2026 JB Financial Group Capital Markets Day

Summary of Dialogue Meeting Minutes

September 18, 2026



JB Financial Group

This document summarizes the key Q&A from the 'JBFG Capital Markets Day' (held on Sep. 18, 2026), capturing the speakers' original intent as accurately as possible. Please refer to this for your information.

Capital Markets Day Key Questions

○ Questions from the Participants in Summary

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Opening & Welcoming Remarks

○ JBFG Board Chairman – Sung, Jae Whan

Good afternoon. I am Jae-whan Sung, Chairman of the Board of JB Financial Group.

First and foremost, on behalf of the Board of Directors, I would like to express my deepest gratitude to our shareholders and investors for taking the time out of your busy schedules to join us on JBFG's Capital Markets Day.

As the domestic stock market takes a significant leap forward and reaches new heights, we clearly recognize that the standards for corporate value expected by the market and investors have become higher and more stringent than ever before.

This changing environment demands an unprecedented roles and responsibilities from the Board. On the strength of the highest standards of professionalism and independence, our Board is firmly committed to practicing responsible management that prioritizes the interests of all shareholders above all else.

In particular, to ensure that this responsible management translates into tangible results, we will strictly oversee JBFG on its journey to maximize capital allocation efficiency and conduct the seamless execution of its shareholder return policies. Furthermore, the Board will fulfill its core duty to protect the rights and interests of all shareholders and establish an advanced corporate governance structure.

Today's event is a meaningful occasion to share JBFG's long-term growth direction and to listen directly to the voices of our shareholders and investors. Since your insights serve as a vital guide for our Board's future decisions, we will carefully review the diverse proposals and valuable feedback raised today.

Once again, I would like to thank all the shareholders and investors who have graced today's event with their presence, and I kindly ask for your continued interest and unwavering support for the Group.

Thank you.

○ JBFG CEO – Kim, Ki Hong

Good afternoon. I am Ki-hong Kim, CEO of JB Financial Group.

I'd like to thank everyone who took the time to attend JB Financial Group's Capital Markets Day.

Since hosting our inaugural Capital Markets Day in 2023, we have made it a tradition to gather with our shareholders and investors on a regular basis each year. I sincerely hope that today's event serves as a meaningful channel for an open exchange of valuable insights between the Board and all of you.

Earlier this year, our Group brought in new executive leadership across all major subsidiaries, creating a pivotal opportunity to refresh the organization. Building on this momentum, we are currently driving extensive changes throughout the entire Group. For more specific details, please refer to the distributed materials. If you have any additional questions or feedback regarding our business performance, key strategies, or topics not covered in the presentation, please feel free to ask questions during the Q&A session, and we will do our best to address them fully.

Once again, I would like to extend my deepest appreciation to the shareholders and investors joining us today, and I look forward to an open and candid dialogue during this session.

Thank you.

Q&A and Free-Form Comments

Q) Local Investor A

✔ We understand that the Board received a request for a feasibility review of the merger with BNK Financial Group, and we are curious about the background and decision-making process behind the Board's decision not to conduct this review.

✔ We had requested a review by an external advisory firm, but the Board decided not to seek external advice. We would therefore like to know what internal processes were followed for the review.

✔ Given structural environments such as regional population decline and local economic slowdown, we would like to know whether JBFG can explain its long-term strategy for regional banking to shareholders.

A) JBFG Board Chairman – Sung, Jae Whan

✔ I will answer on behalf of the board. After receiving the shareholder letter, we exchanged views on how to table the agenda. Following my briefing as chairman, all attending directors stated their positions on the record. After confirming twice that there were no dissenting views, the board unanimously decided not to initiate the review, and the entire proceedings have been recorded in the minutes.

