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2010 Hana Bank Sustainability Report

Hana Bank 2010 Sustainability Report is our fourth sustainability report and first Communication on Progress (COP) since the company joined the UN Global Compact. On our journey to become Asia's leading financial group, we endeavor to fulfill our social and environmental responsibilities as well as to generate economic benefits. We release 2010 Sustainability Report to provide our stakeholders with information on our sustainability management activities and achievements in the year 2010.

➤ Reporting Framework

This report has been prepared in accordance with the G3 Guidelines of the Global Reporting Initiative (GRI), meeting the conditions to be declared as A+ level reporting. As required by the G3 Guidelines, Strategy and Profile, Management Approach, and Performance Indicators have all been included in the report along with the 16 additional indicators in the Financial Service Sector Supplement. You can refer to the GRI Contents Table on the Hana Bank website for more details. This report has been assured by an independent organization.

➤ Reporting Period

This report presents the sustainability management activities undertaken by Hana Bank from January 1 to December 31, 2010. However, the report touched upon some activities that did not take place in the said period, since they have the potential to influence stakeholders in the decision-making process. The business performance of overseas subsidiaries was not covered in the 2010 Sustainability Report.

➤ Reporting Scope

The print version of the 2010 Sustainability Report is complemented by the relevant content on the Hana Bank website. We tried to focus on major issues in the print version to enhance readability. For more detailed information and data, you can refer to Hana Bank Sustainability Management Website. (www.hanabank.com > Overview of Hana Bank > Sustainability Management)

➤ Process for Preparing the Report

A task force was established to draw up the report. Members of the task force reflected diverse views of our stakeholders in the process of selecting major issues to be addressed in the report. To secure reliability in the reporting process and the contents of the report, we had the report assured by an independent organization. You can find the result of the assurance on pages 64 and 65. Hana Bank 2010 Sustainability Report is available both in Korean and in English. You may request a paper copy or download an electronic version from the official website (www.hanabank.com>Overview of Hana Bank>Sustainability Management>Sustainability Report).

2010 Hana Bank Sustainability Report

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CEO Message

Hana Bank succeeded in leaving the global financial crisis behind in the year 2010 with its profits returning to the pre-crisis level. Throughout the history of operations, Hana Bank has accumulated valuable experiences of achieving growth by turning crisis into opportunity. The previous year was no exception. The growth of the company was driven by passionate employees, who spared no effort to improve profitability by concentrating on sales and raise efficiency by cutting down on expenses.

Getting back to the basics works wonders in times of trouble. This is a belief embedded in our corporate culture. Solutions are not far away when we adhere to basic principles. The rapid dissemination and diversification of information influences the financial needs of our clients. In an effort to meet the changing needs, Hana Bank has introduced new financial products and services including smart phone banking.

Serving the community is not an option any more but an integral part of corporate management. Hana Bank is engaged in a wide array of activities to serve the public benefit and the environment as a member of the UN Global Compact. We are making efforts to provide environmentally sound economic values to our shareholders, employees, and the communities we serve. We will continue to improve our sustainability management system and step up efforts to produce better social and environmental benefits.

We will continue to advocate the significance of the sustainability system and entrench the value in the corporate culture to engage more employees in our efforts to discharge social and environmental responsibilities.

Thank you.

President & CEO Kim, Jung Tai



Overview of Hana Bank

Hana Bank has achieved rapid growth on the back of differentiated products and services. We are leading the Korean financial market through our premier comprehensive financial services network and doing our utmost to establish ourselves as a truly global financial institution.

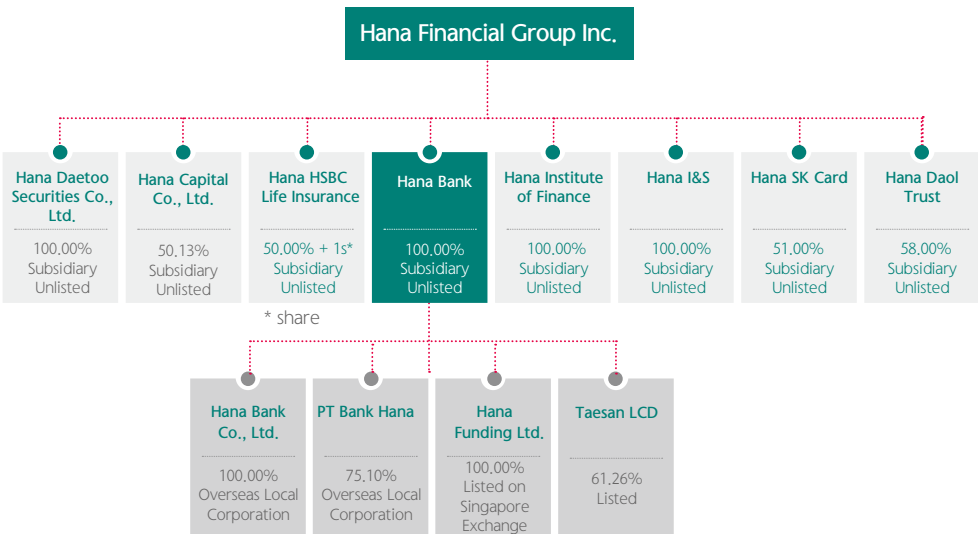
Business Performance

Hana Bank is putting a great deal of effort into boosting business performance. The outcome of the effort as of the end of 2010 is summarized as follows. (Please refer to the chapter on the Key Performance Data on page 62 for more details.)

