# Hana Financial Group
# 2026 Value-up Plan

2026.07

Hana Financial Group

# Accelerating corporate value enhancement through differentiated profitability and predictable shareholder returns

## ROE

**12%**

↑

Achieve 10% or higher

### Action plans

- Strengthen the Bank's competitive advantages
- Improve profitability in the non-bank businesses
- Secure future growth engines

## Shareholder return ratio

**50% or higher**

↑

A phased increase up to 50%

### Action plans

- Introduce a shareholder return framework of $1-(\frac{\text{RWA growth}}{\text{ROE}})$
- Become Korea's leading dividend stock through higher dividends

## CET1 ratio

**13% or higher**

↑

A Target range of 13.0 – 13.5%

### Action plan

- Further strengthen disciplined Group-wide RWA management

※ These targets are subject to change due to applicable laws and regulations, regulatory requirements, significant changes in the operating environment, or other business considerations. Should any revisions become necessary, the Group will communicate them to the market in a timely and transparent manner.

* ROE: Return on Equity, RWA: Risk-Weighted Assets, CET1 Ratio: Common Equity Tier 1 Ratio

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# Unwavering execution of the Value-up Plan

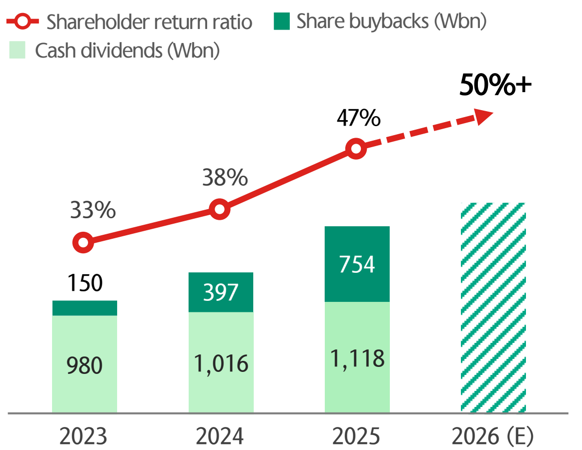
- Shareholder return ratio rose 9%p YoY to 47% in 2025, bringing the **50% target within reach ahead of schedule**
- The CET1 ratio has been **maintained consistently** within the 13.0-13.5% target range **each quarter** since the announcement of the Value Up Plan in October 2024
- **Group ROE continued to improve,** supported by strong earnings growth, including record annual net income exceeding KRW 4 trillion for the first time since the Group's establishment in 2025

**Goal 01** By 2027, a phased increase of **Shareholder return ratio 50%**

**Goal 02** Management within the target range for **CET1 ratio 13.0 – 13.5%**

**Goal 03** Achieve at least **ROE 10%**

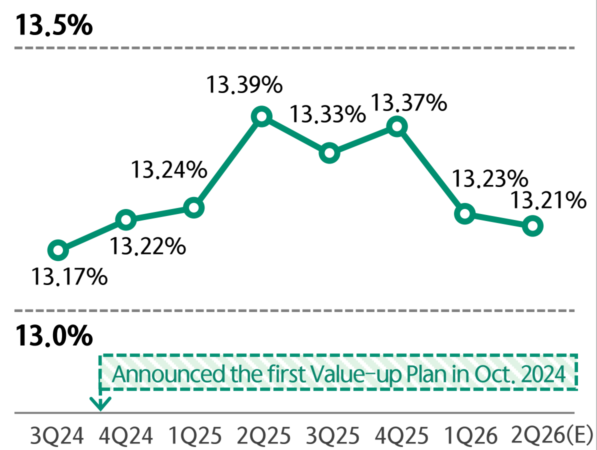
## Group's shareholder return ratio




- Increased shareholder return ratio through expanding the proportion of share buyback and cancellation

**Early achievement of the 50% target within reach**

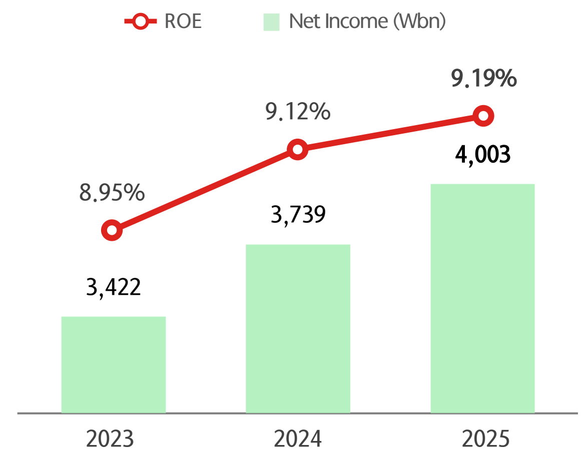
## Group's CET1 ratio




- CET1 ratio maintained within the target range despite heightened domestic and global political and geopolitical uncertainties

**Demonstrated resilient capital management capabilities**

## Group's net income and ROE




- Higher net income and ROE supported by stronger recurring earnings generation and disciplined cost management

