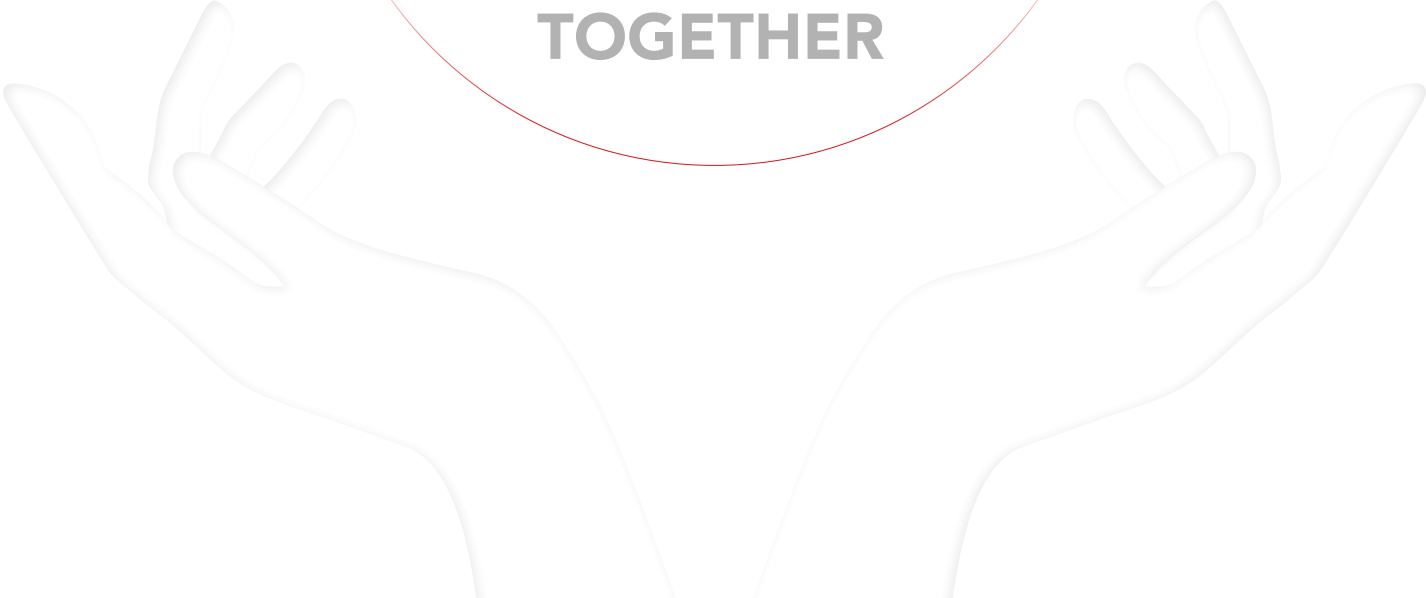


**BNK Financial Group  
Social Value Measurement Report**



**Sustainable Finance  
TOGETHER**



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# Social Value Measurement Overview

The financial industry forms the driving force of the overall economy through the flow of capital and plays a crucial role as core infrastructure that directly and indirectly supports the growth and stability of individuals, businesses, communities, and the nation. The influence of finance extends far beyond the mere circulation of money, generating enormous ripple effects across all sectors of society, such as employment, education, public health, environment, and balanced development of local communities. BNK Financial Group recognizes its impact and responsibility in relation to the direct and indirect ESG impacts arising from its business activities, and strives to enhance positive effects throughout its management and decision-making processes. In particular, it is advancing the '2024-2026 Mid-to-Long-Term ESG Strategy,' which reflects the management vision and core values established with the proclamation of 'VISION 2030.'

In alignment with this ESG strategy, since 2022 BNK Financial Group has been quantifying the social value it creates and disclosing the measurement results to stakeholders. The process of measuring social value in monetary terms and visualizing it through objective indicators enhances corporate responsibility and transparency, ultimately serving as a foundation for the financial industry's contribution to society.

## BNK ESG Strategy

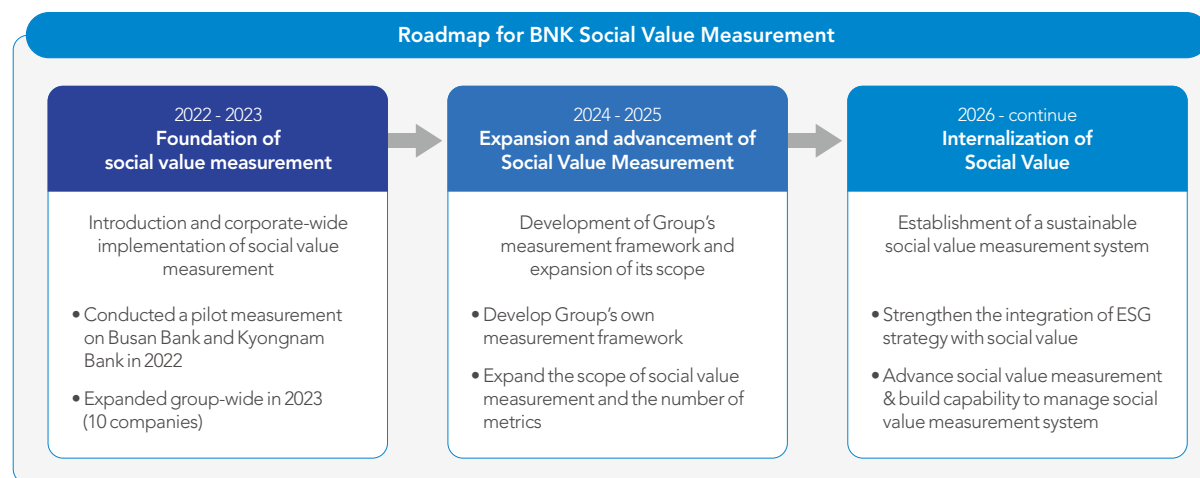
In 2024, BNK Financial Group established the '2024-2026 Mid-to-Long-Term ESG Strategy' centered on 'VISION 2030' and is actively advancing ESG management based on this framework. The strategy is structured around three key directions: 'Realizing Green Finance to Protect the Environment,' 'Expanding Win-Win Finance with Local Communities,' and 'Establishing Ethical Finance for Sustainability.' The entire Group is cohesively implementing 12 focused areas under these strategic directions.

## Roadmap for BNK Social Value Measurement

The years 2022 and 2023 were a period when BNK Financial Group laid the foundation for social value measurement. In 2022, Busan Bank and Kyongnam Bank conducted a pilot measurement, and, in 2023, the measurement scope was expanded to all subsidiaries for application. In 2024, BNK Financial Group developed its own unique social value measurement framework in reference to global metrics and initiatives. The social value measurement was advanced to a higher level as the number of metrics increased from 36 in 2023 to 63 in 2024. This has become the foundation for

systematic management of measured performance in all Group's ESG activities.

Going forward, BNK Financial Group aims to strengthen its capabilities to assess and manage social value and incorporate it into decision-making processes. In addition, by linking social value with core ESG strategies, the Group plans to integrate social value throughout its corporate strategy and operations, thereby reinforcing the foundation for sustainable social value creation.



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# BNK SOCIAL VALUE MEASUREMENT SYSTEM

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# BNK Social Value Measurement Framework

Since 2023, BNK Financial Group has advanced its social value measurement system into a more sophisticated and reliable framework by leveraging accumulated measurement data and knowledge from corporate-wide social value measurement experience, while incorporating global standards and initiatives.