Net Income	Return on Equity	BIS Capital Adequacy	S&BLR*
9,851 billion KRW	10.47 %	14.04 %	1.50 %
CaS&BR**	Asset per Employee	NlPe***	
106.23 %	19,551 million KRW	122 million KRW	* Standard and Below Loan Ratio ** Coverage against Standard and Below Ratio *** Net Income per Employee

Hana Bank’s Operation Status

Hana Bank is a wholly-owned subsidiary of the Hana Financial Group Inc. (HFG) with 4 subsidiaries including Hana Bank (China) Co. Ltd



Products and Services

We provide following products and services

- Banking**
S-Line Installment Savings, Hana Charitable Account, Hana Dream Tree Installment Savings, Big Pot Account, etc.
- Personal Loans**
Mortgage One Loan, Hana Mortgage Loan, Interest Safety Zone Loan, Transfer Loan, etc.
- Corporate Loans**
Purchase Payment Loan, E-Purchase Loan, Receivables Collateral Loan, etc.
- Trust**
Money Trust, Property Trust, Public Trust
- Foreign Exchange**
Exchange Rate & Transaction Fee Discount Service, Web-based Foreign Exchange Service, etc.
- Bancassurance**
Pension Savings Insurance, Children's Insurance, etc.
- Fund(Collective Investment Stock)**
Stock Type, Mixed Type, Bond Type, MMF, etc.
- Card**
Credit and Check Card Recruitment, Work as an Agency

Credit Rating

The credit ratings of Hana Bank assessed by leading credit rating agencies are as follows

Changes over Last 3 Years	Moody's		Fitch		S&P	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
2010	A1	P-1	A-	F2	A-	A-2
2009	A2	P-1	A-	F2	A-	A-2
2008	A1	P-1	A-	F2	A-	A-2

Hana Bank’s General Status

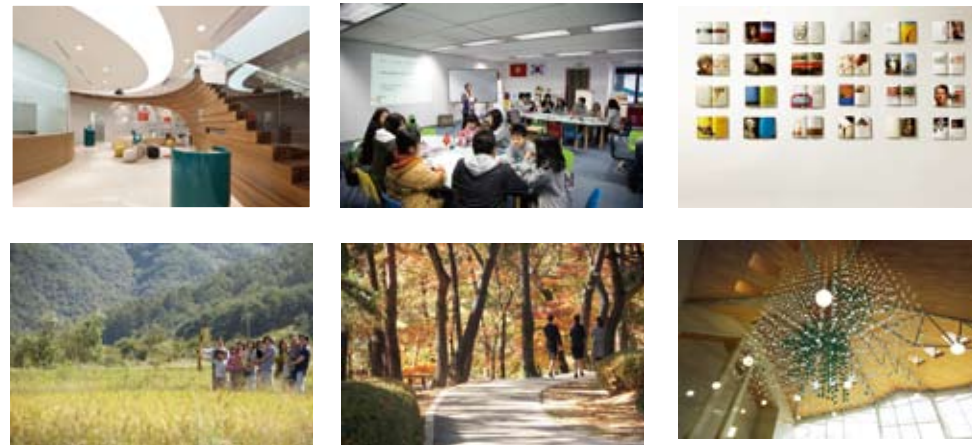
01 Employee Status (As of the end of 2010 / Excluding employees on secondment)

Category	Domestic	Overseas	Total
Executives	58		58
Employees (Regular + Non-Regular)	9,175	49	9,224
Regular Employees	7,997	11	8,008
Non-Regular Employees	1,178	38	1,216
Total	9,233	49	9,282

02 Branch Office Status (Data from Financial Supervisory Service)

Category	Branch Offices	Sub Offices	Administrative Offices	Total
Domestic	615	35	0	650
Overseas	4	0	3	7

Sustainability Management Highlights



Inauguration of the Hana Smile Microcredit Foundation

2009.12 Hana Bank contributed 10 billion KRW to launch the Hana Smile Microcredit Foundation in December 2009. The microcredit business provides unsecured loans to people in the low-income bracket to help them stand on their own two feet. We will continue to use our utmost endeavor to help the poor help themselves and add value for the community.

Opening of Hana High School

2010.3 Hana Bank established Hana High School in March 2010, the first independent private high school in Seoul, equipped with a concert hall and a gymnasium for afterschool art and sports activities. Hana High School provides scholarships to 30 % of students with priority given to those from low-income families in an effort to narrow inequalities in education.

‘Labor-Management Special Pledge for the Development of the Bank’ Declaration Ceremony

2010.3 Hana Bank declared the Labor-Management Special Pledge for the Development of the Bank in March 2010. At the ceremony, the representatives of the labor union and the management pledged to cooperate in order to grow the company into a top-tier financial institution by strengthening the bank’s presence in the market and boosting competitiveness.

Release of the Hana Installment Savings Account Sponsoring the Suncheon International Garden Expo 2013

2010.4 Hana Bank, a frontrunner in the race to develop financial products promoting environmental stewardship, unveiled the Hana Installment Savings Account Sponsoring the Suncheon International Garden Expo 2013 in collaboration with the city of Suncheon. 0.1% of the account balance goes to projects designed to build facilities for the Expo and preserve Suncheon Bay, and the account holders can receive a range of benefits as well.

Induction into the KMAC “Korea’s Most Respected Company” Hall of Fame

2010.10 Hana Bank was designated as “Korea’s Most Respected Company” by the Korea Management Association Consulting (KMAC) for 5 consecutive years, which entitled the company to a place in the Hall of Fame. We earned the recognition thanks to our efforts toward community contribution and shareholder value creation as well as our socially responsible activities. Going forward, we will continue to strive to maintain our status as the nation’s most respected company.

Hana Bank Brand Flagship Store Launch

2010.12 Hana Bank opened a brand flagship store in the downtown area of Myungdong, Seoul under the concept of a “Bank Growing Trees.” The store will serve as a focal point for disseminating messages on finance, the environment and community contribution. Donations from visitors will go to efforts to preserve mangrove forests, which are known as the earth’s carbon sinks. We run the donation drive in collaboration with the National Committee for the Republic of Korea of the UNEP, the environmental arm of the United Nations.

Designated as Korea’s Best PB by Euromoney for the 7th Consecutive Year

2011. 2 Hana Bank was voted as the Best Private Bank in Korea in 2011 by Euromoney, an influential finance magazine, in recognition of its strategic products for PB and customized asset management programs. Winning the honor 7 years running, we will better serve our clients through differentiated comprehensive asset management services.



