

**BNK Financial Group**  
**2025.3Q Business Results**  
**Earnings Call**  
**October 31, 2025**

Good morning.

I am Jaejung Kwon, CFO of BNK Financial Group.

Thank you for joining today's earnings call.

Let me explain the key points of BNK Financial Group's third-quarter results for 2025.

On page 3, please refer to the Group's earnings performance.

For the third quarter of 2025, net income attributable to controlling interests was KRW 294.2 billion, down KRW 15.0 billion, or 4.9% QoQ.

Although net income slightly declined due to a base effect from one-off gains (KRW 54.0 billion after tax) related to real estate sales in the previous quarter, both interest income and non-interest income increased, and credit costs decreased.

Cumulative net income for the first three quarters reached KRW 770.0 billion, up KRW 64.9 billion, or 9.2% YoY.

Next, let me discuss the performance by segment.

Net interest income declined by KRW 43.8 billion, or 2.0% YoY. While the volume of interest-earning assets increased by KRW 3.5 trillion, margins contracted due to lower lending–deposit spreads.

However, excluding the KRW 47.8 billion deduction in net interest income attributable to non-controlling interests related to the Gangnam Fund sale in the second quarter, recurring net interest income actually increased slightly.

Net fee income decreased by KRW 37.5 billion YoY, mainly due to lower real estate PF loan related fees, while other income increased by KRW 96.3 billion YoY, driven by gains related to securities and NPL sales.

Moving on to costs,

SG&A increased by KRW 21.4 billion, or 1.9% YoY, primarily due to higher personnel expenses.

Provision expenses decreased slightly by KRW 1.0 billion, or 0.2% YoY, mainly reflecting reversal of the loan loss reserves from the disposal of collateral from charged-off loans.

We expect our ongoing efforts to improve asset quality to lead to a gradual stabilization in credit costs going forward.

Next, on page 4, let me explain the Group's NIM and KRW loan growth.

The Group's NIM for the third quarter was 2.03%, down 5 bps QoQ, mainly due to a narrowing of the lending–deposit spread and the absence of one-off factors from Busan Bank seen in the previous quarter.(Excluding one-offs, the decline was around 2bp.)

Busan Bank's NIM recorded 1.83%, down 7bp QoQ, and Kyongnam Bank's NIM recorded 1.77%, down 3bp QoQ.

Throughout this year, we will continue to reduce funding costs by expanding our low-cost deposit base, while pursuing asset growth focused on profitability to improve our margins.

Group's KRW loans grew 2.8% YTD. Busan Bank's loans grew 2.4%, and Kyongnam Bank's loans grew 3.4%.

On page 5, moving on to asset quality.

The Group's NPL ratio stood at 1.46%, improving by 16 bps QoQ, and the delinquency ratio was 1.34%, improving by 5 bps.

The credit cost ratio (CCR) was 0.63%, down 3 bps YoY, mainly due to lower provisioning for PF loans and recoveries of written-off loans.

Although the overall economic slowdown has led to some deterioration in the asset quality of key borrowers, creating challenges in credit cost management, we will continue to improve our asset quality indicators through disciplined growth and thorough post-loan management.

Next, on page 6, let me explain our capital adequacy.

The Group's CET1 ratio stood at 12.59%, up 3 bps QoQ. Despite increases in RWA due to loan growth and expanded shareholder returns through quarterly dividends and additional share buybacks, the ratio improved slightly.

As CET1 ratio is a key foundation for the Group's sustainable growth, shareholder return expansion, and regulatory change readiness, we will continue to make every effort to strengthen our capital base.

Next, let me discuss our shareholder return policy.

Yesterday, the Board of Directors resolved to pay a quarterly dividend for the third quarter. The DPS is KRW 120, and the record date is Friday, November 14.

The KRW 60 billion share repurchase program for the second half has been fully completed, and all repurchased shares will be retired in full.

Going forward, we will continue to enhance total shareholder return, pursue stable dividend growth, and actively conduct share buybacks when the stock remains undervalued, faithfully implementing our shareholder return policy.

Since the second quarter, as credit costs have stabilized, our performance has been gradually improving. Although we cannot yet be fully assured about asset quality, we will continue to prioritize the recovery of asset quality and improvement of earnings. Meanwhile, we will be striving to enhance our loan portfolio structure and productivity to earn the sustained trust of the market.

That concludes my presentation.

Thank you.