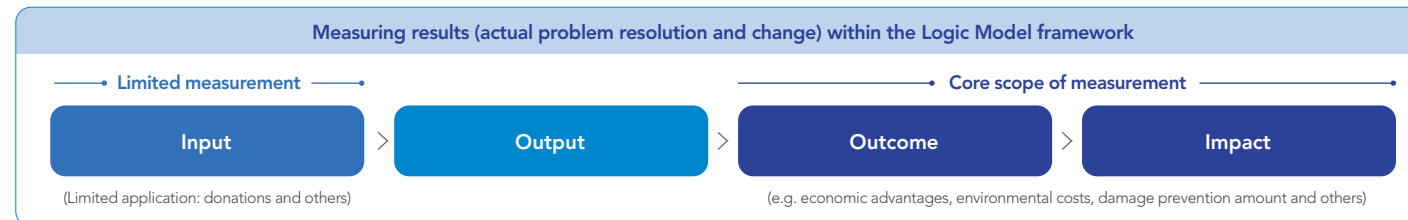
BNK Financial Group measures the social value created by its ESG activities from a results-oriented perspective. For example, the social value of eco-friendly loan products is measured not by the loan amount (Input), but by the reduction in interest expenses for small and medium-sized enterprises (Outcome) and the decrease in negative environmental impacts through the establishment of green infrastructure (Impact), thereby capturing the degree of tangible problem-solving and change. Additionally, the Group has established five fundamental principles for social value measurement and developed standardized measurement formulas applicable to various ESG activities. These five measurement principles serve as a benchmark to ensure the most reliable and objective evaluation of BNK Financial Group's ESG activities, facilitating consistent performance measurement and management across the entire business. The measurement results obtained through this approach can be effectively utilized in the long term for transparent communication with stakeholders as well as for strategy formulation and decision-making based on performance.

## BNK Social Value Indicator

Areas



Measurement Scope



Measurement Formula

$$\text{Social Value} = (\text{Standard Value} - \text{Value generated through business activities}) \times \text{Monetization coefficient} \times \text{Contribution ratio}$$

Example : Eco-Friendly PF : Reduction of green house gas emissions through investment in solar cell development

$$\left( \text{Greenhouse gas emissions from conventional power generation (tCO}_2\text{,eq)} - \text{Greenhouse gas emissions from solar power generation (tCO}_2\text{,eq)} \right) \times \text{Social cost of greenhouse gases (KRW/tCO}_2\text{,eq)} \times \text{Group's investment ratio out of overall business expenses (\%)}$$

5 Principles of Measurement

Result-centered	Conservativeness	Standardization	Balance	Single Year Measurement
Values are measured not by corporate activities (Activity) or inputs (Input), but by the actual changes and impacts (Outcome/Impact) on society and the environment	To ensure the reliability of measurement results, values are assessed objectively and only in cases where clear market proxies exist, thereby preventing overestimation	By applying consistent standards and unifying calculation methods, units, and principles, measurements are carried out objectively and in a replicable manner	The assessment covers both the positive aspects of corporate activities and negative impacts, including greenhouse gas emissions and waste generation	In cases where outcomes span multiple years, performance is distinguished on a yearly basis, with measurement limited to the results that actually materialized during the reporting year

Global Initiative in Reference



# BNK Social Value Metrics

BNK Financial Group has structured its social value indicators based on ESG domains to create synergy with its ESG strategy. The Group's ESG activities encompass a wide range of stakeholders including the environment, consumers, local communities, employees, financially vulnerable groups, and shareholders. The BNK social value measurement indicators have been developed to objectively and critically represent the diverse performance outcomes for these stakeholders generated by BNK Financial Group. Through this, the Group aims to analyze social value by stakeholder and continuously manage and enhance social value for its key stakeholders.

## Advancement of BNK Social Value Measurement




### Expansion of Measurement Scope

As of 2024, BNK's social value measurement indicators consist of 63 metrics across 16 detailed categories within three major categories. Particularly, since the social value measurement initiative began in 2022 with 18 indicators, the number of metrics has been significantly expanded to 63 in 2024, thereby enhancing the representativeness and comprehensiveness of the measurement system.

### Improvement of Measurement Methods

BNK Financial Group takes a conservative approach to objectify its measurement methods and continually advances the methods annually to adopt more realistic, reliable measurement techniques, monetary proxies, and external statistical data. When there are significant changes in measurement methodology, adjustments are made to the previous year's values to ensure consistent management and trend analysis of social value measurement results.

## BNK Social Value Indicators

Large Classification	Details	Description	No. of Metrics
 <b>E</b> Environmental	Eco-friendly business Management	Reduce environmental impact such as less energy use and lower greenhouse gas emission through eco-friendly business management	8
	Eco-friendly personal product	Reduce environmental impact with provision of prime interest rates and loans related to eco-friendly vehicles	2
	Eco-friendly Corporate Products	Reduce environmental impact with energy saving facilities/activities	1
	Eco-friendly Investment	Reduce environmental impact through investment in eco-friendly PF and bonds targeting green SOC	1
	Eco-friendly Card	Reduce environmental impact through the issuance of green material cards and green reward points	2
	Green Social Contribution	Reduce environmental impact through activities such as planting trees, plogging, and purchasing green products	6
	Environmental Impact(-)	Generate environmental impact through activities such as emissions of greenhouse gases and wastes throughout the business management	4
 <b>S</b> Social	Win-win Finance	Enhance the access to finance through providing consulting service and loan/banking products targeting local youths and local small business owners	5
	Inclusive Finance	Realize inclusive finance by offering loan and deposit products and cashback and online service targeting the financially marginalized	10
	Innovative Finance	Contribute to the stabilization of local corporate management by offering preferred interest rates to innovative social enterprises and SMEs	2
	Financial Consumer Protection	Secure soundness of the financial ecosystem and minimize customer damages from financial fraud through active awareness campaigns and enhancement of financial fraud prevention system	5
	Revitalize Local Economy	Facilitate local economic activities by operating the local currency(Dongbaekjeon) platform, supporting small businesses and startups, and promoting senior employment	6
	Employees	Foster a healthy corporate culture and enhance job satisfaction through employee diversity, improved working conditions and capability development	7
	Social Contribution	Expand financial value through donations and employee volunteer activities	2
 <b>E</b> Economic	Tax Payment	Economic values provided for the government	1
	Dividend	Economic values provided for shareholders	1
<b>Total Number of indicators</b>			<b>63</b>

# BNK SOCIAL VALUE MEASUREMENT RESULTS

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# 2024 BNK Social Value Summary

BNK Financial Group generated approximately KRW 1.4664 trillion in social value for the year 2024. By category, this includes KRW 11.0 billion in environmental value, KRW 601.5 billion in social value, and KRW 853.9 billion in economic value. The 'Environmental' area includes eco-friendly management practices, sustainable financial products, and environmental contribution activities. The 'Social' area covers inclusive, innovative, and shared-growth financial products, together with initiatives benefiting customers, local communities, and employees. The 'Economic' area is defined by economic value distributed to shareholders (dividends), contributions to government (taxes), and social costs such as mandatory levies.

BNK Financial Group's all subsidiaries participated in the measurement, striving to manage and strengthen its impact founded upon social value measurement results. Particularly, each subsidiary actively promotes the establishment of a social value creation model which focuses on its own characteristics and strengths in alignment with the local community where its businesses and branches are run.