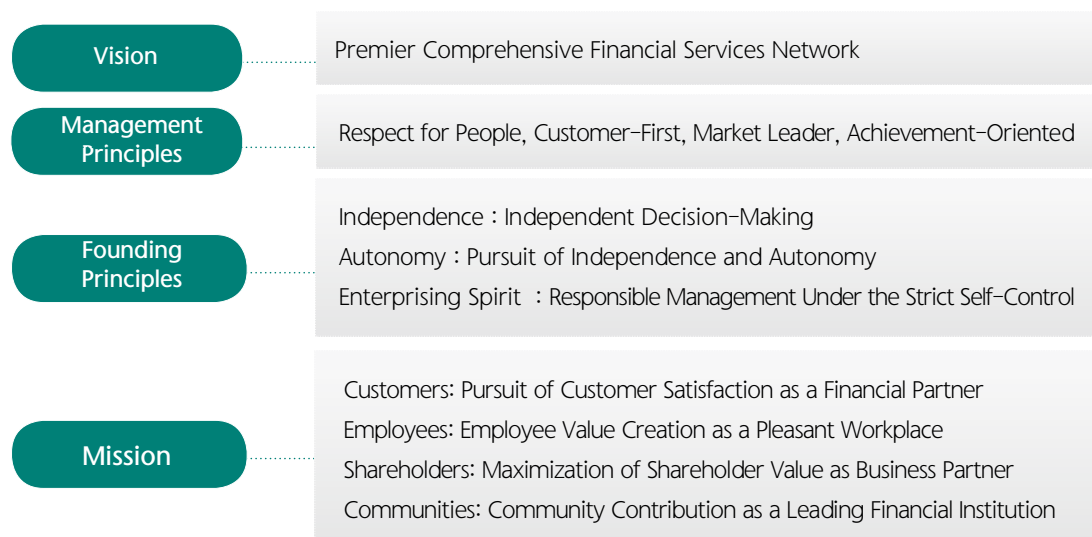
Sustainability Management System

Sustainability Management is a leading paradigm which takes into account not just financial aspects, which is a traditional corporate concern, but also non-financial issues, such as ethics, the environment and social problems, with an aim to enhance the value of corporate activities and community services. Since our foundation, we have taken the lead in sustainability management as a sound economic player and a responsible corporate citizen. We have been showcasing best practices in sustainability management through the establishment of a sustainability management value system, opinion gathering from various stakeholders, global-level engagement including accession to the UN Global Compact and the UN Environment Program Finance Initiative (UNEP FI), ethical management and risk management.

01

Sustainability Management Value System

Hana Bank has been advocating the cause of sustainability management by establishing a value system composed of Vision, Mission, Management Principles, Founding Principles, and Essential Virtue for Hana Employees. In particular, the 4 missions, that is, Customer Satisfaction, Employee Value Creation, Maximization of Shareholder Value, and Community Contribution, are a testament to the effort of Hana Bank toward sustainability management. Moreover, Hana Bank has grown the business on the back of the three founding principles: Independence, Autonomy, and Enterprising Spirit. These principles will continue to guide us in our future endeavors to develop into a financial institution with a strong presence in Asia.



02

Gathering Opinions from Various Stakeholders

Hana Bank gathers views from diverse stakeholders to reflect them in corporate management. We endeavor to continue to improve relevant systems in order to allocate diverse human and financial resources according to the needs of stakeholders.



03

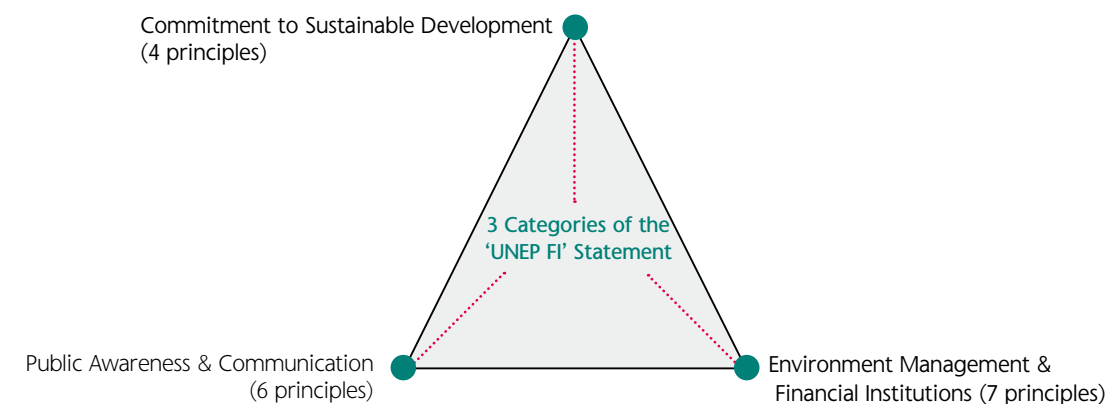
Accession to the UN Global Compact and the UNEP FI

The UN Global Compact is a campaign initiated by the former UN Secretary General Kofi Annan to call for responsible business activities. Companies join the Compact on a voluntary basis but they are obliged to report their activities and plans on the 10 Principles of the UN Global Compact. The 10 Principles require businesses to guard against human rights abuses, observe basic labor rights and eliminate all elements of discrimination, uphold environmental stewardship in their business activities, and work against corruption in all its forms. The Principles, which have already become part of business administration at Hana Bank, present us with clear directions in sustainability management. We will continue to endeavor to put the principles into practice and set examples for others to follow.

► Ten Principles of the UN Global Compact

Human Rights	Business should 01. support and respect the protection of internationally proclaimed human rights; and 02. make sure that they are not complicit in human rights abuses
Labor Standards	Business should uphold 03. the freedom of association and the effective recognition of the right to collective bargaining; 04. the elimination of all forms of forced and compulsory labor; 05. the effective abolition of child labor; and 06. the elimination of discrimination in employment and occupation
Environment	Business should 07. support a precautionary approach to environmental challenges; 08. undertake initiatives to promote environmental responsibility; and 09. encourage the development and diffusion of environmentally friendly technologies
Anti-Corruption	Businesses should work against corruption in all its forms, including extortion and bribery

The UNEP Financial Initiative, which was undertaken in 1991 by the UNEP, is a voluntary agreement of financial institutions on environmental sustainability. Around 169 international institutions and 7 domestic businesses are participating in the program. Hana Bank signed the UNEP FI Statement and joined the Initiative on September 5, 2007. The UNEP FI Statement consists of three categories: Commitment to Sustainable Development; Environmental Management and Financial Institutions; and Public Awareness and Communication.