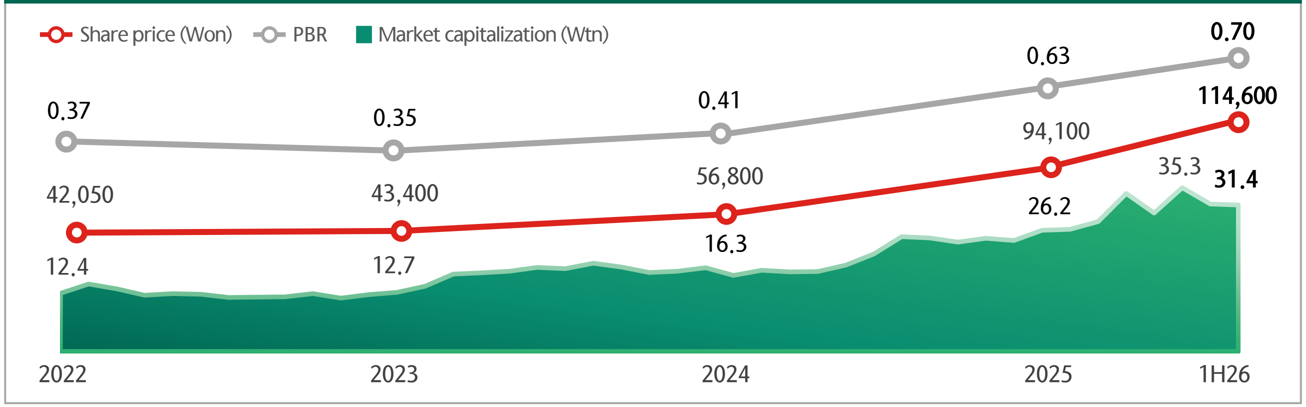
**Progressive improvement in ROE**

# Progress and achievements

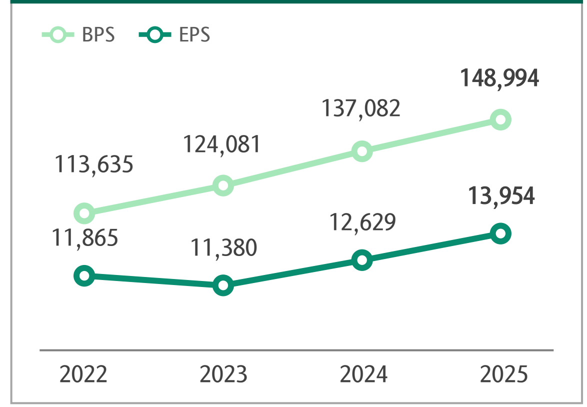
## Tangible results from Value-up initiatives

- PBR improved significantly from 0.35x in 2023 to 0.70x as of the end of June, 2026, reflecting a **meaningful re-rating**
- **Per share metrics**, such as BPS and EPS, **continued to increase**, supported by stronger earnings and expanded share buybacks and cancellations
- Clear targets and disciplined execution have earned broad external recognition, **reinforcing market confidence** in the Group's Value Up achievements

### Group's share prices, PBR and market capitalization




### BPS and EPS




### Timeline for Value-up efforts

**Feb. 2023**
Announced Group capital management and shareholder return policies

**Oct. 2024**
Announced the Value-up Plan

**Feb. 2025**
Enhanced dividend predictability and stability
- Equal quarterly dividends
- Fixed total annual dividend

**Jul. 2025**
Announced progress report for the Value-up Plan

**Jan. 2026**
Implementation of separate taxation on dividend income
- Applicable to dividends paid from 2026 onward

**Mar. 2026**
Establishing the base for tax-exempt dividends
- Passed a resolution to reduce capital reserves by 7.4 Wtn at the General Shareholders' Meeting
- Applicable to dividends paid from 2027 onward

**Jul. 2026**
Announced the Value-up Plan 2.0

### Awards and recognitions

**Nov. 2024** — 1st Korea Value-up Awards, Grand Prize
*Host: MoneyToday

**Sep. 2025** — 2025 Korea IR Awards, Excellent Award
*Host: Korea Investor Relations Service (KIRS)

**Nov. 2025** — Outstanding Company for Shareholder Value Innovation
*Host: The Chosun Ilbo

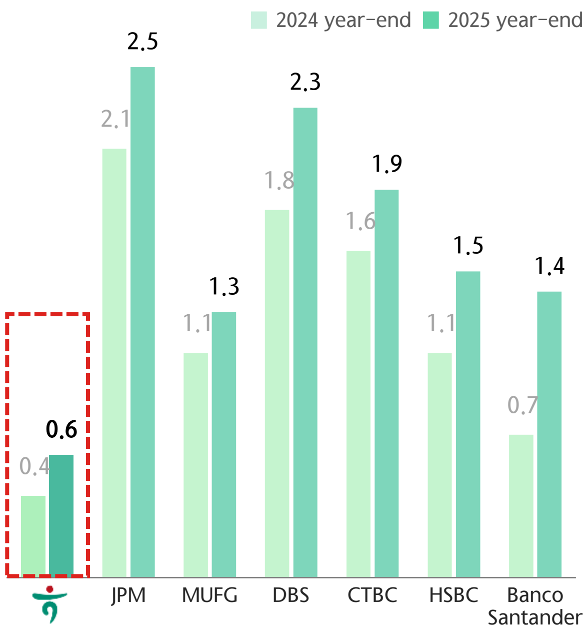
**Mar. 2026** — 2025 Best Disclosure Award
*Host: Korea Exchange (KRX)

* PBR: Price-to-Book Ratio, BPS: Book Value per Share, EPS: Earnings per Share

# Further valuation upside identified through global peer analysis

- The Group's PBR has improved as a result of its Value Up initiatives; however, the **valuation gap remains** as global peers have also seen higher PBRs
- A comparison with global peers shows that higher ROE and higher shareholder return ratios—two key metrics under the Value-up Plan—are each associated with higher PBRs
- Continued improvement in ROE and expansion of shareholder returns could support further **share price re-rating** and valuation upside

## Global peer PBR analysis




- While the Group's PBR has improved through disciplined execution of its Value Up Plan, further efforts are needed to narrow the valuation gap as global peers have also experienced PBR expansion

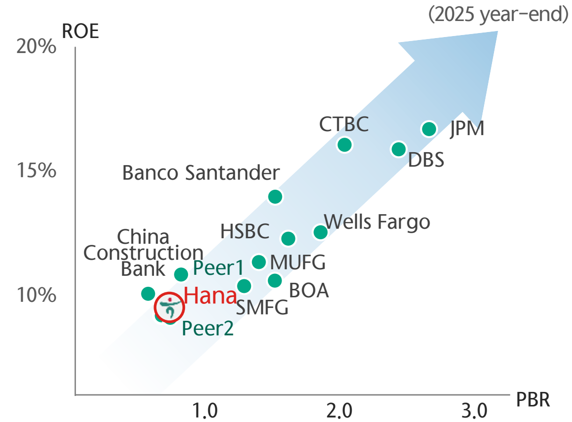
## Key metrics for PBR improvement

PBR = ROE × PER ------> Shareholder return ratio

ROE is the key driver of PBR expansion

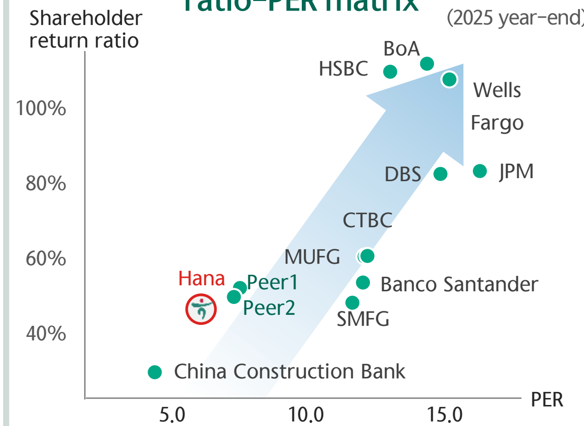
Higher shareholder returns support a structural re-rating of PER

