the responsible personnel. However, interviews with internal/external stakeholders were not conducted. Subsequently, it was confirmed that any errors, inappropriate information, or unclear expressions identified in the above steps were appropriately corrected before the publication of the Report.

##### Verification Limitations

This verification inherently contains limitations that may arise in the process of applying the criteria and methodology.

##### Competency and Independence

The audit team for this verification was duly composed in accordance with KfQ's internal regulations. KfQ has no conflicts of interest that could compromise the independence and impartiality of the verification, apart from providing third-party verification services.

##### Verification Opinion

As a result of the verification, it is the opinion of KfQ that:

- 1) It has been confirmed that the Report was prepared in compliance with the four principles of AA1000AP (2018)

##### • Inclusivity

The company has appropriately defined stakeholder groups and communicates with them through tailored communication channels that consider the characteristics of each group. The audit team did not identify any missing key stakeholders in this process and confirmed that the company is making efforts to incorporate stakeholder feedback into its management strategy.

##### • Materiality

The company has identified material issues through an appropriate process and has thoroughly reviewed the relevant impacts to enhance the validity of its materiality assessment. The audit team confirmed that the identified material issues were given due emphasis in this report and that all material issues recognized during the materiality assessment process were reported without omission.

##### • Responsiveness

The company strives to respond promptly to stakeholders' requirements and key concerns. The audit team did not find any evidence indicating that the organization's response activities and performance regarding material issues were inappropriately reported.

##### • Impact

The company identifies and monitors the impact of stakeholder-related material issues across its business activities and reports the findings to the extent possible. The audit team did not find any evidence indicating that the impact of material issues was inappropriately measured or reported.

- 2) The report has been appropriately prepared in accordance with the applicable reporting standards, such as (GRI Standards (2021) – Accordance)

- 3) The data and information used for verification were limited to the provided materials and were found to be appropriate, with no significant errors or omissions that could affect the verification opinion.

- 4) Therefore, an "Unmodified Opinion" is provided for the company's 2024 Sustainability Report.

*Ji Young Song*



June 25, 2025  
CEO Ji-Young Song  
Korean Foundation for Quality

# GHG Emissions Verification Opinion Statement

## 2024 GHG Emissions Verification Opinion Statement (Scope 1, 2)

GI-25242

### Verification Opinion Statement

#### GHG Emissions Verification

BNK Financial Group

##### Verification Target

Korean Foundation for Quality (hereinafter 'KfQ') has conducted an independent verification of Scope 1, 2 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of BNK Financial Group <sup>1)</sup> (hereinafter 'Company') for 2024. KfQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

<sup>1)</sup> Address (based on headquarters): 30 Munhyeongeumyung-ro, Nam-gu, Busan

##### Verification Purpose

The purpose is to provide an independent verification opinion on the company's voluntary GHG emissions inventories.

##### Verification Scope

The scope of verification covers all facilities and emission sources at BNK Financial Group and nine subsidiaries <sup>2)</sup> under the operational control and organizational boundary during 2024.

<sup>2)</sup> BNK Busan Bank, BNK Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, BNK System

##### Verification Criteria

The verification was carried out at the request of company using:

- ISO 14064-1:2018, ISO14064-3:2019
- 2006 IPCC Guidelines for National Greenhouse Gas Inventories
- Rule for emission reporting and certification of greenhouse gas emission trading Scheme (Notification No.2025-64 of Ministry of Environment)

##### Verification Approach

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level. The verification shall contain the potential inherent limitation in the process of application of the verification criteria and methodology.

##### Conclusion

Based on the criteria and guidelines stated above, KfQ's verification opinion is as follows.

- 1) GHG emissions Company were properly calculated according to the verification standards.
- 2) The data and information used in calculating the GHG emissions were appropriate, reasonable, and no significant errors or omissions could affect verification statement were not found. The materiality assessment result of GHG emissions has met the agreed-upon criterion of less than 5%.
- 3) Accordingly, KfQ provides a verification opinion that is "Unmodified".

(Unit : tCO<sub>2</sub>eq)

Scope 1	Scope 2	Total
2,380.048	26,026.638	28,406

\* Because total emissions from each site are rounded, the company's total emissions may differ from the actual values by ±1 tCO<sub>2</sub>eq.