04

Transparent Ethical Management



Hana Bank's Ethical Management Programs

- Securities Accounts and Transaction Records Report System
- Gifts and Bribes Report System
- Code of Ethics Promotion System
- Best Ethical Management Case Contest



History of Revision to the Ethical Guidelines

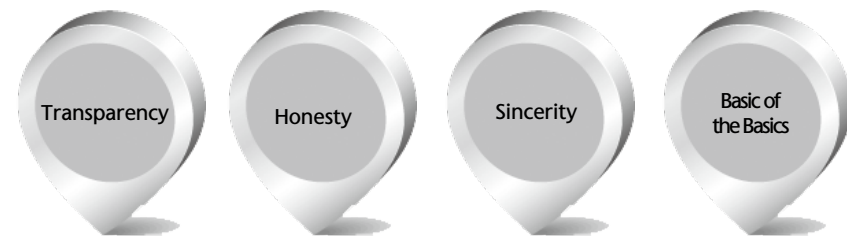
- 1991 | Code of Ethics for Employees and Guidelines
- 2001 | Guidelines on Conduct
- 2002 | Code of Ethics for Hana Employees
- 2009 | Revision to the Code of Ethics
- June 2010 | Cyber Training on Ethical Compliance for All Employees
- July 2010 | Biannual Ethical Compliance Self-Assessment

Hana Bank has set a goal of growing into a premier financial institution in the 21st century through ethical and creative corporate culture and sustainability management. To this end, we have established a Code of Ethics, which identifies the values and ethical standards for the Bank to pursue and the basic principles for employees to observe in their business activities. The employees of Hana Bank are driven by a strong sense of mission and responsibility and pursue the following 6 goals while upholding honesty and trust.

Honesty and Integrity

Honesty and integrity are the most fundamental values, especially in the financial industry, which is firmly rooted in credit and trust. Honesty is the highest value which is integral to earning recognition, trust and loyalty from customers and ultimately from society. Along with honesty, transparency and sincerity, integrity is an essential virtue for the employees of Hana Bank who adhere to the basic of the basics.

► Integrity of Hana Employees



► Honesty of Hana Employees

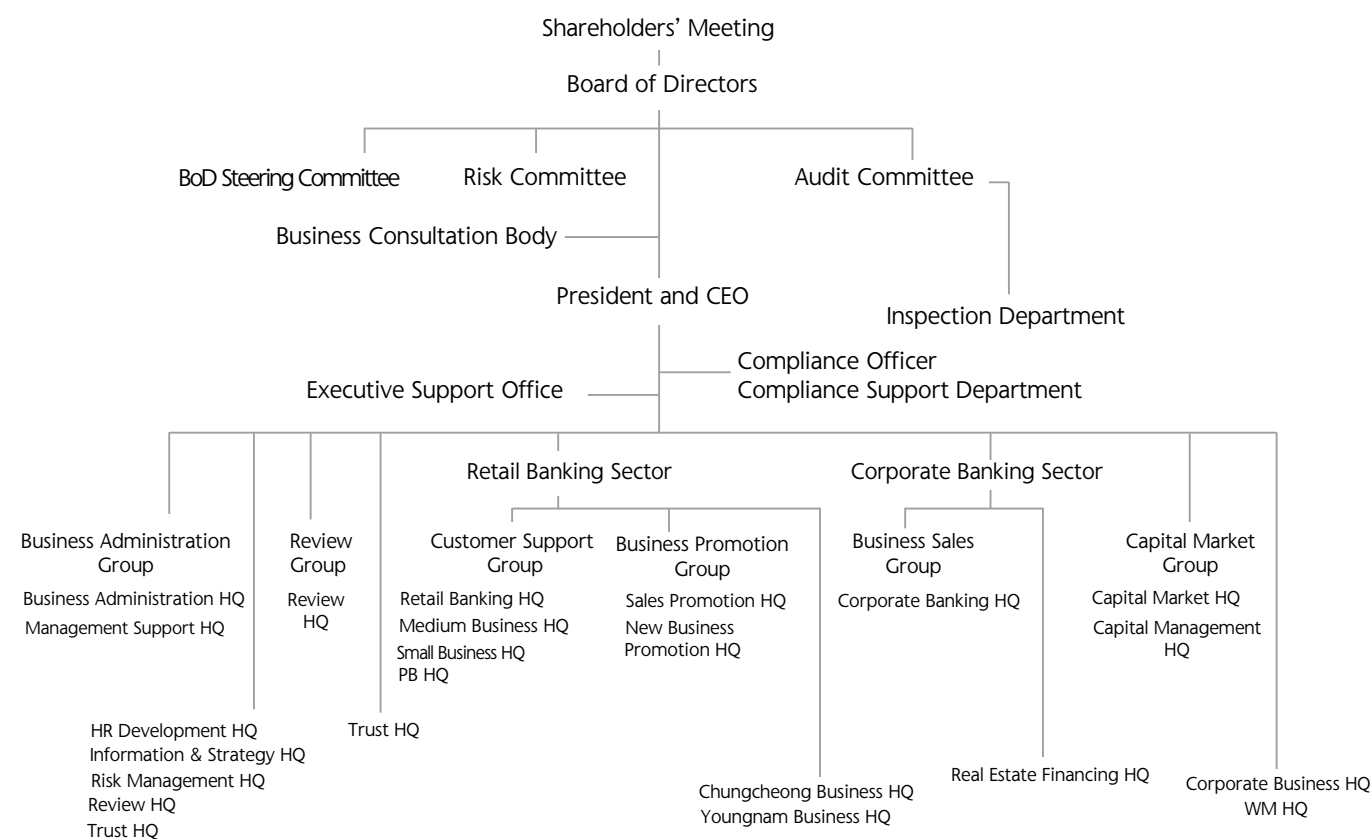
- 01. Honesty of Hana Employees is ► to work solely to serve the best interests of customers and the company
- 02. Honesty of Hana Employees is ► to create an open internal communication to assist employees in their efforts to produce the best outcome
- 03. Honesty of Hana Employees is ► to earn trust from customers, shareholders and society through transparent management practices

Employees at Hana Bank are armed with high moral principles and seek to act with honesty and integrity under all circumstances. Only those with an honest and balanced way of thinking can make right decisions and show good judgment with respect to what they should do or not do. Honesty is a source of energy that uplifts individuals, ensures the bright future for an organization and enriches our society. To Hana employees, honesty is a value to practice, a precious identity, and the highest virtue through which they can earn trust and loyalty from customers.