### Global peer ROE-PBR matrix




- Among global peers, most companies with a PBR above 1.0x deliver ROE of 10% or higher, with higher ROE generally associated with higher PBR

### Global peer shareholder return ratio-PER matrix




- Analysis of global peers indicates that higher shareholder return ratios are associated with higher PER, supporting PBR improvement

Source: Bloomberg, company disclosures

**Further valuation upside through higher ROE and expanded shareholder returns**

# Refining targets to accelerate value enhancement

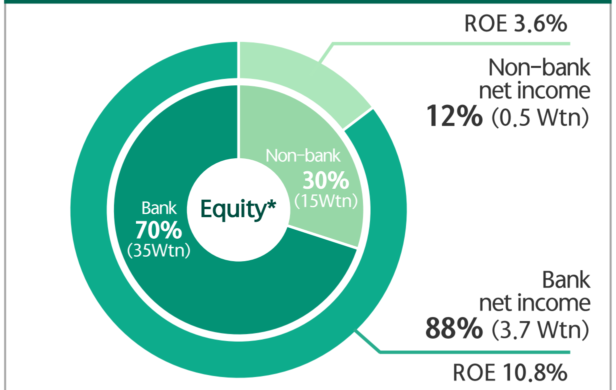
- Following a comprehensive review, the Group has refined its targets while maintaining three key indicators: shareholder return ratio, CET1 ratio and ROE
- To support sustainable value creation, **ROE has been established as the Group's top priority indicator**, with the target raised from 10% to **12%** to better reflect the Group's fundamentals and earnings capacity
- The Group introduces a shareholder return framework linked to ROE and RWA growth, **enhancing the predictability** of shareholder returns
- The CET1 ratio target has been revised to maintain a level above 13.0%, with capital in excess of 13.0% to be returned to shareholders in accordance with the shareholder return framework

| Key indicators | Original target | Revised target | Action plans |
|---|---|---|---|
| ROE | Achieve 10% or higher | 12% | • Strengthen the Bank's competitive advantages<br>• Improve profitability in the non-bank businesses<br>• Secure future growth engines |
| Shareholder return ratio | Phased increase up to 50% by 2027 | 50% or higher | • Introduce a shareholder return framework linked to ROE and RWA growth<br>$1 - \left(\frac{\text{RWA growth}}{\text{ROE}}\right)$<br>– Shareholder returns increase as ROE improves<br>• Become Korea's leading dividend stock through expanding cash dividends |
| CET1 ratio | Management at 13.0–13.5% target range | 13% or higher | • Further strengthen disciplined Group-wide RWA management |

# Achieve 12% ROE through stronger Bank competitiveness and non-bank profitability

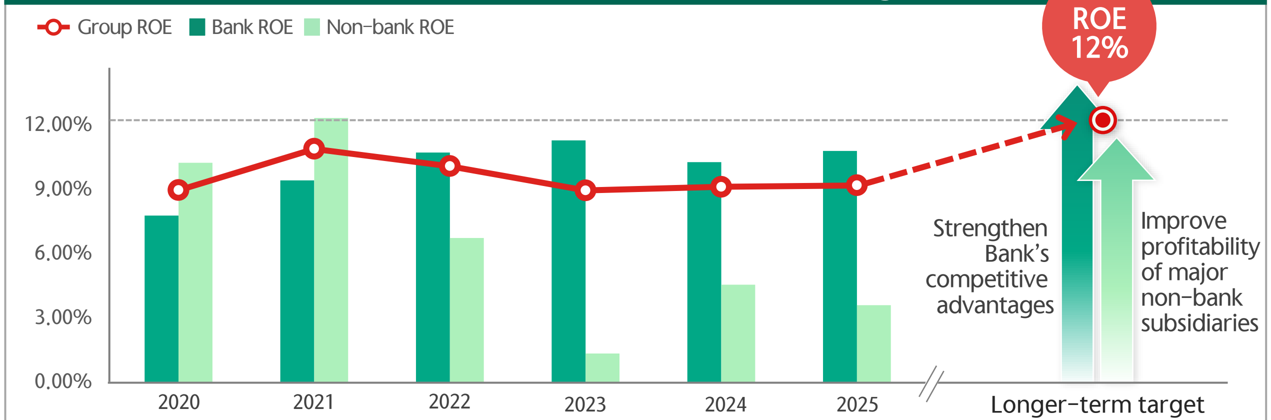
- Hana Bank, one of the industry's most profitable banks, generates approximately 88% of the Group's net income while accounting for around 70% of Group equity, serving as the Group's primary earnings engine
- Further strengthening Bank's competitive advantages, together with improved non-bank profitability, provides a clear path to achieving Group ROE of 12%
- Hana Bank will widen its competitive edge in WM, retirement pensions, trust, FX and AI-driven productivity, while non-bank subsidiaries will enhance profitability by reinforcing their core businesses, collectively driving improvement in the Group's ROE

## Bank and non-bank equity and net income




*Aggregate 2025 figures on a consolidated basis (excluding consolidation adjustments)

## Bank and non-bank ROE trend and target




## Strengthening Bank's competitive advantages

### WM
- **Further strengthen market leadership in WM** by enhancing services for high-net-worth customers, including family office, inheritance, estate planning and business succession, leveraging the industry's leading PB network

### Retirement pensions
- Expand retirement pension assets through stronger corporate-PB collaboration, **superior pension management** and tailored services for affluent clients

### Trust
- Respond to demographic and asset trends by developing differentiated trust products, including living trusts and gold trusts, while **creating synergies with the PB platform**

### FX
- Develop next-generation FX business model and **maximize profitability** by securing first-mover advantage in digital FX trading platforms and establishing blockchain-based cross-border remittance infrastructure utilizing deposit tokens

### AI-driven productivity innovation
- Drive productivity gains by embedding AI across seven core business areas, including credit assessment, WM, product and customer management, and fraud detection.
- **Apply AI** to **corporate credit assessment** and **trade finance reviews** to improve frontline productivity and reduce costs.
- Introduce Hana's AI assistant for **customer service** to enhance service quality and operational efficiency.