BNK Social Value Measurement Overview

BNK Social Value Measurement System

BNK Social Value Measurement Results

2024 BNK Social Value Summary

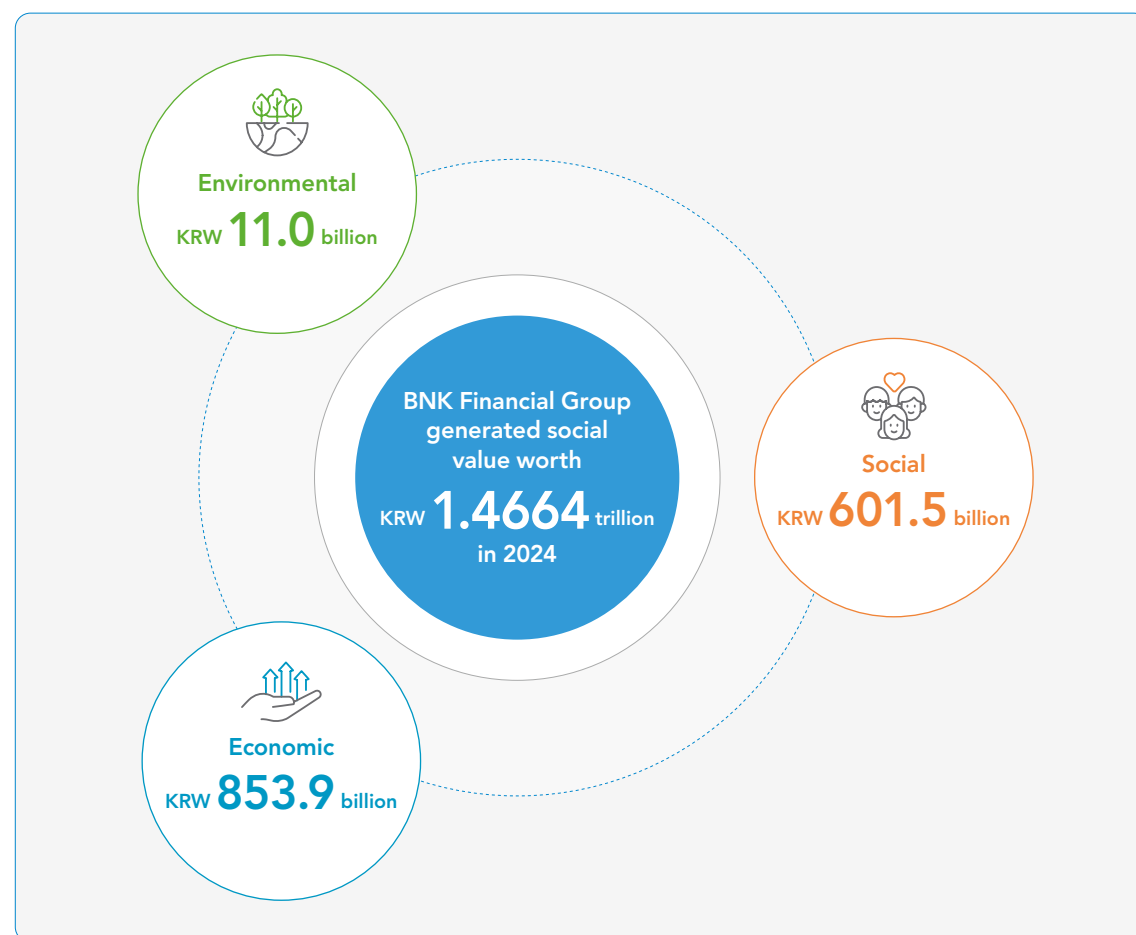
BNK Social Value Trends

Results for Each Area and Major Measurement Cases

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BNK Social Value Measurement Strategy

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## Key Achievements by Subsidiary

- Financial Group ..... • Create a collaborative ecosystem by providing ESG education for SMEs in the Southeastern region and strengthen the corporate's sustainability
- Busan Bank ..... • Revitalize the local economy through the local currency platform operation
- Kyongnam Bank ..... • Respond to risks from climate changes by expanding investment in green projects and contribute to conversion to a society of low carbon emission
- Capital ..... • Contribution to greenhouse gas reduction through loans for environmentally friendly vehicle purchases
- Securities ..... • Enhance job security through the conversion of non-regular workers to regular positions
- Savings Bank ..... • Practice win-win strategies for the region by providing consulting for small business owners
- Asset Management ..... • Reduce environment impact through minimizing use of disposable products in the working place
- Venture Capital ..... • Reduce environmental impact by converting business vehicles to hybrid cars
- Credit Information ..... • Create a paperless work environment through accelerated digital transformation
- System ..... • Reduce environmental impact and contribute to the local community by donating used electronic devices

# BNK Social Value Trends

Since 2022, BNK Financial Group has established a social value measurement system as part of its ESG management and has been systematically managing it at the corporate level. In the first year, a pilot measurement was conducted targeting Busan Bank and Kyongnam Bank, utilizing a total of 18 indicators, and it was evaluated that approximately KRW 1.0069 trillion of social value was created. In 2023, the measurement scope was expanded to all group affiliates, and the number of indicators increased to 36, significantly enhancing the consistency and applicability of the measurement. Additionally, a classification system was developed to strengthen the qualitative aspects of social value, including talent development and financial consumer protection, resulting in a measured social value of approximately KRW 1.2341 trillion, marking a roughly 23% increase from the previous year. In 2024, based on the stabilization of the measurement system, the Group continued to advance the measurement by applying conservative principles to some indicators and restructuring the economic domain. New items were introduced in the financial product area to broaden quantitative analysis, and the total social value was recorded at approximately KRW 1.4664 trillion, a roughly 19% increase compared to the previous year. BNK Financial Group plans to continuously review and improve the validity and effectiveness of social value measurement indicators to further strengthen the foundation for quantitatively and transparently managing ESG management performance.

## BNK Financial Group Social Value Measurement Report

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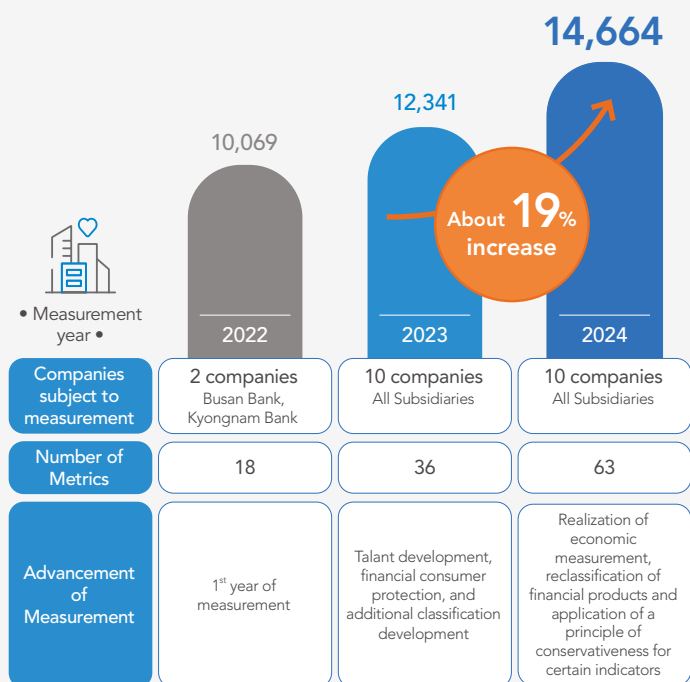
- Environmental (E) area
- Social (S) area
- Economic (E) area

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### BNK Social Value Trends

(Unit : KRW 100 million)



\* The social value measurement result for 2023 was announced as KRW 1.5443 trillion. The values shown in this report are recalculated 2023 figures derived by applying the enhanced measurement methodology, developed in 2024, retroactively to the 2023 data. The 2024 social value measurement reflects adjustments due to improvements in consistency across the enterprise, with a focus on direct derivative effects, adopting more conservative, objective, and reliable measurement methods. For detailed information, please refer to the "Key Directions for Advancing Social Value Measurement in 2024" section on the right.

### Key Directions for Advancing Social Value Measurement in 2024

BNK Financial Group refined the scope of the 'Economic' area within its social value measurement, shifting from both direct and indirect contributions to direct contributions only (taxes and dividends). This change has made the measurement more realistic and objective, while also securing alignment with industry peers.

In addition, the existing measurement methodology for each metric was reviewed in its entirety, and the measurement formula and coefficients of certain indicators were revised based on the principle of conservatism. These improvements were also applied to the measurement results for 2023, so that the measurement results of 2023 and 2024 could be

managed and analyzed with continuity under the same standard.

Accordingly, there are some discrepancies between the total social value results measured for 2023 as measured in 2024 and 2023 results presented in this report.

Furthermore, by segmenting financial products based on their characteristics and target beneficiaries, BNK Financial Group has laid the groundwork for measuring and managing the social value it generates in alignment with each stakeholder group.

Measurement scope in 2023		The improved measurement system enhances conservativeness, objectivity, and overall credibility	Measurement scope in 2024	
Economic (E)			Economic (E)	
Direct Contribution	Tax payment	➔	Direct Contribution	Tax payment
	Dividend			Dividend
Indirect Contribution	Net income		Excluded	
	Depreciation		Excluded	
	Interest expense		Excluded	
	Salary		Excluded	
	Consumption inducing value		Excluded	

# BNK Social Value Measurement Results

## Results and Examples of Each Area

### • Environmental



# E

BNK Financial Group generated approximately KRW 11 billion in social value within the environmental domain. Notably, it created KRW 14.2 billion in the area of eco-friendly financial products, including green loans and deposits, fulfilling its responsibilities as a financial institution. The Group is also actively engaged in activities aimed at reducing environmental impact, such as greenhouse gas reduction and the establishment of ecological parks.