✔ The key grounds for not proceeding with the merger review included: ① A merger should ormally proceed through mutual consensus between the two parties, and unilateral review without the other party's knowledge would be inappropriate, ② It is unclear whether financial data and detailed strategic information can be exchanged between competing companies, although such information is necessary for a merger review, ③ both groups are regional and have limitations in cost synergy as their market coverage is geographically dispersed, ④ the opposition from the labor unions and the regional communities and the resultant risk of customer attrition, ⑤ the fact that a merger between regional banks would require approval from financial authorities.

✔ However, this does not mean we have entirely ruled out the structural challenges of regional banking or the merger concept itself. In fact, multiple directors are of the opinion that this remains a subject open for future consideration.

A) JBFG CEO – Kim, Ki Hong

✔ Kwangju Bank had the highest ROA among domestic banks in the first hal of this year. Of course, we can't generalize that all regional banks are in crisis or losing competitiveness because each bank has its own characteristics. JBFG has two regional banks and Jeonbuk Bank is more heavily constrained by its geographical limitations. However, Jeonbuk Bank has been consistently pursuing de-regionalization strategies to generate more revenue beyond the Jeonbuk region, and its revenue from the Jeonbuk region now accounts for less than 40% of its total revenue. Each bank has its unique structural background so that it is logically flawed to say regional banks should merge just because the regional economy is weak.

✔ In addition, to enhance the Group's competitiveness, Regarding non-banking M&A, we are continuously reviewing potential targets, but we hold a firm principle against engaging in box-checking exercises when it comes to a merger. We only pursue transactions that can substantially enhance the group's ROE and synergy. To maximize shareholder value and enterprise value while securing future growth engines, we evaluate M&A targets continuously from a mid-to-long-term perspective. We kindly ask for your understanding that these matters must be reviewed with strategic confidentiality.

✔ In order to address our limitations as local banks, the group has been focused on the execution of de-regionalization, transition to AX (AI Transformation) and digitalization, strategic partnership and the expansion of niche markets such as foreign national lending and inclusive lending. Jeonbuk Bank is generating roughly 60% of its revenue outside the Jeonbuk region. Furthermore, it is moving swiftly in response to market changes as it is in the process of establishing, with Upstage, AI Native Bank for the first time in Korea.

✔ Let me assure you all that management and the Board of Directors are contemplating the future of JBFG as a regional bank in light of concerns raised by some parties, with far greater depth than the concerns raised by Align Partners and responding appropriately as we analyze the risks in our current situation.

A) Local Investor A

✔ While the company and its shareholders share the same goal of fostering corporate development, our views on specific implementation methods may differ. As a major shareholder, we have put forward our views on the merger feasibility review as part of a constructive exchange of ideas. We hope the company will continue to consider the suggestions made for mid-to-long-term corporate value enhancement together be explored together with an open mind.

A) JBFG CEO – Kim, Ki Hong

✔ It would be very important for shareholders to present their insights for corporate value enhancement. However, rather than viewing these suggestions as outright demands to enforce specific actions, it is essential to engage in thorough dialogue regarding the background and objective of the proposals while building a mutual understanding of each other's positions. Even when opinions diverge, it is highly desirable that sufficient discussions take place before bringing the issues into the public domain, so that view can be exchanged and common ground can be found.

✔ Management and the board must listen attentively to shareholder opinions, accept constructive ideas, and thoroughly discuss and coordinate areas where views diverge. Meeting in person to exchange perspectives directly and work toward a consensus represents a far more constructive approach.

Q) Local Investor B

✔ Foreign national loans and auto-title loans initiated by one subsidiary seem to be expanding across the other subsidiaries so we would like to know if the risk of cross-subsidiary cannibalization has been thoroughly reviewed.

✔ The delinquency rate for foreign national loans appears to be rising, and we are curious about the underlying causes and your response measures.

A) JBFG CEO – Kim, Ki Hong

✔ Although three of our subsidiaries handle foreign national finance, their products and target customers are distinctly different. Jeonbuk Bank primarily focuses on short-term workers with E-visas, Kwangju Bank targets long-term residents with F-visas and international students, and JBWC centers on used-car financing for foreign nationals, thereby minimizing the risk of cannibalization.