## Improve profitability of major non-bank subsidiaries

### Hana Securities
- Enhance WM through UHNW-focused Mega Centers and expand the family office business
- Strengthen digital capabilities through MTS enhancement and expand the customer base by promoting the Integrated Omnibus Account for foreign investors
- Strengthen IB competitiveness through the integrated "Hana One IB" platform and expand large-scale IB mandates
- Expand WM, IB and S&T businesses through competitive funding based on promissory note issuance
- Grow long-term investment assets through stronger retirement pension capabilities

### Hana Card
- Expand the customer base through strategic initiatives, such as Travlog and debit card for soldiers
- Strengthen leadership in the corporate card market to increase active customers and spending volume
- Improve marketing efficiency through digital channels and personalized CRM

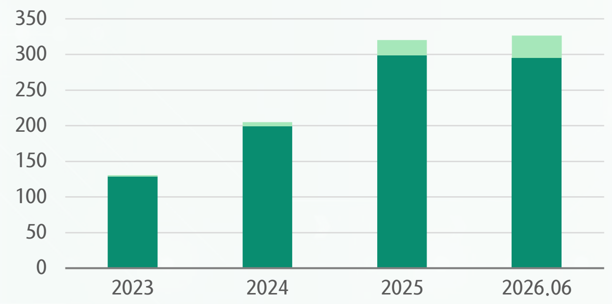
### Hana Capital
- Expand stable earning assets, focusing on auto finance and healthcare finance
- Broaden the corporate customer base through new businesses, including B2B and used-car rental
- Continue portfolio rebalancing toward high-quality assets

* WM: Wealth Management, UHNW: Ultra High Net Worth, MTS: Mobile Trading System, IB: Investment Banking, S&T: Sales & Trading, CRM: Customer Relationship Management

# Institutionalization of digital assets is driving a paradigm shift in global finance

- The digital asset market is expanding rapidly, driven by stablecoins and RWA tokenization. Global financial institutions are **proactively** extending their traditional banking capabilities into digital asset payments, custody and tokenization
- The United States is setting global regulatory standards through digital asset legislation, while Korea is also advancing the **Digital Asset Basic Act** to establish a regulatory framework for digital asset issuance
- Once the regulatory framework is in place, Korea's digital asset ecosystem is expected to expand across issuance, trading, custody, payments and security, making **early strategic positioning** critical to future market leadership
- Against this backdrop, Hana Financial Group will strengthen its strategic partnership with Dunamu, leveraging its core banking strengths to establish a leading position in Korea's digital asset market while diversifying its long-term earnings base

## Stablecoin and RWA tokenization market growth




*Source: RWA.xyz

## Strategic initiatives by global financial institutions

kinexys by J.P.Morgan

J.P. Morgan has established a digital asset infrastructure through Kinexys, its proprietary blockchain platform, supporting deposit tokens, asset tokenization and programmable payments.

Mastercard is integrating stablecoins and blockchain technology into its payment network to enable faster and more efficient cross-border remittances and B2B payments.

## Digital asset regulatory developments

### United States

**GENIUS Act: Stablecoin regulation**

- Establishes regulatory requirements for payment stablecoin issuers, including reserve assets, creditor protections in insolvency and restrictions on interest payments (passed in July 2025).

**CLARITY Act: Digital asset market regulation**

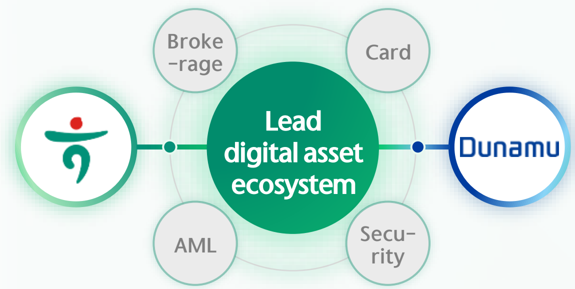
- Defines regulatory classifications for digital assets, including securities, commodities and payment stablecoins, while clarifying regulatory jurisdiction (passed by the House in July 2025 and currently pending in the Senate).

### Korea

**Legislation of Digital Asset Basic Act**

- Legislation is under discussion covering the issuance, circulation and disclosure of KRW-denominated stablecoins and digital tokens, as well as market-wide requirements for internal controls, IT systems and cybersecurity.
- Once enacted, the framework is expected to accelerate institutional participation, attract long-term capital and foster new business models across Korea's digital asset ecosystem.

## Strengthening the strategic partnership with Dunamu to lead digital asset ecosystem

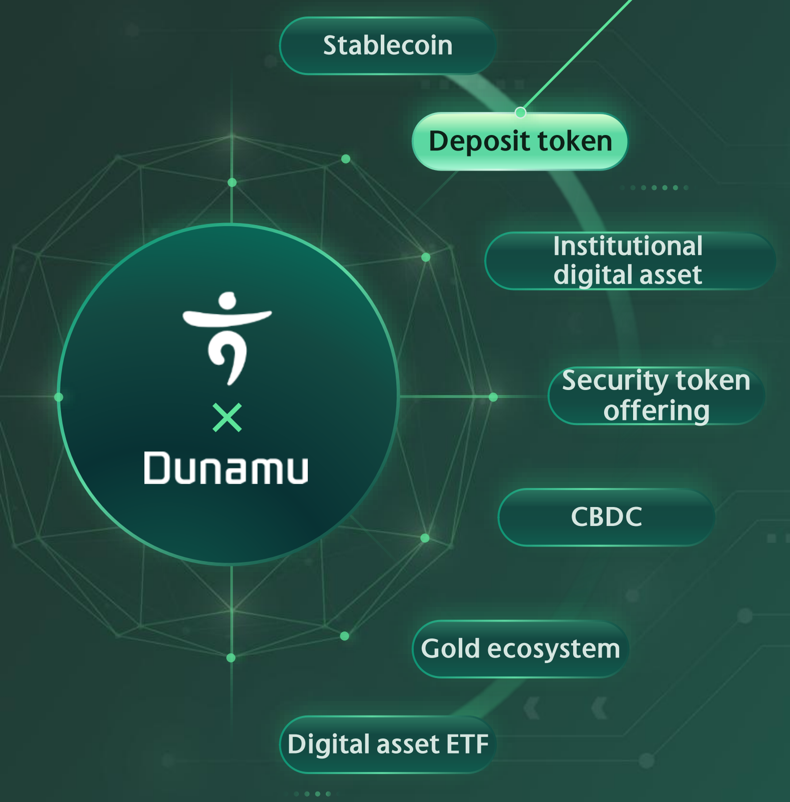



- Founded in 2012, Dunamu is Korea's leading digital asset platform and the operator of Upbit, the country's largest blockchain-based digital asset exchange.
- Hana Bank is the only commercial bank among Dunamu's strategic shareholders. Together, the two companies plan to expand future digital asset businesses, including stablecoins, deposit tokens and corporate digital asset services.
- Hana Financial Group aims to play a leading role in shaping Korea's digital asset ecosystem, securing new long-term growth drivers, diversifying its earnings base and supporting sustainable ROE improvement.