- Environmental (E) area
- Social (S) area
- Economic (E) area

# Creation of Local Forest and Eco-Park

BNK Financial Group measures the improvement of the air quality through the creation of the Busan Camellia symbol forest and employees' participation in planting-tree activities.

E – Eco-Friendly Society

Busan Bank | Kyongnam Bank

## 01 | Activity

### Creation of the Busan Camellia Symbol Forest

Approximately 4,000 Camellia trees and other plants were planted in Dongbaek Park, Haeundae, creating the 'Camellia Symbol Forest.' This project not only preserves the symbolic value of Dongbaek Island, a representative landmark of Busan, but also contributes to improving the local air quality.



## 02 | Activity

### Creation of Green Park in Nakdong River

Through a partnership with the Nakdong River Management Headquarters, invasive plant species were removed within the Green Park, and 22,500 plants of seven native species—including nationally protected and ecological park indigenous plants—were planted. This effort contributes to the conservation of the regional ecosystem and the preservation of biodiversity.



## Measurement Results

### Measurement Formula

Σ(By vegetation type ① CO<sub>2</sub> Emission Reduction Performance + ② Oxygen Production Performance)

① CO<sub>2</sub> Emission Reduction Performance = Σ(CO<sub>2</sub> Storage by tree type (tCO<sub>2</sub>eq) × Social Cost of carbons (KRW/tCO<sub>2</sub>eq))

② Oxygen Production Performance = Σ(CO<sub>2</sub> Storage by tree type CO<sub>2</sub> (tCO<sub>2</sub>eq) × CO<sub>2</sub>-Oxygen conversion factor × Average Market Price of Domestic Liquid Oxygen (KRW/ton))

\* For trees, CO<sub>2</sub> Storage is estimated per tree. In case of herbaceous plants, CO<sub>2</sub> Storage is estimated per unit area, by converting planting quantities into area.

KRW **70** million

### Data sources

1) CO<sub>2</sub> storage of Camelia: Broadleaf tall tree 's average absorption rate of CO<sub>2</sub>, 『Study on CO<sub>2</sub> Absorption Rate of Urban Trees』, Incheon Research Institute of Environmental Health (2022)

3) CO<sub>2</sub>-Oxygen Conversion Factor: 『Evaluation Results and Insights of Forest's Public Benefits』, Forest Policy Issue No. 137, National Institute of Forest Science (2018)

5) Average Market Price of Domestic Liquid Oxygen: Price Information, Korea Price Information Association (KPIA), Average Price of Liquid Oxygen Tank Lorry (as of Jan. 2024)

2) CO<sub>2</sub> Storage of Indigeous Plants: 『Small but Sturdy, Effective reduction of Garden Plant's CO<sub>2</sub> Emission』, National Institute of Horticulture and Herbal Science (2021.09)

4) Conversion of the Number of Planted Herbaceous Flowers into Area: 『LH Design Guidelines (Landscape)』, Korea Land & Housing Corporation

- Environmental (E) area
- Social (S) area
- Economic (E) area

# PI Investment in Siheung City's Clean Energy Center

BNK Financial Group measures its contribution to biogas production through its investment in the private sector project of Siheung City's Clean Energy Center.

E – Eco-Friendly Society

Kyongnam Bank



## Measurement Results

### Measurement Formula

Amount of annual waste treatment of Siheung City's Clean Energy Center (m<sup>3</sup>) \* Biogas production factor by waste type (Nm<sup>3</sup>/ton(m<sup>3</sup>))  
 x Amount of CO<sub>2</sub> reduction per biogas (tCO<sub>2</sub>/Nm<sup>3</sup>) x Social cost of carbon (KRW/tCO<sub>2</sub>) x Bank's contribution rate (%)

\* Upon completion, as the center commences its operation in July, 2024, daily treatable amount by waste type is applied for six months per year under assumption of 100% full operation for six months.

KRW **470** million

### Data sources

- 1) Biogas production factor by waste type: †Recovery Coefficient of Organic Waste Resources and Biogas Production Coefficient, National Law Information Center of Korea
- 2) Amount of CO<sub>2</sub> reduction per biogas: †Roadmap for Expansion of Bio-Water Energy using Environment Facilities, Renewable Energy TF of the Ministry of Environment (2022.06)- impact 01) Waste treatment facilities, 02) Calculate the amount of greenhouse gas reduction through alternative fossil fuels
- 3) Bank's contribution rate : Bank's annual current account balance/ Annual syndicate loan balance (Total)

- Environmental (E) area
- Social (S) area
- Economic (E) area

# Eco-Friendly Financial Product (Corporate Lending)

BNK Financial Group provides policy finance products designed to improve energy efficiency and nurture environmentally sustainable industries. The resulting contribution to greenhouse gas reduction is quantified in monetary value, based on the preferential interest rates and financial support offered to stimulate capital utilization.

E – Eco-Friendly lending

Busan Bank

### Representative Project 1

#### BNK Loan for the Purchase of Eco-Friendly (Semi-public operation system) Bus

Green loans offering preferential credit limits and interest rates to bus companies seeking to purchase eco-friendly buses



2024 Loan Balance	2024 Amount of new loan	2024 Cases of new loan
KRW <b>1.52</b> billion	KRW <b>390</b> million	<b>1</b> case

### Representative Project 2

#### Fund for Rationalization of Energy Use

Policy financing aimed at encouraging investment in energy-efficient facilities, supporting reductions in corporate energy expenses, and strengthening competitiveness



2024 Loan Balance	2024 Amount of new loan	2024 Cases of new loan
KRW <b>49.85</b> billion	KRW <b>8.62</b> billion	<b>59</b> cases

### Measurement Results

#### Measurement Formula

$\Sigma(\text{Average balance of eco-friendly lending (KRW)} \times \text{Preferred interest rates for Eco-friendly Lending Product (\%)}) + \text{Contribution performance to reduction of greenhouse gas emission through financial support (KRW)}^*$

\* Conducted measurement on ① BNK Loan for the Purchase of Eco-Friendly (Semi-public operation system) Bus ② Fund for Rationalization of Energy Use

① Cases of new loan (case) x Reduction rate of greenhouse gas emission of E-Bus (tCO<sub>2</sub>eq/years-buses) x Social cost of carbons (KRW/tCO<sub>2</sub>eq) x Repayment Period (years) x Bank's contribution rate (%) x Discount rate for present value conversion (%)

② (Reduction rate of greenhouse gas emissions per Rationalization of Energy Use Project (tCO<sub>2</sub>eq) – Reduction rate of greenhouse gas emissions per the existing method (tCO<sub>2</sub>eq)) x Social cost of carbons (KRW/tCO<sub>2</sub>eq) x Bank's contribution rate (%)

**KRW 8.05 billion**

#### Data sources

- 1) Annual reduction amount of CO<sub>2</sub> per one E-bus: <sup>†</sup>Guidelines on Application of reduction factor units by Local Government's Project on Greenhouse Gas Emission Reduction, Korea Environment Corporation (2022.06)
- 3) Discount rate for the present value conversion: Social discount rate, <sup>†</sup>Comprehensive Guidelines for Conducting Preliminary Feasibility Studies, Ministry of Economy and Finance

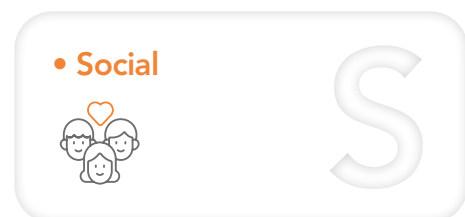
- 2) Bank's Finance contribution rate: Loan balance / Market Price for E-bus
- 4) Energy Reduction amount per Rationalization of Energy Use: Amount of reduction per unit x Electric Emission factor x Amount of support provided by BNK Financial Group

- Environmental (E) area
- Social (S) area
- Economic (E) area

- Environmental (E) area
- **Social (S) area**
- Economic (E) area

# BNK Social Value Measurement Results

## Results and Examples of Each Area



In 2024, BNK Financial Group generated KRW 601.5 billion in social value within the social domain. Inclusive finance for vulnerable groups accounted for approximately KRW 164.3 billion, while initiatives to improve employee working conditions, enhance diversity, and strengthen capabilities created approximately KRW 161.7 billion in value. In addition, the Group continues to take the lead in protecting financial consumers and, as a representative company of the Busan and Gyeongbuk regions, actively contributes to revitalizing the local economy and engaging in social contribution activities.