✔ For auto-title loans, we are also segmenting our customer base by varying credit ratings, interest rates, and loan-to-value (LTV) ratios across our subsidiaries.

✔ The delinquency rate for foreign national loans rose early this year, and we determined that there were certain limitations in the stability of our credit scoring model specialized for foreign nationals introduced in late 2025. Consequently, we completely overhauled our filtering mechanisms and

operational strategies starting in April and May. Since then, the delinquency rate has been stabilizing once again.

✔ In light of current market limitations marked by a decline in E-visa arrivals, we are driving 'Foreign National Finance Season II' to expand our target customer base to F-visa holders and international students.

A) JBFG CRO – Lee, Seung Kook

✔ To provide further context, while credit evaluation for foreign nationals historically faced structural limitations due to restricted data availability, we are currently advancing our model by incorporating new data and applying feature engineering.

✔ Furthermore, while general credit bureaus provide information by bundling E-visas and F-visas together, our experience indicates that the holders of E-visas and F-visas possess significantly different risk characteristics. Therefore, we are developing and applying separate credit scoring models for each category to enhance predictive power moving forward.

Q) Local Investor C

✔ Amid the recent rising contribution from JBWC and securities income, please explain the optimal profit mix between the banking and specialized finance sectors, as well as the path toward a sustainable earnings structure.

A) JBFG CEO – Kim, Ki Hong

✔ While the group's recent earnings met market expectations, this performance was driven by JBWC's results and the contribution of gains from securities investments. We evaluate these securities gains as a highly volatile revenue stream, and the group remains cautious of relying on them from a sustainable earnings perspective.

✔ Earlier this year, we replaced the CEOs of our major subsidiaries and are currently driving intensive rebalancing initiatives to strengthen the banks' profit base. We have categorized banking products into four tiers by establishing a matrix based on RoRWA (Return on Risk-Weighted Assets) and NIM (net interest margin) metrics to expand the proportion of high-return, high-efficiency products. Considering that the asset size of the two banks is approximately 5 times that of the capital sector, we view a profit contribution of around 30% from the capital sector to the group as appropriate.

✔ It takes at least one year or more for the effects of bank portfolio adjustments to materialize. Having made a substantial portion of these adjustments through the first half of this year, we anticipate structural improvements in profitability starting next year.

✔ Up until three years ago, Jeonbuk Bank and Kwangju Bank were first- and second-placed in terms of ROE, but their ranking has declined over the past two to three years. While Kwangju Bank still maintains a top-tier position, Jeonbuk Bank has slipped to a mid-tier level, and the gap with their competitors is gradually narrowing. To restore our position back to the upper tier, we are currently driving intensive rebalancing initiatives that have never been attempted before.

✔ During the first half of the year, we reduced local corporate lending while pursuing asset rebalancing and branch rationalization, and we expect it will take one to two years for tangible results to materialize. Moving forward, we plan to expand the banking sector's profit share within the group by enhancing bank profitability.

Q) Foreign Investor D

✔ Amid the persistent challenges gripping regional economies, small businesses, and manufacturing, could you elaborate on JBFG's preparedness regarding asset soundness in the event of a protracted economic slowdown?

✔ What do you see as the primary risk factor if asset quality worsens further?

A) JBFG CEO – Kim, Ki Hong

✔ JBFG is managing its portfolio conservatively based on pre-established risk tolerance levels. Our management ensures that we maintain stable capital ratios and sustainable operations, even under highly adverse stress-testing scenarios.

✔ At present, we see no indications of a sudden shift in the correlation between the local economy in the Honam region and the Group's delinquency rates, despite interest rate fluctuations and changing macroeconomic variables. Moving forward, we plan to sustain our strategy of reducing reliance on any single regional economy through de-regionalization and the expansion of national niche markets.

✔ Regarding asset quality, we do not foresee any specific adverse events over the next 6 to 12 months. Although the current macroeconomic environment remains somewhat volatile, everything is well within our normal management range.