* RWA: Real-World Assets, AML: Anti-Money Laundering

# Securing future growth engines by establishing an early lead in the digital asset ecosystem

- Expand into new digital asset businesses–including stablecoins, deposit tokens, institutional digital assets and security tokens–through the **strategic partnership with Dunamu**
- Combine Hana Financial Group's strengths in traditional finance, such as remittances, payments, FX and corporate banking, with Dunamu's blockchain capabilities to **build an on-chain financial ecosystem** and secure new growth drivers
- The collaboration with POSCO International represents the Group's first application of blockchain technology to traditional financial infrastructure and is expected to **strengthen its leadership in FX** while **expanding non-interest income opportunities**




## → On-chain finance in action: B2B cross-border payments

- Signed a trilateral MOU with POSCO International and Dunamu to develop blockchain-based cross-border remittance and corporate payment solutions.
- Apply blockchain-based real-time remittance and settlement to cross-border payments and global trade transactions, replacing traditional SWIFT transfers between headquarters and overseas subsidiaries.

**Bank SWIFT**

1 Ordering customer → 2 Remitting bank → 3 Correspondent bank1 → 4 Correspondent bank2 → 5 Beneficiary bank → 6 Beneficiary

Settlement request · Payment instructions · 3 Settlement bank · Settlement

**Blockchain**

< Process >

GIWA chain token issuance › Blockchain validation › Real-time exchange & settlement

**Advantages over SWIFT**

- Faster Processing: Real-time settlement through a simplified payment process
- Lower Transaction Costs: Fewer intermediaries reduce remittance costs
- Greater Transaction Transparency: Distributed ledger enables real-time transaction tracking
- Lower FX Funding Costs: Reduced nostro balances improve funding efficiency

## Expected benefits

1. Strengthen competitive advantage through next-generation cross-border payment infrastructure
2. Expand corporate customer acquisition through differentiated services
3. Improve profitability through lower SWIFT fees and FX funding costs

→ **Reinforce FX leadership and expand the Group's long-term earnings base**

# Goal 2 – Shareholder return ratio of 50% or higher

## Predictable shareholder returns through an ROE- and RWA growth-linked framework

- Introduce a **shareholder return framework linked to ROE and RWA growth** to enhance the predictability of future shareholder returns
- Establish a virtuous cycle in which shareholder returns **increase** as ROE improves

### HFG's shareholder return framework

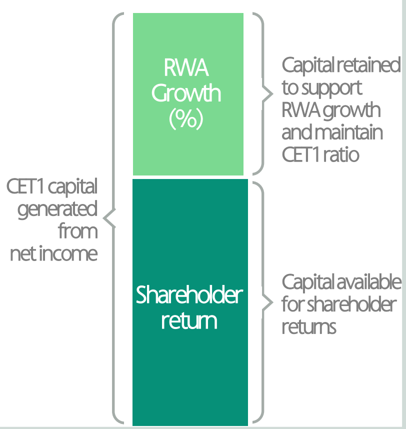
$$\text{Shareholder return ratio} = 1 - \left(\frac{\text{RWA growth}^{1)}}{\text{ROE}}\right)$$

1) Target: In line with nominal GDP growth

### ROE and capital allocation principles linked to RWA growth

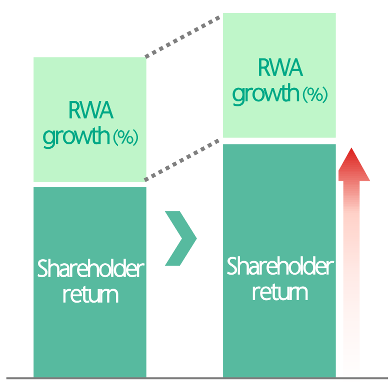
#### Capital allocation principles

- To maintain the CET1 ratio, a portion of earnings equivalent to RWA growth should be retained
- Remaining earnings can be deployed for shareholder returns



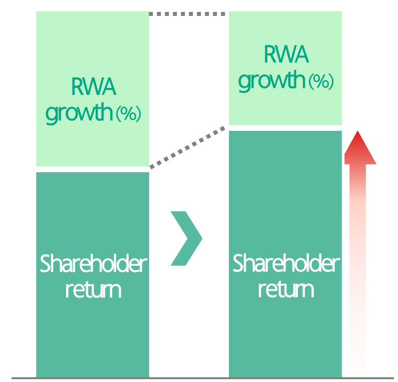

**Case 1** ROE increases + RWA growth unchanged

With RWA growth unchanged, higher ROE increases total earnings, resulting in greater capacity for shareholder returns after retaining earnings required to support RWA growth.




**Case 2** ROE unchanged + Lower RWA growth

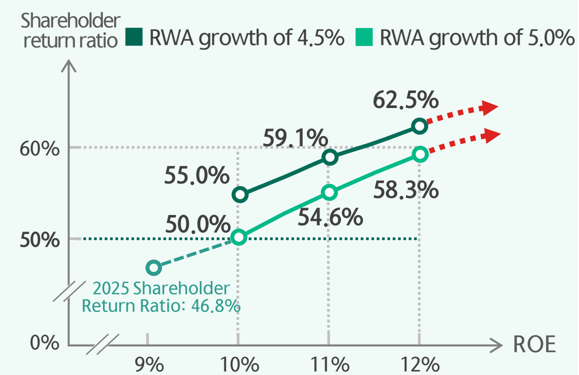
With ROE unchanged, lower RWA growth reduces the amount of earnings that must be retained to support capital growth, increasing capacity for shareholder returns.