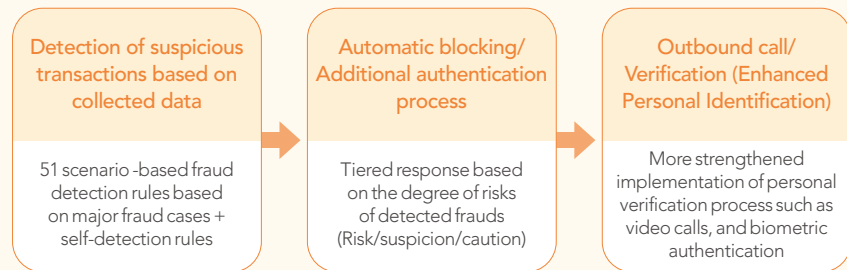
## Major measurement cases of Social Area 1

# Prevention of Financial Fraud

S – Financial Consumer Protection

Busan Bank | Kyongnam Bank | Savings Bank

BNK Financial Group has enhanced its Fraud Detection System (FDS) to analyze customer financial transaction patterns and cash flows in real time to detect signs of financial fraud. In 2024, Busan Bank and Kyongnam Bank strengthened detection criteria by applying their own detection rules, including 51 rules, in accordance with the reinforced guidelines from the Financial Supervisory Service. This year, the Group measures its performance based on the amount prevented from a total of 440 cases of electronic financial fraud and 412 cases of voice phishing.



\* Kyongnam Bank prevented a total of about KRW400 billion in losses by blocking approximately 500,000 suspicious transactions through the application of FSS standards. However, only the number of cases prevented through outbound calls were reflected in the results by standardizing the standards for both banks in 2024.

### Measurement Results

#### Measurement Formula

Amount of telecommunications frauds and voice phishing prevented

**KRW 12.8 billion**

#### Data sources

1) A total of financial assets of customers prevented from telecommunications frauds and voice phishing

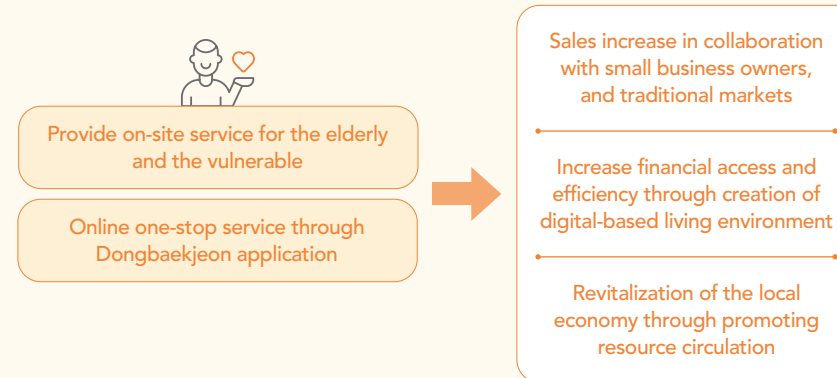
## Major measurement cases of Social Area 2

# Operation of Local Currency Platform

S – Revitalizing local economy

Busan Bank

Since April 2022, Busan Bank has been operating the local currency platform 'Dongbaekjeon.' As the operating institution, Busan Bank has expanded both online and offline infrastructure to enhance convenience for citizens. Through these efforts, it has promoted the virtuous cycle of funds within the region, increased sales for small business owners, and ultimately contributed to revitalizing the local economy. These achievements are measured as part of the Group's social value creation performance.



### Measurement Results

#### Measurement Formula

Annual amount of Dongbaekjeon spent (KRW) × Added value ratio (%) × Bank's contribution ratio (%)

**KRW 7.16 billion**

#### Data sources

1) Added value ratio: National tax statistics, average of all industries  
2) Bank's contribution ratio: The proportion of project operation cost out of overall input cost for the local currency  
Operating agency fee ÷ (Cashback payments + Operating agency fee)

- Environmental (E) area
- Social (S) area
- Economic (E) area

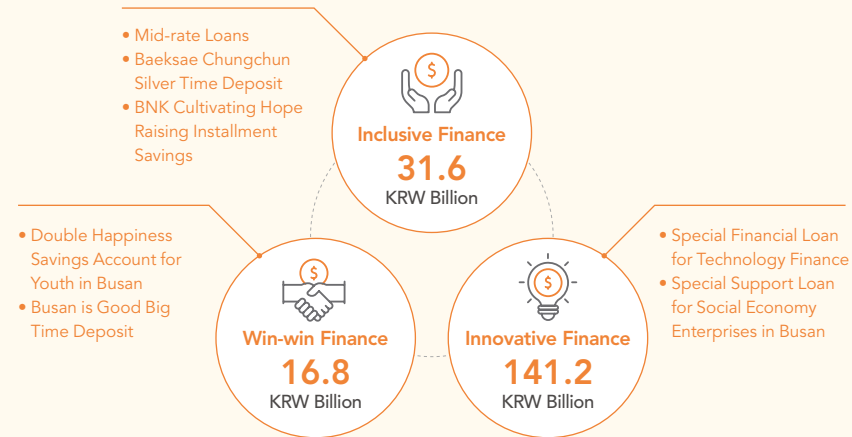
## Major measurement cases of Social Area 3

# Inclusive·Win-Win·Innovative Finance Products

S – Win-Win, Inclusive Finance

Busan Bank | Kyongnam Bank

BNK Financial Group is enhancing financial accessibility for vulnerable groups and local residents by offering deposit and loan products tailored to their needs. Through preferential interest rate benefits, the group has supported asset building for a total of 237,157 customers.



### Measurement Results

#### Measurement Formula

(Inclusive, win-win, and innovative deposit/loan product standard interest rate (%) – BNK Financial Group's product-specific offering rate (%)) × Average annual balance per product (KRW)

**KRW 189.6 billion**

#### Data sources

1) Data managed for each product from enterprises

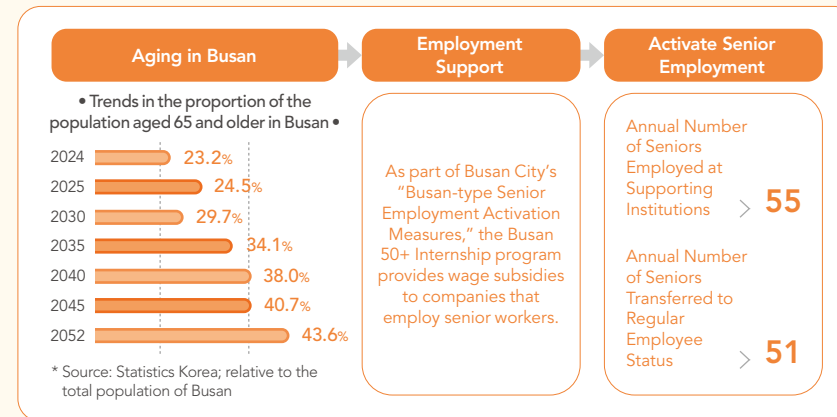
## Major measurement cases of Social Area 4

# Support for Senior Employment activities

S – Revitalizing local economy

Busan Bank

BNK Financial Group is actively supporting employment activities for middle-aged workers in the Busan region through its 'Busan 50+ Job Support' program. This program encourages job creation by subsidizing a portion of wages for companies newly employing middle-aged workers, thereby contributing to the establishment of a sustainable job ecosystem. The impact of these efforts is quantitatively measured as a performance outcome.