Corporate Governance

Hana Bank is equipped with a responsible management system which is designed to maximize organizational synergy and operational efficiency. We assist managers in their role to take the lead with an ultimate goal of maximizing corporate value. The shareholder-centered management enables us to create and increase shareholder value and enhance their rights and interests. The Board of Directors is charged with making decisions on what is stipulated in the Statutes and regulations, what they have been commissioned to do at shareholders' meetings, basic management directions, and major issues in operations, in addition to its supervisory role for the work of directors.



► Board of Directors

The Hana Bank Board of Directors is composed of 9 members including 5 external directors. According to the Statutes, external directors are elected at shareholders' meetings from the list of candidates recommended by a nomination committee. Candidates must possess rich knowledge and experience in management, economics, accounting, laws and relevant technologies. External directors convene exclusive meetings to exchange views on overall management issues and collect recommendations to propose to the management. All directors are required by the Commercial Law and the Statutes of the company not to be involved in businesses similar to the nature of the company without the permission of the Board of Directors to prevent conflict of interest.

Executive Directors

Jung Tae Kim	CEO of Hana Bank Vice President of Hana Finance Group Household Sector
Chang Sup Lim	Head of Hana Bank Corporate Banking Sector Vice President of Hana Finance Group Corporate Banking Sector
Seon Ho Jo	Hana Bank Internal Auditor

External Directors

Young Sup Kim	Advisor of a Law Firm Tae Pyung Yang
Young Gi Kim	Auditor of Consus Asset Management Co., LTD.
Jong Won Park	Professor from Korea University Department of Business Administration
Suck Hyung Woo	CEO of Sindoh
Sang Bin Lee	Professor from Hanyang University Department of Business Administration

► Management Advisory Committee and IT Advisory Committee

Hana Bank has established the Management Advisory Committee in an effort to put customer satisfaction at the heart of business operation. The Hana Bank Management Advisory Committee is composed of the nation's top experts armed with knowledge and experience. We have in place the IT Advisory Committee designed to assist the company in providing leading financial services based upon a solid IT infrastructure.

Members of the Management Advisory Committee

Sung Soo Kim	Professor from Seoul National University Department of Business Administration
Bock Hyun Back	Professor from Seoul National University Department of Business Administration
Jun Ho Ham	Professor from Yonsei University Graduate School of International Studies

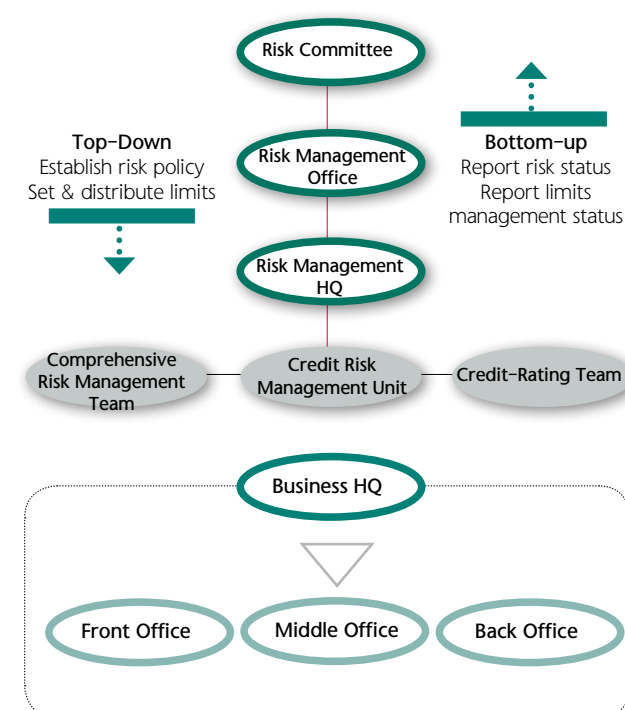
Members of the IT Advisory Committee

Hyung Ju Kim	Professor from Seoul National University Department of Computer Science
Yong Su Park	Vice President of Bearing Point
Do Hwan Bae	Professor from KAIST Department of Electronic Data Processing
Byung Tae Lee	Professor from KAIST Graduate School of Techno Business
Seung Ho Tak	Head of Seoul University IT Card Research Center
Jae Min Han	Professor from Korea University Department of Business Administration