### Shareholder return framework matrix

(Example)

| Shareholder return ratio | | ROE 10.0% | ROE 11.0% | ROE 12.0% |
|---|---|---|---|---|
| RWA growth | 4.5% | 55.0% | 59.1% | 62.5% |
| RWA growth | 5.0% | 50.0% | 54.6% | 58.3% |

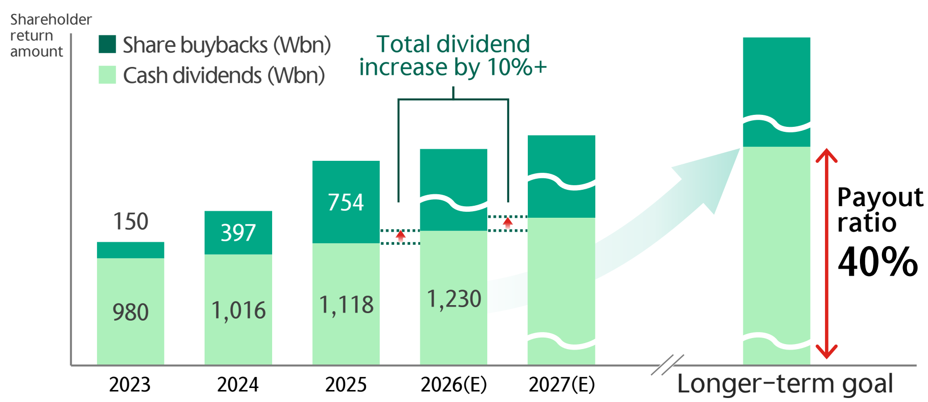


# Goal 2 – Shareholder return ratio of 50% or higher

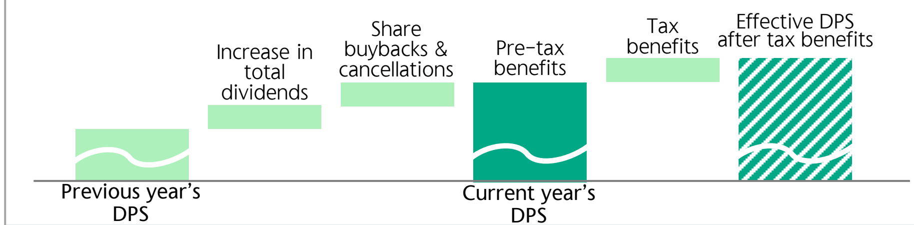
## Strengthening dividend appeal to become Korea's leading dividend stock

- As PBR approaches 1.0x, **increase total annual cash dividends by at least 10%** each year until the **payout ratio reaches 40%** – the threshold for qualifying as a high-dividend company under the Act on Restriction on Special Cases Concerning Taxation – to maximize the stock's appeal as a dividend investment
- **Enable progressive DPS growth** through the reduction in shares outstanding resulting from expanded share buybacks and cancellations, together with dividend tax benefits such as separate taxation of dividend income and tax-exempt dividends
- Expand retail investor ownership from the current level of approximately 7% by improving after-tax dividend yields, thereby **diversifying the shareholder base** and accelerating corporate value enhancement

### Shareholder return policy centered on dividend growth




### Illustrative Impact of higher DPS




**Reference)** Cash dividend tax benefit timeline

| 2026 | 2027 – 2030 |
|---|---|
| Separate taxation | Tax-exempt |
| Dividends paid in 2026 | Applicable to dividends paid from 2027 onward (available capacity 7.4 Wtn) |

**What is a high-dividend company under the Act on Restriction on Special Cases Concerning Taxation?**

A listed company that maintains or increases its annual cash dividend and **satisfies either of the following criteria:**

① Dividend payout ratio of at least 40%; or

② Dividend payout ratio of at least 25% and annual cash dividends increased by at least 10% YoY

→ Dividend income paid by qualifying high-dividend companies is **eligible for separate taxation** and excluded from comprehensive taxation of financial income.

**What are tax-exempt dividends?**

Dividends paid through a reduction of capital reserves that are **exempt from dividend withholding tax**

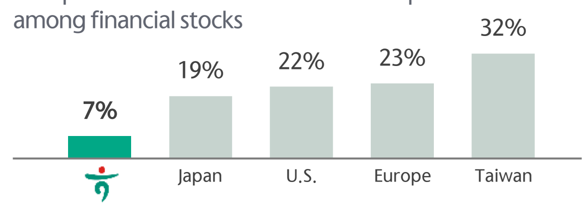
* Under Article 26-3 of the Enforcement Decree of the Income Tax Act, dividends **paid out of a reduction of capital reserves** are excluded from taxable dividend income.

### Comparison of dividend tax rates

| Taxable dividend income (unit: Wmn) | Tax rate (including local tax) | | Tax-exempt dividends |
|---|---|---|---|
| | Current tax regime | Separate taxation of dividend income | |
| ≤ 20 | 15.4% | 15.4% | 0% (Applicable to dividends paid from 2027 onward) |
| 20 – 300 | 41.8% | 22.0% | |
| 300 – 5,000 | 49.5% | 27.5% | |
| > 5,000 | 49.5% | 33.0% | |

### Expected benefits

Comparison of retail investor ownership among financial stocks




- Expand the retail shareholder base to diversify ownership, improve shareholder mix and accelerate long-term value creation

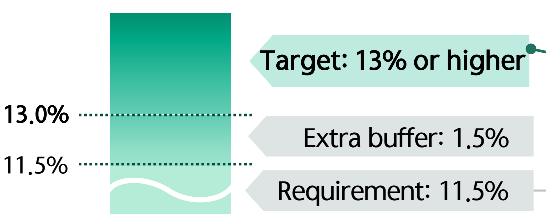
* Hana's figures are as of 2025 year-end; peer figures are estimates based on publicly available information.
(Japan: MUFG, SMFG, Mizuho/U.S.: JPM, BoA, Wells Fargo/Europe: HSBC, Santander, BNP Paribas, ING, Deutsche Bank/Taiwan: Fubon, Cathay, CTBC, Mega)

# Goal 3 – CET1 ratio of 13% or higher

## Supporting predictable shareholder returns through a refined CET1 target and disciplined RWA management

- **Refine the CET1 ratio target** to enable capital above 13% to be returned to shareholders through the shareholder return framework
- As RWA growth without adequate profitability decreases the CET1 ratio, disciplined RWA management is the key to achieving the CET1 target
- Maintain a **Group-wide RWA management** discipline based on balanced capital allocation, with RWA growth managed in line with nominal GDP growth and the CET1 ratio maintained stably above 13%

### Refined CET1 ratio target




Shareholder return executed based on the framework

$1 - \left(\frac{\text{RWA growth}}{\text{ROE}}\right)$

Minimum requirement 8.0% + Countercyclical capital buffer 1.0% + Stress capital buffer 2.5%

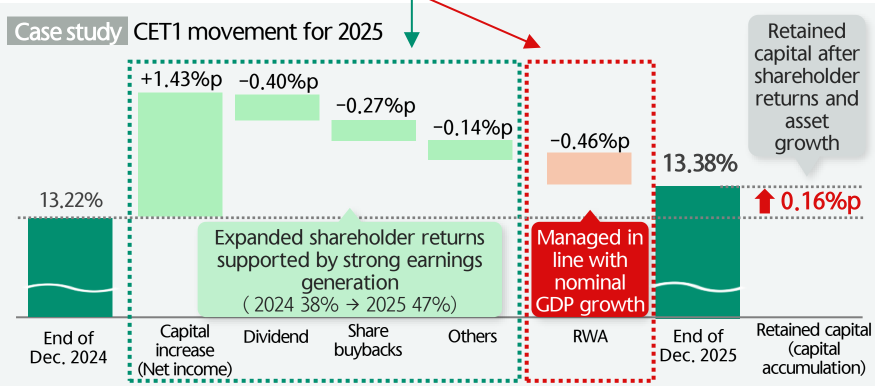
### RWA management is key to achieving the CET1 target