A) JBFG Board Chairman – Sung, Jae Whan

✔ Over the next four years, approximately KRW6 trillion is slated for data center investments in Saemangeum, located in Gunsan within the Honam region, with an additional KRW3 trillion planned for expanding the power supply. We expect these massive capital expenditures to serve as a powerful catalyst for revitalizing the local economy."

✔ Furthermore, with a current shortage of approximately 15,000 housing units and strong market demand for supply expansion, we anticipate that local housing demand and economic conditions will gradually improve as subsequent developments progress.

A) JBFG CEO – Kim, Ki Hong

✔ In addition, there are high expectations for massive capital inflows into Gwangju city and Jeonnam area due to the establishment of a semiconductor cluster.

✔ However, these prospects will only be tangibly reflected once they materialize into actual business opportunities; therefore, we are not preemptively incorporating these effects at this stage.

A) Seung-kook Lee, CRO, JB Financial Group

✔ In household loans, we observed a minor uptick in delinquencies for the bank's 100% guaranteed interim housing loans, as well as JBWC's used-car backed and auto-title loans. However, because the interim loans are 100% backed by government agencies, we expect them to be fully repaid through subrogation in September. For auto-title loans, the delinquency rates of new vintages have been improving following tighter underwriting approvals so that we are anticipating a stabilization by year-end.

✔ Regarding corporate loans, despite an increase in non-performing assets within the real estate, construction, and wholesale/retail sectors, we designated them as cyclically sensitive industries at the end of 2023. Consequently, loan approval authority was centralized from branches to the head office, and our credit exposure was successfully curtailed from about KRW6 trillion to KRW5.5 trillion.

✔ Given that collateral and guarantees account for roughly 80% of this exposure, any minor rise in delinquencies or non-performing loans (NPLs) will have a limited impact on our actual Credit Cost Ratio (CCR). We anticipate that the CCR will remain well under control within our financially planned metrics.

Q) Foreign Investor C

✔ Could you share your assessment regarding the impact of rising interest rates in Korea on overall corporate management and JBFG's bottom line?

A) JBFG CEO – Kim, Ki Hong

✔ While rising interest rates cause an adverse impact on debt payment capacity and loan demand due to higher borrowing costs, they can carry positive effects on long-term profitability through rises in lending rates.

✔ Since the negative effects cancel out the positive ones, we expect that the net impact on our bottom line at the group level will be minimal.

✔ However, as periods of interest rate volatility demand greater sophistication in management responses—such as loan rate adjustments and risk management—we plan to fine-tune our management approach meticulously in step with changing market conditions.

Q) Local Investor E

✔ I would like to know the update on the new corporate value-up plan that was scheduled to be announced earlier next year.

✔ Regarding the shareholder return mix, do you have any plans to modify the existing principles for dividends and share buybacks/cancellations?

A) JBFG CEO – Kim, Ki Hong

✔ Under our existing framework, we distribute cash dividends for the purpose of qualifying for tax benefits, while utilizing the residual shareholder return capital for share buybacks and cancellations.

✔ The Board thoroughly reviewed a proposal from one of our major shareholders to reduce dividends to some extent while expanding share buybacks instead when the stock price is undervalued. However, given that our current policy was introduced only recently, the Board concluded that an immediate shift in principles without sufficient prior communication could undermine market credibility and would therefore be inappropriate.

✔ While we do not see an urgent need to seriously consider reducing dividends and increasing share buybacks at this stage, given that our stock price is now at a robust level, we do recognize the mid-to-long-term necessity. Moving forward, we intend to establish internal guidelines and

methodologies to dynamically adjust the mix of dividends and buybacks/cancellations, taking into account share price levels and the scope of retail shareholders eligible for tax incentives.

Q) Local Investor E

✔ You mentioned that the impact of rising interest rates on earnings is largely neutral. I would like to clarify whether this assessment factors in the effects of JBWC's cost of funds and asset yields, as well as gains or losses on marketable securities.