Risk Management

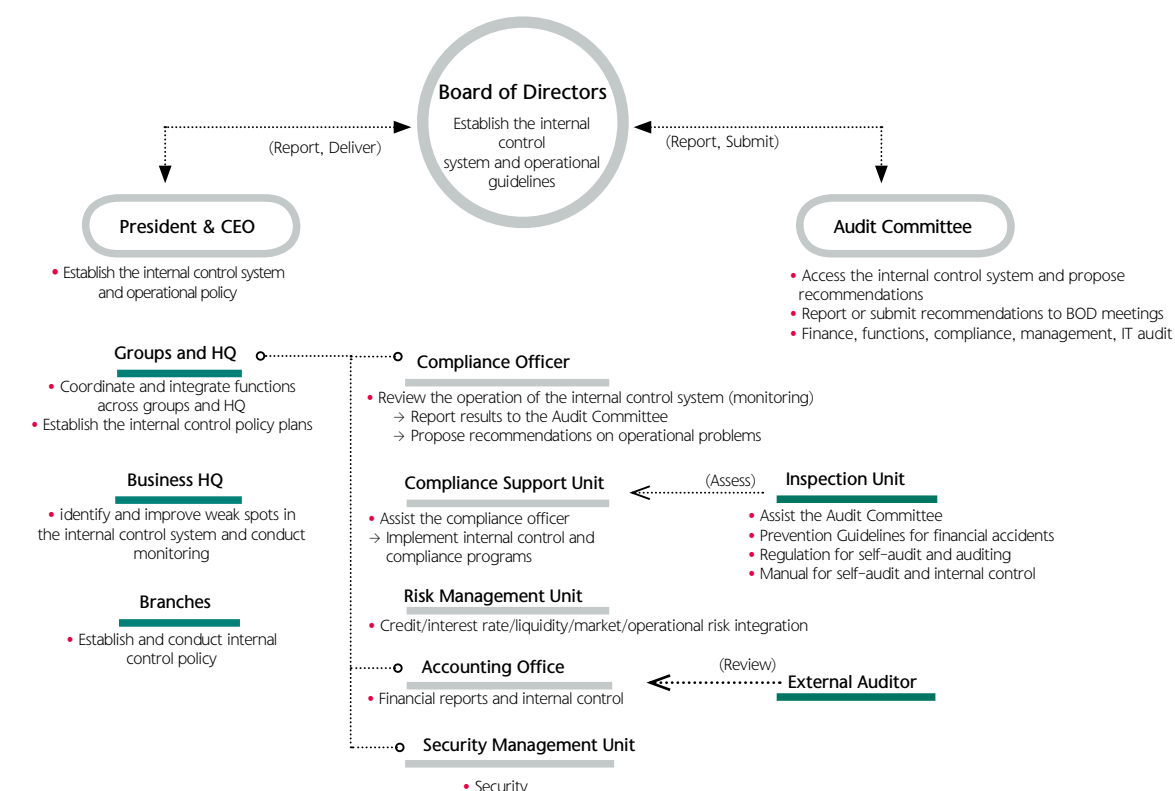
Hana Bank runs a comprehensive risk management system to prevent potential risk in management activities and promote management stability and stakeholder value. An advanced structure and systems have been established for the specific and practical management of all procedures with a particular focus on preemptive risk management. We have installed the Risk Committee under the Board of Directors to ensure transparent risk management. Two main pillars of the risk management system are the Risk Committee, which sets risk limits, and the Risk Management Committee, which monitors compliance with risk limits and reviews risk status on a monthly basis. The management and report of ordinary risks is the responsibility of the Middle Offices of each business HQ and the Risk Management HQ, which is comprised of the Comprehensive Risk Management Department, the Credit Risk Management Department and the Credit-Rating Team.

► Risk Management Structure and System



Hana Bank convenes the Risk Committee meeting on more than one occasion every quarter in order to set limits for credit risk, market risk, and operational risk and review risk status on a regular basis. An internal risk control system, which encompasses the high-level management at the top and business units at the bottom, ensures a systematic risk management. The internal risk control system helps protect the Bank's assets, secure accuracy and reliability for accounting data, promote the efficient use of resources, and guide and supervise employees in their compliance with relevant rules and regulations. Multiple bodies and individuals, such as the Board of Directors, the President of the Bank, the Audit Committee, the Compliance Officer and its support body, the Compliance Support Team, are involved in the management of the internal control system for the purpose of ensuring mutual control. The position of a compliance officer is required in accordance with the Banking Act. The Compliance Officer monitors the compliance of the Bank with relevant laws and regulations, reviews management soundness, ascertains whether employees and executives observe basic procedures and standards to protect shareholders and customers, and reports to the Audit Committee when violation of internal control standards has been identified.

► Internal Control System



Risk management based upon systematic risk management and internal control systems has led to the development of an internal model-based risk management system for market risk, which earned an approval of the Financial Supervisory Service. Furthermore, we are managing an adequate level of risk assets through a system built for preemptive response to risk in a rapidly changing financial environment, while fostering a risk-sensitive culture to manage potential risk resulting from changes in the business environment and strengthen the risk-related capacity of all employees. Through continuous efforts to expand capital, our BIS ratio, a key financial soundness indicator, reached 14.04% as of the end of 2010.

Go Beyond Hana

In the year 2001, Hana Financial Group set up a vision of building a “Premier Comprehensive Financial Services Network in the 21st century.” To realize the vision, the company established a model where HFG grows together with its customers by providing differentiated products and services based upon projections on changes in financial markets at home and abroad. A decade later, in 2011, HFG saw a real opportunity to secure a prominent position in domestic and overseas markets and declared its commitment to a great leap forward in that direction through the adoption of the slogan “Go Beyond Hana (One).”

A Slogan Advocating Innovation

“Go Beyond Hana” does not pursue a gradual change. It is a slogan for fundamental innovation, starting everything afresh from scratch. It symbolizes the beautiful philosophy of the “idea” and conveys commitment to aiming for more than Hana (one).

Openness Globalization Convergence

“Go Beyond Hana” will lay the foundation for HFG to start the journey in 2011 toward a leading financial institution with a strong presence in Asia. “Go Beyond Hana” is supported by 3 pillars.

“Go Beyond Hana”: Openness

A global financial group must be prepared to work with employees and customers from diverse backgrounds and cultures. In this context, diversity encompasses not just ethnicity, gender, age, nationality, or physical conditions, but also ways of thinking and customs. Embracing and respecting differences in all aspects – that is the first pillar of “Go Beyond Hana”: Openness