### Measurement Results

#### Measurement Formula

Annual number of seniors transferred to regular employee status (person) × Annual minimum wage (KRW/hour-person) × Annual working hours (hours/year) × Bank's contribution ratio (%)

**KRW 504 million**

#### Data sources

1) Contribution ratio: The proportion of the Bank's support out of overall business expenses

## Major measurement cases of Social Area 5

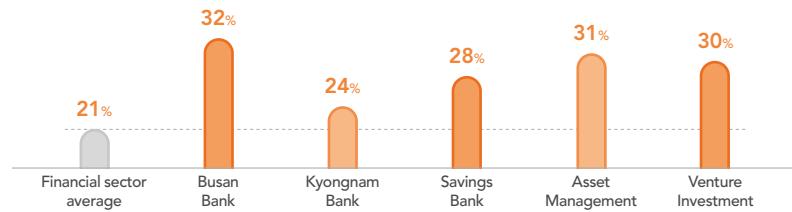
# Support for Enhancing Female Leadership

S – Employee diversity

Corporate-wide

BNK Financial Group offers a systematic competency development program to foster the growth and leadership of female talent. Through this initiative, the Group gradually increases the proportion of female managers and enhances diversity and inclusion within the organization. Female managers develop professionalism and confidence as leaders in society, experiencing tangible outcomes such as career development and network expansion. The realization of female leadership is measured by the wage increases of female managers compared to non-managerial positions.

### The proportion of female managers in 2024



\* Female managers refers to women in managerial positions at level 4 or above and the performance was measured only when the ratio of female managers within a group company exceeded the industry average for the financial sector.

### Measurement Results

#### Measurement Formula

(BNK Financial Group's proportion of female managers (%) – Average ratio of female managers in the financial sector (%)) x Number of manager in BNK Financial Group (Person) x (Median wage of managers – Median wage of general staff in the financial and insurance industry (KRW))

**46.3**  
KRW billion

#### Data sources

- 1) Average proportion of female manager in the financial sector: 2024 Basic statistics and supply and demand outlook for financial workforce (Financial Workforce Network center)
- 2) Median wage of managers/general staff in the finance and insurance sector: Yonhap News(2016), Calculated by multiplying the ratio of wage increases

## Major measurement cases of Social Area 6

# Support for Startups

S – Revitalizing local economy

Busan Bank | Kyongnam Bank

BNK Financial Group has supported aspiring entrepreneurs and early-stage startups through mentoring, consulting, provision of office space, and investment connections to foster their tangible growth. The beneficiary companies have strengthened their management capabilities, refined their business models, and achieved concrete results such as attracting investments and expanding sales channels. Through these support activities, BNK Financial Group has contributed to revitalizing the regional startup ecosystem, and the value of the infrastructure and professional advisory services provided is measured as performance outcomes.

Program	Companies supported in 2024	Support provided	Main Performance
Startup Matching Incubator	10 (Cumulative total: 113)	<ul style="list-style-type: none"> <li>• Mentoring</li> <li>• Corporate assessment/consulting</li> <li>• Office space free of charge</li> </ul>	Secured cumulative investments totaling KRW 13.1 billion; Selected for TIPS*
CHAIN-G Incubator	17 (First group in 2024)	<ul style="list-style-type: none"> <li>• Meet up with investors</li> <li>• Expanded networks</li> <li>• Hold mock-up demonstration day</li> </ul>	Total sales of KRW 36.2 billion; Secured investment of KRW 4 billion; Selected for TIPS

\* TIPS, Program led by the Ministry of SMEs and Startups to support startups  
\*\* Amount attracted during the period of Support(2024)

### Measurement Results

#### Measurement Formula

(Number of mentoring sessions supported (number) x Comparable market price (KRW/number)) + (Number of BM diagnosis and consulting sessions provided (number) x Comparable market price (KRW/number)) + (Leased space area (m<sup>2</sup>) x Lease period (months) x Comparable accommodation cost (KRW/m<sup>2</sup>-month))

**290**  
KRW million

#### Data sources

- 1) Mentoring Market Price: Participation fees for mentoring programs at university startup support centers
- 2) Consulting Market Price: Fees for private business model consulting services
- 3) Space Provision: Area and average rental rates of comparable office spaces in Busan and Gyeongnam regions

- Environmental (E) area
- Social (S) area
- Economic (E) area

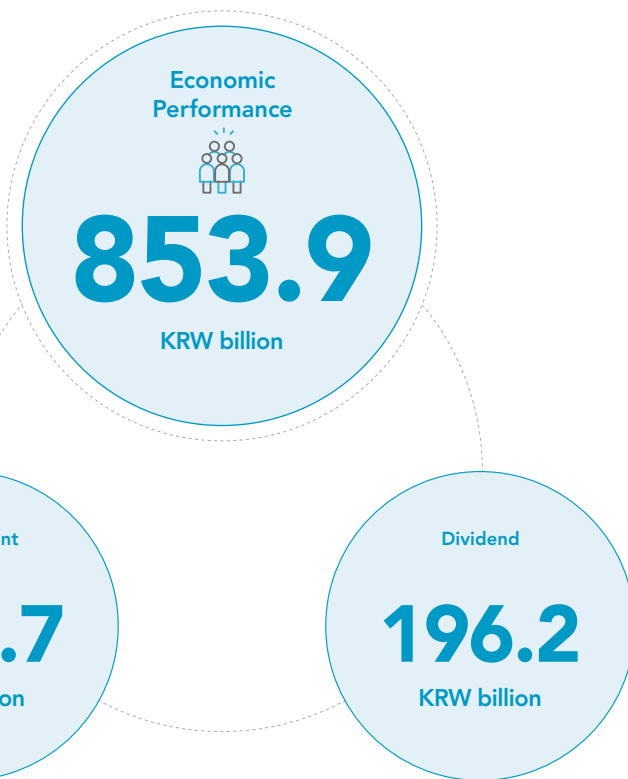
# BNK Social Value Measurement Results

## Results and Examples of Each Area

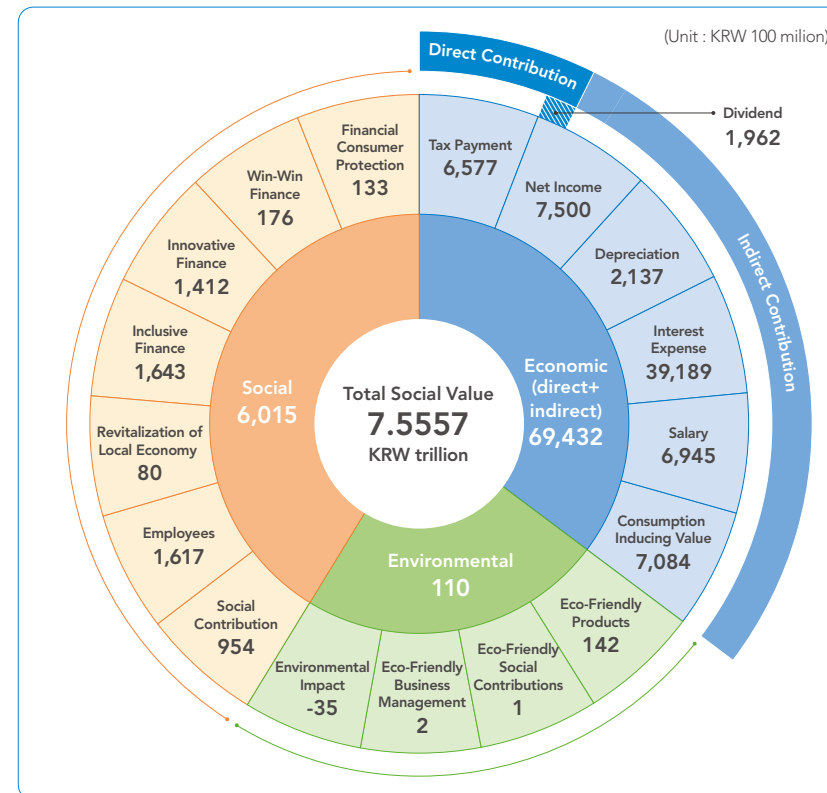
### • Economic



BNK Financial Group created KRW 853.9 billion in social value within the economic domain. As a responsible corporate citizen, the Group fully fulfilled its tax obligations by paying KRW 657.7 billion in taxes in 2024 and distributed KRW 196.2 billion in dividends to shareholders.