$\text{CET1 ratio} = \frac{\text{CET1 capital}}{\text{RWA}}$

CET1 capital: Capital accumulated through earnings generation and the source of shareholder returns

RWA: A key variable that can be proactively managed to support efficient growth and maintain the CET1 target

Case study CET1 movement for 2025




### Maintain disciplined Group-wide RWA management

**RWA growth target: In line with nominal GDP growth**

#### 1 Balanced Capital Allocation Principle

- Manage the Group's RWA growth in line with its target based on a capital allocation framework that balances the capital efficiency and profitability of each subsidiary.

#### 2 Embedding a RoRWA-focused business culture

- Apply granular RoRWA criteria in the credit approval process and embed a RoRWA-focused business culture across the Group to selectively expand high-quality assets.

**Group RWA management process**

| Set annual RWA targets | Allocate RWA | Monitor regularly |
|---|---|---|
| • Establish detailed Group RWA and RoRWA targets<br>• Report targets to the Group Risk Management Executive Committee | • Allocate RWA limits to subsidiaries after reserving capital<br>• Set limits by credit, market and operational RWA<br>• Prioritize capital allocation to high-RoRWA businesses | • Monitor RWA and RoRWA against targets on a monthly basis<br>• If the CET1 ratio falls below the target range, establish measures to manage RWA utilization on a quarterly basis |

#### 3 Linking KPIs to management performance

- Include RoRWA as a key KPI for Group management and subsidiary CEOs, reinforcing a management framework focused on capital-efficient, high-quality growth rather than short-term balance sheet expansion.

**Maintain the CET1 ratio stably above 13% through disciplined Group-wide RWA management**

* KPI: Key Performance Indicator

# Strengthening sustainability to build a foundation for long-term value creation

- **Expand sustainable finance** through enhanced green and transition finance initiatives and more refined financed emissions reduction targets
- **Continue creating social value** through childcare initiatives and the Hana Power On programs
- **Strengthen Board independence** to promote corporate value enhancement from an objective, long-term perspective
- **Enhance Board diversity and expertise** to support balanced and strategic decision-making

## Environment

### Launch of Green Finance Council

- Established the Group Green Finance Council in April 2025 to respond proactively to government initiatives promoting green and transition finance, identify new business opportunities, strengthen business models and capture early market opportunities

### Revised Group Sustainable Finance Framework

**Expanded financed emissions coverage**

- Added the agriculture and transportation sectors to align with the NZBA Guidelines

NZBA
Coal, oil, gas
(added) agriculture, transportation

**Enhanced financed emissions reduction targets**

- Introduced intensity[1]-based emission targets to support transition finance and establish a more effective decarbonization pathway

**Established new Group policy on green and transition finance**

- Expanded Group-wide guidelines across subsidiaries to support new business opportunities in green and transition finance

## Social

### Fulfilling social responsibilities through finance

**100 Childcare Centers Project & 365-days Childcare Centers**

- Successfully completed the 100 Childcare Centers Project in October 2024 in partnership with local governments to expand access to high-quality public childcare in underserved communities
- Selected 50 "365-days Childcare Centers" nationwide, providing KRW 30 billion in support over five years (Cumulative beneficiaries: 50,407 children)

**Hana Power On Challenge & Hana Power On Store**

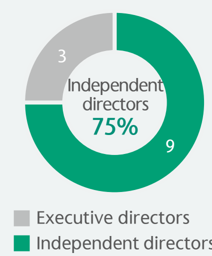
- Supported 935 social enterprises and contributed to job creation for youth, seniors and people with disabilities
- Supported approximately 5,300 small businesses nationwide through smart systems, online sales channels, store improvements and crowdfunding initiatives to promote sustainable business growth

## Governance

### Strengthening Board independence to foster objective and long-term perspective

- Independent directors comprise 75% of the Board, and all nine Board committees are chaired by independent directors
- A balanced distribution of director tenure supports both Board stability and objective long-term decision-making

**Board members**




**Well-balanced tenure**


* Average tenure: 2.7 years

### Enhancing Board diversity for balanced decision-making

- Continue to strengthen Board diversity through the appointment of additional female directors

| | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| No. of directors | 10 | 12 | 12 | 12 |
| Female directors | 1 | 2 | 3 | 4 |
| Proportion | 10.0% | 16.7% | 25.0% | 33.3% |

### Leveraging Board expertise for effective oversight and strategic guidance

- The Board comprises independent directors with extensive industry experience and professional expertise across key areas relevant to a financial group, including financial services, executive leadership, economics, finance, accounting, legal, ESG, consumer protection, and digital and information & communications technology (ICT).

1) (Carbon) intensity: Carbon emissions per unit of outstanding loans.
* NZBA(Net Zero Banking Alliance) guidelines: Science-based guidance developed by UNEP FI to help member banks set and implement net-zero climate targets

# Reinforcing market confidence through transparent stakeholder engagement

- **The Board leads** the entire Value Up process–from plan formulation and approval to implementation oversight–and independent directors engage directly with shareholders through regular Board Roundtables
- **Senior management actively expands engagement with investors** through overseas NDRs, investor meetings and other outreach activities
- Broaden investor engagement beyond institutional investors to **retail investors** and **strengthen year-round communication** through earnings materials, the IR KakaoTalk channel and other communication platforms

## Board

### Board-led Value-up execution

- The Board leads the entire Value Up process–from plan formulation and approval to implementation oversight–ensuring consistent and disciplined execution
- Independent directors engage directly with shareholders, listen to a wide range of perspectives on shareholder value, and incorporate relevant feedback into the Value-up Plan

### Strengthening shareholder engagement through regular Board Roundtables

- Establish a dedicated communication channel through regular Board Roundtables, where independent directors engage directly with shareholders and gather feedback from an independent and objective perspective
- 2025 Board Roundtable in 2025 was attended by 28 major domestic and international shareholders, who shared their views directly with the Board on corporate value enhancement and shareholder value creation
- Independent directors discussed a broad range of topics, including the Value Up Plan, government policy, Board independence, internal controls, consumer protection and ESG, with key insights shared with management and reflected in business strategy