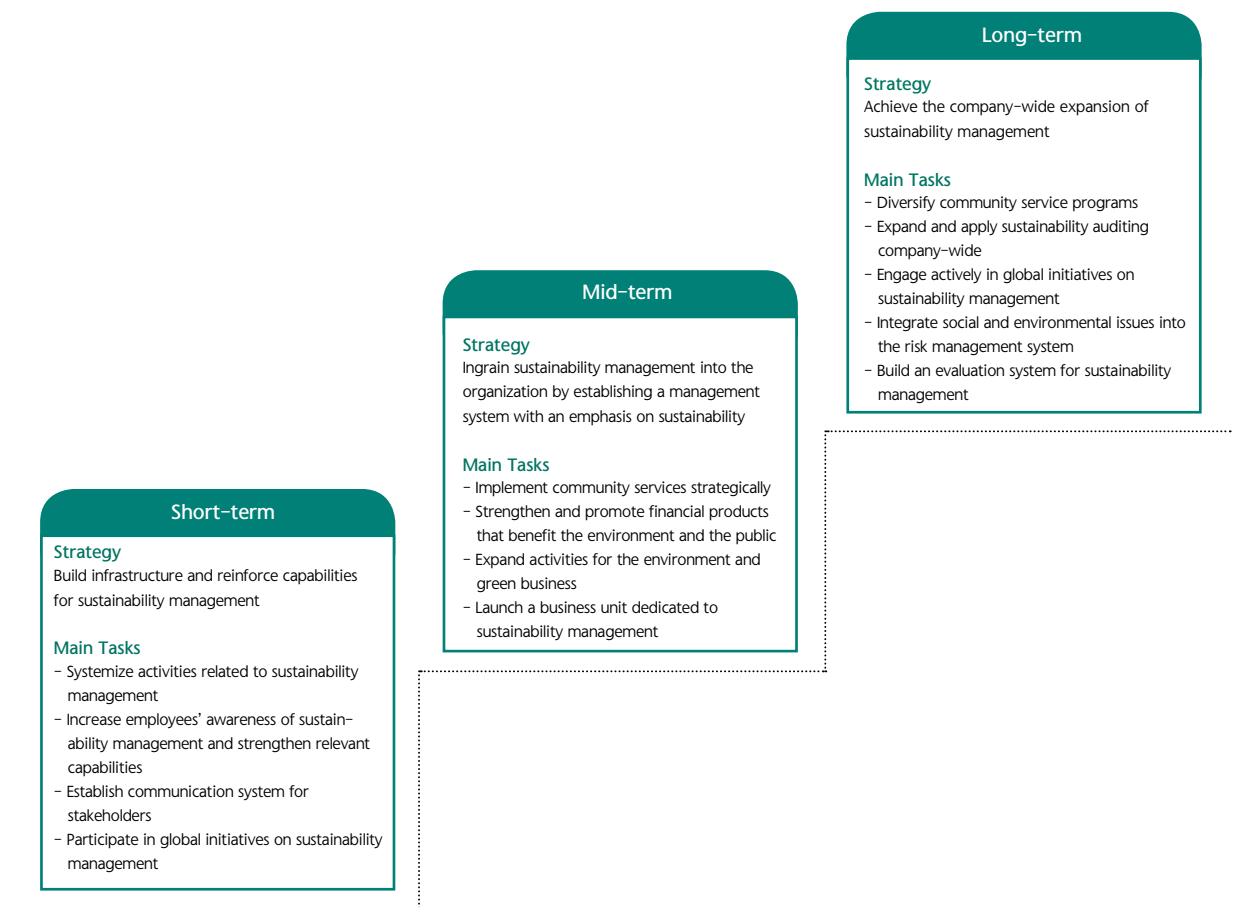
“Go Beyond Hana”: Globalization

Gaining the recognition as Asia’s top financial performer means there will be a lot of opportunities to serve employees and customers of diverse nationalities. To prepare for these opportunities, we need to be armed with the level of knowledge and capacities to compete on the global stage. Developing mindsets and capacities that are competitive in the global market – that is the second pillar of “Go Beyond Hana”: Globalization

“Go Beyond Hana”: Convergence

Convergence does not mean simple mixture of different elements. Going beyond the barriers of industries, generations, and cultures to realize “innovation-driven changes” and “re-creation through combination” – that is convergence in its true sense. Looking into various areas with flexible and open mindsets and striving to search for opportunities for cross-industry or cross-field convergence – that is the third pillar of “Go Beyond Hana”: Convergence.

Advocate of Sustainability Management



Hana Bank will step up efforts to improve its sustainability management system and embed it throughout the organization as an integral element of the corporate culture. Our ultimate goal is to incorporate sustainability management into the bank’s management activities through the implementation of short-term, mid-term and long-term strategies. We will strive to discharge our social obligation as a leading financial institution by focusing on activities of social and environmental significance, such as microcredit loans, the “Green Bank on the Move” campaign, and the development of environmentally-friendly products.



Sustainable Finance

Hana Bank seeks to implement sustainable financial practices which aim to achieve social integration by preserving the environment, addressing social challenges such as poverty and low fertility rates, and providing quality financial services for companies in various sectors and people from all walks of life. Our sustainable finance program can be divided into several different categories: financial products for the common good; products for small- and medium-sized enterprises (SMEs); financial assistance to address social issues; microcredit for financial inclusion; green earth products; products for common concerns; and smart services to please more customers.

01

Eco-friendly Financial Products

Hana Bank places great emphasis on environmental considerations in developing financial products and delivering services. We apply environmental screening standards when processing applications for loans and other types of assistance and focus on developing earth-friendly products and services. We have unveiled specialized products, such as the ‘Hana Solar Loan (2007)’ and the ‘Hana Installment Savings Account Sponsoring Suncheon International Garden Expo 2013 (2010).’

► Loans Provided for Photovoltaic Power Plants including Hana Solar Loan (as of April 18, 2011)

38 customers, 175.1 billion KRW

► Financial Products Addressing Environmental Issues



Hana Solar Loan

- Loans for businesses involved in photovoltaic power plants
- Facilitation of financing for the renewable energy industry and raising awareness of the environment industry among financial institutions



-0.3°C Loan

- Interest rate reduction up to 0.3% for customers with eco-friendly lifestyles



Hana Installment Savings Sponsoring the International Suncheon Garden Expo 2013

- Contribution of 0.1% of the account balance to build facilities for the Expo and preserve Suncheon Bay

02

Products for the Government's Sustainable Finance Policy

Hana Bank, a partner in the government's policy toward green management and cooperation for win-win growth between large corporations and SMEs, is taking the lead in developing relevant products. The prime examples are the Hana Win-Win Cooperation Corporate Loan, the Hana New Growth Engine Loan CL, and the Hana Green Business Loan, with the last one still in the pipeline.