Annex. Detailed GHG emissions calculation results

*Ji Young Song*

May 30th, 2025

CEO Ji-Young Song  
Korean Foundation for Quality



www.kfq.or.kr Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea



GI-25242

### Appendix. Summary of GHG Emission Results

#### Organization

BNK Financial Group and nine subsidiaries

#### Emission calculation period

The emission calculation period is from January 1st to December 31st, 2024.

#### GHG Emissions

(Unit : tCO<sub>2</sub>eq)

Name of company	Scope 1	Scope 2	Total emissions
BNK Financial Group	142.991	352.467	495
BNK Busan Bank	882.236	17,671.088	18,553
BNK Kyongnam Bank	838.855	5,571.043	6,410
BNK Capital	145.286	372.198	517
BNK Securities	158.177	370.935	529
BNK Savings Bank	66.252	226.818	293
BNK Asset Management	70.527	34.784	105
BNK Venture Capital	23.101	12.422	36
BNK Credit Information	13.183	94.443	108
BNK System	39.44	1,320.44	1,360
<b>Total</b>	<b>2,380.048</b>	<b>26,026.638</b>	<b>28,406</b>

\* Because total emissions from each site are rounded, the company's total emissions may differ from the actual values by ±1 tCO<sub>2</sub>eq.

www.kfq.or.kr Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea



# GHG Emissions Verification Opinion Statement

## 2024 GHG Emissions Verification Opinion Statement (Scope 3)

GI-25-VO25

### Verification Opinion Statement

#### GHG Emissions Verification

BNK Financial Group

##### Verification Target

Korean Foundation for Quality (hereinafter 'KFQ') has conducted a verification of Scope 3 Greenhouse Gas Emissions (hereinafter 'GHG emissions') of BNK Financial Group <sup>1)</sup> (hereinafter 'Company') for 2024. KFQ is responsible for providing an assurance statement on the GHG emissions based on the verification scope and criteria described below, while the responsibility for the claims made regarding the GHG emissions rests with the company.

<sup>1)</sup> Address (based on headquarters) : 30, Munhyeon-geumyung-ro, Nam-gu, Busan, 48400, Republic of Korea

##### Verification Purpose

The purpose is to provide an independent verification opinion on the company's Scope3 emissions.

##### Verification Scope

The verification covered seven emission categories<sup>2)</sup> selected by the company<sup>3)</sup> during 2024.

<sup>2)</sup> Category 1, 3, 5, 6, 7, 12, 15

<sup>3)</sup> Domestic business sites: BNK Financial Group, Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Credit Information, BNK System, BNK Venture Capital

##### Verification Criteria

The following criteria and coefficients used by the company were applied.

###### • Criteria

- ISO 14064-1:2018, ISO 14064-3:2019
- GHG Protocol Corporate Standard
- WBCSD/WRI, Corporate Value Chain(Scope 3) Accounting and Reporting Standard
- The Global GHG Accounting and Reporting Standard for the Financial Industry(PCAF)

###### • Coefficient

- KEITI Environmental Product Declaration Evaluation Factor(2021)
- Ministry of Environment Guideline for Low-carbon Events (2008)

##### Level of Assurance

The verification has been conducted in accordance with the verification principles and standards of the 'ISO14064-3:2019' under the limited verification level.

##### Verification Limitation

GHG emissions verification involves inherent limitations that may arise depending on the organization's data characteristics, calculations and estimates, sampling method, and limited assurance level. Additionally, this verification does not include responsibility for the accuracy of the original data provided by the company.

##### Conclusion

Based on the criteria and guidelines stated above, KFQ's verification opinion is as follows.

- 1) GHG emissions of the company for 2024 were properly calculated based on the materials provided, and no material errors or omissions that could affect the verification opinion were identified.
- 2) The criteria and process established by the company for calculating GHG emissions were transparently documented in the internal calculation process to prevent potential misunderstandings.
- 3) Accordingly, KFQ provides a verification opinion that is "Unmodified".

*Ji Young Song*

June 4th, 2025

CEO Ji-Young Song  
Korean Foundation for Quality



www.kfq.or.kr Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea



GI-25-VO25

### Appendix A. Summary of Scope3 GHG Emission Results

#### Organization

BNK Financial Group

#### Emission calculation period

The emission calculation period from January 1st to December 31st, 2024.