Reference. 2024 Social Value Measurement Results (Including Indirect Economic Contributions)



\* In addition to direct contributions through tax payments and dividends, BNK Financial Group creates positive value for the regional and national economy. The Group makes direct economic contributions through transparent and sincere tax payments and indirectly contributes to the local community and national economy through employee consumption and interest payments. In 2024, BNK Financial Group's total direct and indirect economic contributions amounted to KRW 69,432 trillion. Detailed contributions include KRW 708.4 billion in consumption-induced value, KRW 750 billion in profit, KRW 213.7 billion in depreciation, KRW 694.5 billion in salaries, KRW 3.9189 trillion in interest expenses, KRW 196.2 billion in dividends, and KRW 657.7 billion in taxes. Including all direct and indirect economic contributions, the total social value created by BNK Financial Group in 2024 was calculated to be approximately KRW 7.5557 trillion.

- Environmental (E) area
- Social (S) area
- Economic (E) area

# BNK SOCIAL VALUE MEASUREMENT STRATEGY

BNK Social Value Measurement  
Overview

BNK Social Value Measurement  
System

BNK Social Value Measurement  
Results

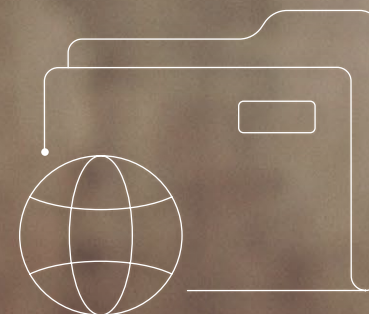
BNK Social Value Measurement  
Strategy

Measurement Management and  
Advancement Strategy  
Review Statement on Social Value  
Measurement

Appendix

Measurement Management and  
Advancement Strategy 20

Review Statement on  
Social Value Measurement 21



# BNK Social Value Measurement Strategy

## Measurement Management and Advancement Strategy

Since 2022, BNK Financial Group has implemented social value measurement to monetize corporate social responsibility, thereby strengthening transparent communication with stakeholders based on this foundation. Moving forward, the Group will continuously advance the sophistication of the measurement framework, integrate it with ESG strategies, internalize it across the organization, and enhance the efficiency and effectiveness of social value creation through rigorous analysis of resource inputs versus outcomes.

### • Advancement of measurement system •

Since BNK Financial Group first introduced social value measurement in 2022, enhancing the reliability and objectivity of the measurement methodology has been our top priority, with continuous efforts to advance and refine the system. Moving forward, we will maintain this commitment and systematically improve our measurement indicators and methodologies across the board. In particular, while adhering to a conservative approach, we will actively study and analyze global trends and exemplary domestic and international practices in social value measurement to ensure that the measurement framework appropriately reflects the latest developments and best practices. Through these efforts, BNK Financial Group's social value measurement will evolve into a trustworthy performance management tool that embodies both quantitative rigor and legitimacy.

### • Internalization of social value •

BNK Financial Group recognizes social value creation as a core element of sustainable management and will embed it throughout the Group's strategy and operations. The Group will enhance internal systems to ensure that all activities generating social value are naturally integrated into decision-making and execution processes. In particular, the Group will strengthen practical guidelines to incorporate consideration of social performance from the business planning stage and apply quantitative indicators and monetization methods to clearly measure the level of social contribution for key business initiatives. Social value will be organically integrated into organizational management activities as the Group faithfully fulfill its role as a responsible financial institution.

### • Measurement aligned with ESG strategies •

BNK Financial Group will continue to identify new business opportunities based on its ESG strategy while progressively expanding the scope of social value measurement. This approach aims to clearly recognize the social value created in connection with the ESG strategy and to systematically measure and manage its extent. The measurement results will be utilized to quantify and articulate the performance of the Group's key ESG issues and strategic initiatives. Through this, the Group can transparently communicate to external stakeholders the level of its corporate social responsibility fulfillment and the tangible outcomes of its management activities.

### • Increased efficiency of social value creation •

Corporate management activities rely on the utilization of a company's resources, including financial and human capital, making the assurance of efficiency and effectiveness critically important in execution. BNK Financial Group intends to analyze measurement results through multifaceted reviews, including stakeholder-specific performance, performance analysis against budget and personnel inputs, and comparative assessments across different domains and business units. The analysis results will be leveraged to enhance the effectiveness of BNK Financial Group's social value creation and to facilitate the efficient reallocation of resources, thereby establishing a sustainable social value creation framework for the long term.

# BNK Social Value Measurement Strategy

## Review Statement on Social Value Measurement

This report has been reviewed by the Center for Global ESG and Business Ethics at Yonsei School of Business.



연세대학교  
YONSEI UNIVERSITY

YSB Center for Global  
ESG and Business Ethics

### • Scope and Overview of the Review •

This review statement covers whether BNK Financial Group's Social Value Measurement Report aligns with the Group's strategy, whether its social value measurement methodology is consistent with the measurement principles established in advance, and whether the data and proxy indicators employed by the Group accord with generally accepted practices. This review also offers recommendations to support the continued enhancement of the social value measurement methodology in areas with potential for further development. It does not extend to verifying the numerical accuracy of the monetary estimates in the report or to assessing compliance with accounting standards. Rather, it assumes the report was prepared as a management tool to embed ESG performance into sustainable business practices. The monetary values of measured social value are, in many cases, estimated and assessed based on reasonable assumptions and proxy indicators, and therefore cannot be directly compared with monetary figures reported in financial statements such as financial position, operating performance, or cash flows.

### • Key Review Findings and Plans for Future Integration •

	Review Findings	Planned Actions
Overall Performance	BNK Financial Group has made notable progress by linking its social value measurement framework with its management vision (VISION 2030) and mid- to long-term strategy (2024–2026). The development of its own framework, reinforced by annual refinements, demonstrates a strong commitment to advancing ESG performance. The five guiding principles—outcome orientation, conservatism, standardization, balance, and annual measurement—further highlight efforts to ensure reliability and consistency. The framework already shows a high degree of alignment with strategic priorities. Looking ahead, there are opportunities to enhance data collection, expand the scope of measurement, and clarify certain criteria. By incorporating long-term and indirect outcomes, more refined contribution rates, and a more systematized model, the Group is well-positioned to further strengthen future results.	This year, the Group enhanced its measurement framework and refined its performance management system. Building on this progress, it will further strengthen measurement criteria and data to ensure transparent, credible communication with external stakeholders.
Environmental Dimension	The Group continues to strengthen the reliability of its measurements by applying standardized proxy indicators and external statistics. Collaborative projects with diverse partners are already yielding meaningful results and are expected to evolve to capture the Group's contributions more precisely. Noting data limitations in some environmental indicators, alongside future plans for improvement, will enhance stakeholder understanding and strengthen credibility.	The Group will further strengthen data management capabilities across all operations and advance our measurement methodology to deliver more accurate and reliable impact measurement.
Social Dimension	The Group's new initiatives, including the local currency platform and priority purchasing from social enterprises, have been measured with consistency and reliability. Building on this strong foundation, the Group is well positioned to strengthen its framework through clearer beneficiary definitions, refined objectives and performance structures, and expanded outcome and impact measurement.	The Group will create lasting social value by clearly defining stakeholders and benefits, and managing impacts for each group.
Economic Dimension	The Group ensures reliability by measuring social value through quantifiable areas such as taxes and dividends. Looking ahead, clarifying stakeholder groups and adding broader indicators—including non-financial aspects like ethical management and anti-corruption—will further strengthen the framework.	The Group will ensure reliable measurement through using objective indicators and broaden assessments to reflect global trends and stakeholder interests.
Additional Recommendations	The current framework already monetizes outcomes and impacts effectively, providing a strong foundation. Incorporating SROI can further support a more balanced view of efficiency and effectiveness, and initiating performance management at the planning stage will embed social value throughout the entire process, beyond post-evaluation.	The Group will expand social value by integrating performance management into strategy and ensure objectivity and efficient resource use through multi-dimensional analysis.