✔ Could you please elaborate on JBWC's earnings sensitivity mechanism in response to interest rate fluctuations?

A) JBFG CEO – Kim, Ki Hong

✔ To clarify, my previous statement did not encompass gains or losses on marketable securities. Gains and losses on securities are driven by multiple variables beyond interest rates, such as equity market performance, making them inherently difficult to control. Accordingly, valuation gains on JBWC's securities portfolio remain subject to volatility driven by broader KOSDAQ market conditions.

✔ In terms of net interest income, unlike banks backed by low-cost deposits, JBWC relies heavily on market-based funding—such as commercial paper (CP) and corporate bonds—making it more sensitive to interest rate hikes. Because our cost of funds reprices ahead of asset yields, a temporary time lag can occur, which may have a negative impact on JBWC's interest income in a rate-rising environment. To mitigate this, we manage new originations under the strict principle of immediately reflecting our marginal funding costs into our lending rates.

Q) Foreign Investor D

✔ In the first half of 2026, the gap in RoRWA and NIM-CCR (Net Interest Margin less Credit Cost Ratio) between JBFG and the broader banking sector narrowed significantly. Given this trend, what specific areas must JBFG improve to sustain its competitive advantage?

✔ Additionally, I would appreciate it if you could share with us the future outlook for these key metrics.

A) JBFG CEO – Kim, Ki Hong

✔ We are fully aware that the gap in RoRWA and NIM-CCR between us and our peers has been narrowing. To address this, we have moved beyond our traditional categorization of 'core vs. underlying businesses.' Instead, we have established a four-tier matrix structured around RoRWA and NIM-CCR as our two primary axes, and are currently executing an intensive portfolio rebalancing.

✔ In particular, we expect the tangible effects of this rebalancing on the part of banks to materialize in earnest starting in the second half of 2027. Through these initiatives, our objective is to widen the gap in both metrics against our competitors back to historical levels, and ultimately drive further improvements.

Q) Local Investor F

✔ We were told that JBFG would expand non-banking business. I am curious to know how the non-banking business can command a meaningful share of group earnings without the securities unit.

✔ Could you share with us JBFG's strategies and action plans to expand non-banking business?

A) JBFG CEO – Kim, Ki Hong

✔ While we already command one of the highest non-banking profit contributions among domestic financial groups—largely driven by the strong earnings of JBWC—our non-banking expansion strategy does not simply mean increasing our reliance on the earnings from JBWC.

✔ The first major pillar of our strategy centers on M&A involving our non-banking subsidiaries; we have already communicated our acquisition mandates to financial advisors and are continuously evaluating a diverse pipeline of potential targets.

✔ The second major pillar of our strategy focuses on expanding non-interest and investment banking (IB) capabilities within the commercial bank itself, moving beyond simply expanding non-banking business units. Over the past two or three years, real estate project financing (PF) accounted for more than 90% of the investment banking portfolios of our two banking units; however, we are now actively reducing this exposure and scaling up non-real estate sectors, such as acquisition finance and mezzanine financing.

✔ Regarding the acquisition of a securities firm, while a tier-one mega-brokerage could provide new licensing value, such an acquisition is unfeasible under our current capital constraints. Conversely, the core operations of accessible small-to-mid-sized securities firms can already be largely covered through our existing commercial banking and specialized credit licenses; therefore, we need to carefully weigh the actual economic merits before paying any premium for such an acquisition.

A) JBFG COO&CAIO – Park, Jong Choon

✔ To drive non-banking growth, we are expanding our investment horizon beyond mere fintech collaborations to include strategic investments in fintech firms, international platforms, and the AI sector.

✔ Recognizing that the domestic financial industry's heavy reliance on real estate could act as a long-term growth constraint, we are gradually adjusting our asset portfolio through strategic investments in the AI sector. Rather than chasing short-term earnings growth, our focus is on building core capabilities through investments calibrated to our group's scale. Ultimately, we plan to secure new growth engines by diversifying our non-banking portfolio over the long term.