#### Company Scope 3 Emissions verification Results

(Unit : tCO<sub>2</sub>eq)

Category		Total emissions
1	Purchased goods & services	420
3	Fuel and Energy-related activities not included in Scope 1+2	4,148
5	Waste generated in operations	43
6	Business travel	450
7	Employee commuting	2,586
12	End of life treatments of sold products	31
15	Investments	27,072,112
<b>Total</b>		<b>27,079,790</b>

\* The total emissions rounded to the nearest whole number, and the difference from the actual value may be less than ±1 tCO<sub>2</sub>eq.

\* Based on the PACF (Partnership for Carbon Accounting Financials) methodology, seven asset classes – listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign exposures – were included in the calculation, with the scope limited to assets for which emissions data are currently available.

#### Category 15 Emissions by Asset Class

(Unit : tCO<sub>2</sub>eq)

Category 15 Asset Classes		Total emissions
1	Listed stocks and corporate bonds	1,444,997
2	Corporate loans and unlisted Stocks	23,441,121
3	Project Finance (Generation and infrastructure)	384,573
4	Industrial real estate	39,433
5	Mortgage (Purchasing funds)	51,595
6	Automobile loans	48,668
7	Government exposure	1,661,725
<b>Total</b>		<b>27,072,112</b>



www.kfq.or.kr Q Tower, 78 Samjeon-ro, Songpa-gu, Seoul, 05606, Republic of Korea



# Awards

Subsidiary	Date	Organizer	Award
<b>BNK</b> Financial Group	Oct. 2, 2024	Dong-A Ilbo K-ESG Evaluation Committee	2024 K-ESG Management Awards – Overall ESG Grand Prize, Chairman’s Award from the Korea Commission for Corporate Partnership
	Dec. 3, 2024	Ministry of Trade, Industry and Energy & Korea Chamber of Commerce and Industry	31st Corporate Innovation Awards – Minister of Trade, Industry and Energy Award
	Dec. 10, 2024	Ministry of Environment & Korea Environmental Industry & Technology Institute	2024 Green Management and Green Finance Awards – Minister of Environment Award in the environmental disclosure category
<b>BNK</b> Busan Bank	May. 3, 2024	Chosun Ilbo	2024 No.1 Consumer Recommended Brand – No.1 among regional banks
	Jul. 3, 2024	Korean Standards Association	2024 Korean Service Quality Index (KS-SQI) – No.1 in the regional bank category for the 3rd consecutive year
	Jul. 11, 2024	Financial Supervisory Service	4th Best Practices in Win-Win & Cooperative New Financial Products – (BNK Baby Angel Installment Savings)
	Jul. 12, 2024	Ministry of Employment and Labor	2024 Excellent Labor-Management Culture Enterprise
	Nov. 5, 2024	Korea Management Association Consulting (KMAC)	2024 Korea Consumer Protection Index (KCPI) – Top-rated company for 3 consecutive years
	Nov. 12, 2024	Korea Productivity Center	2024 National Customer Satisfaction Index (NCSI) – No.1 in the regional bank service category
	Dec. 9, 2024	Ministry of the Interior and Safety & Korea National Council on Social Welfare	4th Korea Good Donor Awards – Presidential Commendation
	Dec. 10, 2024	Ministry of Environment & Korea Environmental Industry & Technology Institute	2024 Green Management and Green Finance Awards – Korea Environmental Industry & Technology Institute President’s Award from KEITI in the green bond issuance category
	Dec. 20, 2024	Financial Supervisory Service	2024 Inclusive and Win-Win Finance Awards – Outstanding Institution for Financial Support for the Underprivileged (2nd consecutive year)
	Jan. 17, 2025	Ministry of Education	2024 Career Exploration Activity Cooperation Awards – Deputy Prime Minister and Minister of Education Commendation
<b>BNK</b> Kyongnam Bank	May 10, 2024	Digital Chosun Ilbo	Mobile Awards Korea – Grand Prize in the banking category
	Jun. 26, 2024	Gyeongnam Community Chest of Korea	BNK Kyongnam Bank & Kyongnam Bank Love Sharing Foundation – First among banks to be simultaneously certified as “Honorary Corporate Donors”
	Jul. 25, 2024	Korea Internet Professionals Association	‘Social i-Awards 2024 – awarded in two categories including the Grand Prize in the financial services category
	Aug. 28, 2024	Financial Services Commission	2024 Financial Companies’ Local Reinvestment Evaluation – Rated “Best” in Gyeongnam and Ulsan regions for 5 consecutive years
	Oct. 6, 2024	Financial Supervisory Service	2024 H1 Self-Employed Business Loan 119 Evaluation – Ranked 1st in the mid-to-small bank category
	Nov. 29, 2024	Gyeongnam Employers Federation	Gyeongnam Business Leader Awards – CSR category (Minister of Employment and Labor Commendation) in commemoration of the 1st Gyeongnam Business Leader Day Ceremony
	Dec. 20, 2024	Financial Supervisory Service	Inclusive and Win-Win Finance Awards – Institution Award for Outstanding Consulting Support for SMEs and Self-Employed (2nd consecutive year in the SME support category)
<b>BNK</b> Savings Bank	Oct. 29, 2024	Financial Services Commission	Chairman’s Commendation in the inclusive finance category