**2025 Board Roundtable – Key Q&A**

| | | |
|---|---|---|
| Expanding Shareholder Returns | Q | "What are the Group's plans to further expand shareholder returns?" |
| | A | "The Group is considering increasing the proportion of cash dividends within total shareholder returns, with the aim of enhancing dividend yields for retail investors and further diversifying the shareholder base." |
| Improving Non-Bank Profitability | Q | "How does the Board plan to improve profitability across the non-bank businesses?" |
| | A | "Strengthening the core competitiveness of each non-bank subsidiary and improving their underlying fundamentals remain the Board's top priorities. We are committed to increasing the non-bank contribution to Group earnings and believe this objective is fully achievable." |

## Management

### Active engagement by senior management

- Expand engagement with domestic and international investors through overseas NDRs, investor group meetings, and meetings with domestic analysts and CIOs
- Engage directly with shareholders on business performance and the Group's Value-up strategy while incorporating investor feedback

2024
12
times

2025
16
times

## IR division

### Launching retail investor forum to broaden shareholder engagement

- Plan to hold an in-person retail investor form in 2H26
- Expand direct IR engagement with retail investors, who have relatively limited access to information compared with institutional investors
- Strengthen shareholder trust by deepening understanding of the Group's financial performance and Value-up Plan

### Enhancing information accessibility through comprehensive earnings materials

- Publish a comprehensive earnings materials package on the Group's website each quarter, including the earnings presentation script, Q&A, databook, presentation video and audio recording
- Enhance information accessibility by providing all investors with continuous access to earnings-related materials

### Launch of IR KakaoTalk Channel (July 2025)

- Launched the Hana Financial Group IR KakaoTalk Channel in July 2025 to strengthen ongoing communication with retail investors
- Introduced a real-time automated response service for frequently asked questions, including earnings announcement dates and dividend payment schedules, improving both the speed of information delivery and investor convenience

# # CET1 ratio

## Q1. What happens to shareholder returns if the CET1 ratio falls below 13%?

Hana Financial Group is committed to maintaining its CET1 ratio at or above 13%. A decline below this level would be expected under exceptional and temporary circumstances, such as below:

### 1. External factors

The first is the impact of external factors, such as sharp movements in the KRW/USD exchange rate. Over the past 20 years, the KRW/USD exchange rate has risen by more than KRW 100 per USD within a single quarter on only five occasions[1], including one instance exceeding KRW 150 per USD (4Q24). Such rapid exchange rate movements may temporarily reduce the Group's CET1 ratio below 13% through an increase in RWA.

### 2. Strategic capital allocation

The second is strategic capital allocation, such as M&A or equity investments to strengthen the Group's long-term earnings capacity. While maintaining its commitment to shareholder returns, the Group may consider allocating capital to attractive growth opportunities when they are expected to generate greater long-term shareholder value by enhancing earnings capacity and ROE. In such cases, the CET1 ratio may temporarily fall below 13%.

If the CET1 ratio falls below 13%, **restoring the CET1 ratio will become the Group's highest priority**. Maintaining a strong capital position is fundamental to sustainable shareholder returns and long-term shareholder value. That said, shareholder returns will not be suspended in such cases. The Group intends to **maintain cash dividends as the primary form** of shareholder returns, while **managing share buybacks and cancellations flexibly** based on the pace of CET1 recovery. At the same time, disciplined Group-wide RWA management will support a timely restoration of the CET1 ratio above 13%, enabling the Group to continue operating under its shareholder return framework.

Since announcing its Value Up Plan in October 2024, the Group has consistently maintained its CET1 ratio within the 13.0-13.5% target range each quarter. Accordingly, a CET1 ratio below 13% is expected to be highly exceptional. Should such a situation arise, the Group will communicate transparently with the market regarding the underlying reasons and its CET1 restoration plan.

1) 3Q08, 1Q09, 3Q11, 3Q22, 4Q24

## # ROE and RWA growth

### Q2. How are ROE and RWA growth measured under the shareholder return framework, and how are external factors such as exchange rate movements reflected?

Hana Financial Group determines its shareholder return ratio under the shareholder return framework, using ROE and RWA growth as its two key metrics.

**Shareholder return framework** $1 - \left(\frac{\text{RWA growth}}{\text{ROE}}\right)$

Both ROE and RWA growth are based on the figures reported in the Group's annual earnings presentation. In applying the shareholder return framework, the Group believes it is important that shareholder returns reflect the Group's underlying operating performance rather than temporary external factors.

One of the key external factors that may affect RWA growth is the KRW/USD exchange rate. As a portion of the Group's assets is denominated in foreign currencies, exchange rate movements affect the KRW value of those assets and, consequently, reported RWA growth.

The Group actively manages RWA throughout the year to keep RWA growth in line with its management target, and exchange rate fluctuations arising during the course of the year can generally be addressed through its RWA management framework. However, if exchange rate volatility increases significantly over a short period toward year-end, annual RWA growth may temporarily deviate from the Group's management target, as it may not be possible to respond to such movements in a timely manner through the Group's normal RWA management framework.

Accordingly, if annual RWA growth deviates from the Group's management target due to external factors, the Board may, following careful deliberation, adjust for the impact of such factors in determining the RWA growth used to calculate the shareholder return ratio. This is intended to ensure that the Group's actual performance is appropriately reflected in shareholder returns, regardless of temporary external factors.

Should any such adjustment be made, the Group will communicate transparently with the market regarding the rationale for the adjustment and its impact on the shareholder return ratio.

## # Shareholder return ratio

### Q3. To which fiscal year does the shareholder return ratio determined under the shareholder return framework apply? If it applies to the current fiscal year, how will the Group achieve the target shareholder return ratio?

As a general principle, the shareholder return ratio is determined based on the annual ROE and annual RWA growth reported in the Group's annual earnings presentation and is applied to the same fiscal year.

**Example** The 2026 shareholder return ratio will be determined based on the Group's 2026 annual ROE and RWA growth, as reported in the 2026 annual earnings presentation to be held in early 2027

Although the shareholder return ratio is determined based on the performance of the relevant fiscal year, it is finalized only after the annual business results are announced in the following year. Accordingly, the Group expects to use the year-end dividend as the primary means of achieving the shareholder return ratio determined under the framework, as it can be reflected upon the annual earnings presentation. Where appropriate, the Group may also conduct additional share buybacks and cancellations. In such cases, the Group will communicate clearly with the market regarding the fiscal year to which those share buybacks and cancellations are attributable.

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