A) JBFG CEO – Kim, Ki Hong

✔ We view AX as a far more critical future strategy than transitioning into a nationwide commercial bank or pursuing subsidiary M&As. Instead of simply integrating AI into existing operations, we believe it is vital to leverage AX to fundamentally reinvent the business operations and business models of our financial group.

✔ As a specific example of AX implementation, we are establishing the AI Native Bank for the first time in Korea through an exclusive MOU with Upstage, a Korean AI company. We intend to operate the AI Native Bank as a lean unit, capping the headcount at 30 or fewer staff members.

✔ Currently, we are more interested in the countries or global markets where fintech is rapidly evolving than in M&A. Furthermore, we are exploring opportunities, continuously, to achieve profitability by identifying untapped markets with limited Korean financial presence, such as Central Asia.

Q) Local Investor G

✔ From an external investor's perspective, what specific opportunities does the AI Native Bank present in terms of top-line revenue growth and cost reduction?

✔ Additionally, regarding niche markets such as foreign national lending, we would like to understand the primary barrier to entry for competitors. Is their hesitation driven by the high risk profile of these segments, or is it due to a high barrier built upon JBFG's accumulated track record and operational capabilities?

A) JBFG CEO – Kim, Ki Hong

✔ To address your second question first, the foreign national loan market is an arena where operational experience and expertise—specifically regarding customer profiles and effective outreach channels—serve as critical barriers to entry. Jeonbuk Bank has spent the last seven to eight years operating in the expat lending business, systematically accumulating experience and data. Having navigated initial trial-and-error phases, we have successfully enhanced our profitability.

✔ In particular, we have built a dedicated lifestyle platform, 'Bravo Korea', that secures customer touchpoints prior to their arrival. By investing substantial capital and effort into customer acquisition, for instance, by offering integrated services across housing, transit, and healthcare, we have raised entry barriers that latecomers cannot replicate in the short term. Additionally, our specialized center of nearly 180 agents providing support in over ten languages serves as a powerful competitive advantage. We believe it is crucial to expand our experience and expertise within these highly insulated niche markets where competitors struggle to penetrate.

✔ Our primary goal for the AI Native Bank is cost efficiency. We aim to replace manual tasks with AI, pivoting toward an operating model managed by 30 or fewer employees. Post-cost reduction, we will execute a phased strategy to drive top-line growth by offering highly competitive rates and products.

✔ While the ultimate success of the AI Native Bank remains to be seen, our application of AI to Kwangju Bank's data systems has run more smoothly than expected and is currently being scaled across Jeonbuk Bank. Looking ahead, the group is evaluating a blueprint to reduce our IT workforce by half by 2030. AX could possess a far greater impact than currently anticipated, which is why group leadership is tracking its potential with immense interest. If successfully established, this AI Native Bank model will be a structural game-changer for the entire banking industry.

✔ For the AI Native Bank, we envision a model driven by a fintech firm, with JBFG holding an approximate 40% stake, while strengthening our financial AX capabilities through a collaboration with Upstage. Progress thus far has been highly promising. Moving forward, the core of our strategy is to first deploy this cost-effective model, and subsequently leverage it to roll out competitive products against other financial institutions to expand our top-line revenue.

Closing Remarks

A) JBFG CEO – Kim, Ki Hong

On behalf of the group, I would like to express my deepest gratitude to all our shareholders and investors for taking the time to share your invaluable insights and questions today.

It has been highly meaningful to gather in one place and engage in such a profound dialogue regarding the future of our financial group.

Moving forward, we remain fully committed to strengthening our communication with the market. Please rest assured that the valuable perspectives you provided today will be thoroughly discussed with our Board of Directors and executive management to be actively integrated into our core business strategies.

Once again, I'd like to thank everyone in attendance today, and I wish you all continued success and prosperity.

Thank you.