Introduction

ESG Management System

ESG Performance

ESG Data Pack

**Appendix**

Creating Financial Synergy

ESG Policy Book

GRI Standards Index

SASB Index

UN SDGs Index

PRB Index

UNGC Index

Independent Verification Opinion Statement

GHG Emissions Verification Opinion Statement

**Awards**

About This Report

# About This Report

## Report Overview

This is BNK Financial Group's 13th sustainability report intended to share its key sustainability initiatives and performance for the year 2024 with stakeholders. BNK Financial Group annually publishes sustainability reports to transparently disclose its sustainability efforts and continues to actively communicate with stakeholders.

## Reporting Period

This report spans the period from January 1 to December 31 of 2024 to outline BNK Financial Group's sustainability initiatives and achievements. For certain information that may materially impact stakeholders' decision-making, this extends to the first half of 2025 to ensure the timeliness and relevance of information.

## Reporting Boundary

This report covers BNK Financial Group and its nine subsidiaries – Busan Bank, Kyongnam Bank, BNK Capital, BNK Securities, BNK Savings Bank, BNK Asset Management, BNK Venture Capital, BNK Credit Information, and BNK System. This includes the headquarters and all branches, and performance of overseas operations is disclosed when deemed necessary. In cases where the reporting boundary differs or the data has been restated, this is indicated separately.

## Reporting Principles and Standards

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards 2021, the international framework for sustainability reporting. In addition, it aligns with TCFD (Task Force on Climate-related Financial Disclosures) recommendations for climate-related disclosures and sector-specific standards from SASB (Sustainability Accounting Standards Board). The report also references the sustainability disclosure standards of the Korea Sustainability Standards Board (KSSB).

The financial information has been prepared on a consolidated basis in accordance with Korean International Financial Reporting Standards (K-IFRS).

## Third-party Assurance

To ensure the reliability of the information contained herein and enhance its quality, this report has been assured by the Korea Foundation for Quality as an independent third-party assurance provider. The assurance statement appears on page 200 of this report.

More detailed information can be found on the BNK Financial Group website, where the PDF version of this report is also available for download.

If you have any questions or need further information about the BNK Financial Group Sustainability Report, please contact us at the address below.

**Date of publication** June 2025  
**Publisher** BNK Financial Group  
**Address** 30 Munhyeongeumyung-ro (Munhyeon-dong),  
 Nam-gu, Busan, Republic of Korea  
**Phone** +82-51-620-3189  
**Fax** +82-51-620-3040

Introduction

ESG Management System

ESG Performance

ESG Data Pack

**Appendix**

Creating Financial Synergy

ESG Policy Book

GRI Standards Index

SASB Index

UN SDGs Index

PRB Index

UNGC Index

Independent Verification Opinion Statement

GHG Emissions Verification Opinion Statement

Awards

**About This Report**

The logo for BNK Financial Group is centered within a thin red circular border. The text "BNK" is in a bold, red, sans-serif font, while "Financial Group" is in a smaller, black, sans-serif font.

**BNK** Financial Group