# Appendix \_Full List of Metrics [Environmental]

Classifications	Metrics	Descriptions (Activity Details)	Subsidiaries subject to measurement in 2024
Environmental Impact	Greenhouse Gas Emission	Environmental impact from annual greenhouse gas emissions	Corporate-wide
	Energy Use	Environmental impact from annual energy use (Scope 2)	Corporate-wide
	Water Consumption	Environmental impact from annual water consumption	Corporate-wide
	Waste Discharge	Environmental impact from annual waste discharge	Corporate-wide
Eco-Friendly Business Management	Reduction of Greenhouse Gas Emission	Reduce Environmental impact from reduction of greenhouse gas emission compared to the previous year	Corporate-wide
	Reduction of Energy	Reduce Environmental impact from reduction of energy use (Scope 2) compared to the previous year	Corporate-wide
	Digital Conversion	Set up meetings based on electronic documents and realization of digitalized documentations and banknotes (Less use of paper)	Corporate-wide
	Eco-Friendly Vehicle	Reduce of environmental impact through introducing (conversing) business vehicles with low/zero air pollution	Financial Group, Busan Bank, Kyongnam Bank, Capital, Savings Bank, Venture Capital, System
	Eco-Friendly Transportation	Participate in Eco-Friendly logistic service through 'Go Green Plus' Program	Busan Bank, Kyongnam Bank
	Development of Solar Energy	Reduce environmental impact through solar energy development facilities	Busan Bank
	Replacement of LED Lighting	Reduce environmental impact through Replacement of LED Lighting of buildings	Kyongnam Bank, Asset Management
	Green Culture Establishment	Reduce environmental impact by encouraging employees to use fewer disposables	Asset Management
Eco-Friendly Social Contribution	Planting Trees	Performance achieved by improving air quality through planting trees and creating forest/eco-park (CO <sub>2</sub> absorption and O <sub>2</sub> Production)	Busan Bank, Kyongnam Bank
	Support for Fine Dust Suction Vehicle	Reduce environmental impact through supporting fine dust suction vehicles	Busan Bank
	Plogging	Reduce environmental impact through employees' participation in plogging activity	Busan Bank, Kyongnam Bank, Capital
	ESG Center in the Region	Reduce environmental impact through recycling of plastic wastes, creating senior employment and providing eco-friendly education	Busan Bank
	Recycling of Electric Devices	Reduce environmental impact through employees' donation of used electric devices	Kyongnam Bank, System
	Purchase of Green Products	Reduce environmental impact by purchasing green products (Purchase Eco-friendly free gifts)	Busan Bank
Eco-Friendly Card	Green Reward Card	Reduce environmental impact through issuance of eco-friendly material card	Busan Bank
	Issuance of Eco Points	Less environmental impact through accumulation of green card mileage	Busan Bank, Kyongnam Bank
Eco-Friendly Personal Finance	Eco-Friendly Personal Loan	Emit less greenhouse gases through loan products for the purchase of environmentally-friendly vehicles (Auto Finance)	Capital
	Eco-Friendly Personal Deposit	Reduce environmental impact by providing the preferred interest rates according to eco-friendly activities	Busan Bank, Kyongnam Bank
	Eco-Friendly Corporate Loan	Contribute to reduction of environmental impact according to energy saving facilities and energy saving practices (Different details depending on products)	Busan Bank, Kyongnam Bank
Eco-Friendly Investment	Green Investment	Reduce environmental impact through the eco-friendly SOC compared to the existing SOC	Busan Bank, Kyongnam Bank

**BNK Social Value Measurement Overview**

**BNK Social Value Measurement System**

**BNK Social Value Measurement Results**

**BNK Social Value Measurement Strategy**

**Appendix**

**Full List of Metrics [Environmental]**

Full List of Metrics [Social]

## Appendix \_Full List of Metrics [Social]

Classifications	Metrics	Descriptions (Activity Details)	Subsidiaries subject to measurement in 2024
Financial Consumer Protection	Consumer Financial Education	Provide financial education for financial consumers	Busan Bank, Kyongnam Bank
	Penalties for Mis-selling	Customer's financial damages due to mis-selling (Minus performance)	Corporate-wide
	Prevention of Electronic Financial Fraud	Amount of customer's financial assets prevented from Electronic Financial Fraud	Busan Bank, Kyongnam Bank
	Prevention of Telecommunications Fraud	Amount of customer's financial assets prevented from Telecommunications Fraud	Busan Bank, Kyongnam Bank, Savings Bank
	Activities for Financial Fraud Prevention	Prevent and lower damages by providing a campaign for financial fraud prevention and support for the victims	Busan Bank, Kyongnam Bank
Social Contribution	Donation for Social Contribution	Donations as part of social contribution (Donation)	Corporate-wide
	Employees' Volunteer Work	Employees participate in volunteer work	Corporate-wide
Win-Win Finance	Win-win Installment Savings for Local Community	Provide the preferential interest rate for installment savings products as part of win-win plans with the local community	Busan Bank, Kyongnam Bank
	Win-win Deposit for Local Community	Provide the preferential interest rate for deposit products as part of win-win plans with the local community	Busan Bank, Kyongnam Bank
	Win-win loan for Local Community	Provide the preferential interest rate for loan products as part of win-win plans with the local community	Busan Bank, Kyongnam Bank
	Support for Win-win Card	Money spent through win-win card partially delivered as donations	Busan Bank
	Consulting for Small Business Owners	Provide consulting services for small business enterprises	Busan Bank, Kyongnam Bank, Savings Bank
Improvement of Working Conditions	Fringe Benefits	Fringe benefits provided for employees	Corporate-wide
	Work and Life balance	Support work and life balance for employees with systems such as Maternity Leave, Family Care Leave, and In-house Childcare Center operation	Corporate-wide
Workforce Diversity	Proportion of Female Managers	Performance of improved diversity and inclusiveness by increasing the proportion of female managers	Corporate-wide
	Conversion to Regular Worker	Enhance job security by converting the irregular position to the regular position	Corporate-wide
	Hiring the Physically Challenged	Increase in wage and salary income by hiring the physically challenged	Corporate-wide
Capability Development	Employee Education	Education cost provided for employees	Corporate-wide
	Employees' Certificate	Certificate cost provided for employees	Corporate-wide
Revitalization of Local Economy	ESG Education for SMEs	Provide education for SMEs in the Southeastern region to nurture ESG talents	Financial Group
	Support Startups	Support the startup incubating program	Busan Bank, Kyongnam Bank
	Preferential Purchase for Social Enterprises	Increase in revenues by purchasing products from social enterprises and companies owned by the physically challenged	Busan Bank
	Idea Contest for ESG	Raise awareness of ESG and expand ESG practices for local citizens through Idea Contest for ESG	Financial Group

## Appendix \_Full List of Metrics [Social]

Classifications	Metrics	Descriptions (Activity Details)	Subsidiaries subject to measurement in 2024
Inclusive Finance	Debt Relief for the Vulnerable	Increase financial access through debt relief for the vulnerable	Busan Bank, Kyongnam Bank, Capital, Savings Bank
	Cashback for Interest	Provide preferential interest rates for loan products for the financially vulnerable	Busan Bank, Kyongnam Bank
	Acceptance to Request for Lower Interest Rate	Ease burden of household loans through acceptance to request for lower interest rate	Busan Bank, Kyongnam Bank
	Online service for the Financially Marginalized	Provide financial access and convenience for the financially marginalized by providing online service	Busan Bank, Kyongnam Bank
	Installment Savings for the Financially Vulnerable	Provide preferential interest rates for installment savings products for the financially vulnerable	Busan Bank, Kyongnam Bank
	Deposits for the Financially Vulnerable	Provide preferential interest rates for deposit products for the financially vulnerable	Busan Bank, Kyongnam Bank
	Loans for the Financially Vulnerable	Provide preferential interest rates for loan products for the financially vulnerable	Busan Bank, Kyongnam Bank, Savings Bank
	Mobile Branches	Increase financial access through mobile branch operation	Busan Bank, Kyongnam Bank
	Waiver of Foreign Remittance Fees	Increase financial access through waiver of foreign remittance fees	Busan Bank, Kyongnam Bank
	Publicly Supported Private Rental Housing Development Project	Save housing costs for the vulnerable groups through Publicly Supported Private Rental Housing Development Project in Anmin-dong, Changwon	Busan Bank
Innovative Finance	Loans for Innovative SMEs	Provide preferential interest rates for loan products for innovative SMEs	Busan Bank, Kyongnam Bank
	Loans for Innovative Social Enterprises	Provide preferential interest rates for Loan products for innovative social enterprises	Busan Bank, Kyongnam Bank

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**Appendix**

[Full List of Metrics \[Environmental\]](#)

**[Full List of Metrics \[Social\]](#)**

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, followed by "Financial Group" in a smaller, black, sans-serif font.

**BNK** Financial Group