Hana Win-Win Cooperation Corporate Loan

Objective

- Provide practical financial support for SMEs through cooperation between large corporations and the financial institution
- Prepare systematically for the demand of large corporations resulting from mutual growth agreements to be pursued by the Fair Trade Commission

Expected Results

- **Strengthen relations** : Strengthen relations with SMEs without assuming any losses
- **Secure new customers** : Secure new business opportunities with SMEs who have not yet to do business with the Bank
- **Support the government's policy** : Support actively the government's policy toward win-win cooperation between large corporations and SMEs

Hana New Growth Engine Loan CL

Objective

- Support the development of 17 New Growth Engines* in 3 areas designated by the Ministry of Knowledge Economy in 2009

Expected Results

- **Boost the image as a green bank** : Boost the image of the Bank supporting green growth industries related to new growth engines and providing green financing
- **Support the government's policy** : Cooperate in the government's policy toward nurturing industries related to new growth engines

Hana Green Business Loan

Objective

- Provide loans to green businesses with capital raised through green deposits introduced by the government's green growth policy

Expected Results

- **Boost the image as a green bank** : Put into practice the Bank's principle on green management and boost the image of the Bank's green management
- **Support the government's policy** : Contribute to the national economic development by supporting the government's green growth policy

*New Growth Engines

- **Green Tech Industries (6)** : New and Renewable Energy, Low-Carbon Energy, Advanced Water Processing, LEDs, Green Transportation Systems, High-Tech Green Cities
- **High-Tech Convergence (6)** : Broadcasting and Communication Convergence, IT Convergence Systems, Intelligent Robots, New Materials-Nano Convergence, Biopharmaceuticals-Medical Devices, Value-added Food Industry
- **Value-Added Services (5)** : Global Healthcare, Global Education Service, Green Financing, Content-Software, MICE (Meeting, Incentives, Convention, Events) Tourism

03

Microcredit for Financial Inclusion

Hana Bank contributed 10 billion KRW to launch the Hana Smile Microcredit Foundation in December 2009. The microfinance of the Hana Smile Microcredit Foundation assists the entrepreneurial poor in their pursuit of economic self-sufficiency by providing unsecured small loans. The business serves to achieve a goal set by Hana Bank, “community contribution as a leading financial institution.”



► Numbers of Applications Approved (Unit: persons)



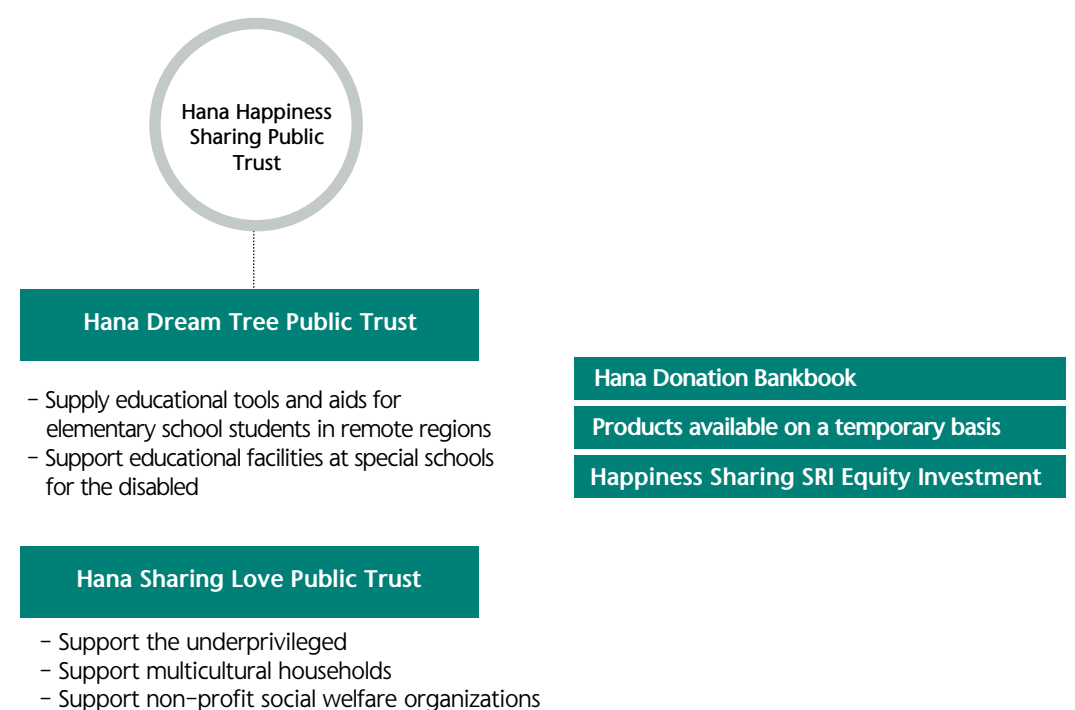
► Amount of Loans Approved (Unit: million KRW)



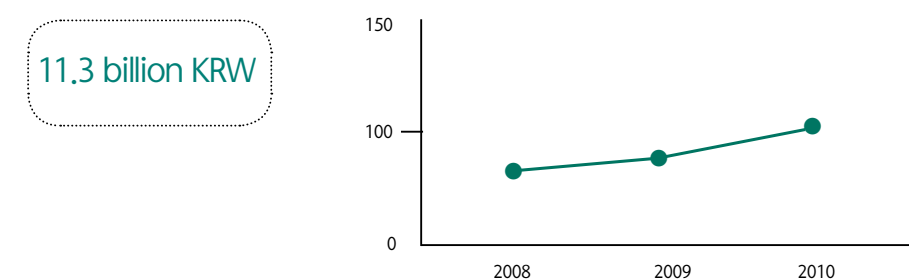
04

Serving the Interest of the Public through the 'Hana Happiness Sharing Public Trust'

Since 1972, Hana Bank has been running the Hana Happiness Sharing Public Trust, the only one of its kind in the country designed to serve the interest of the public. The Hana Happiness Sharing Public Trust consists of the Hana Dream Tree Public Trust, which supports children's education, and the Hana Sharing Love Public Trust, which is related to social welfare programs. A total of 11.3 billion KRW was executed as of the end of 2010. Various other products for the common good are also available.



► Total Amount Executed through the Happiness Sharing Public Trust (Unit: one billion KRW)

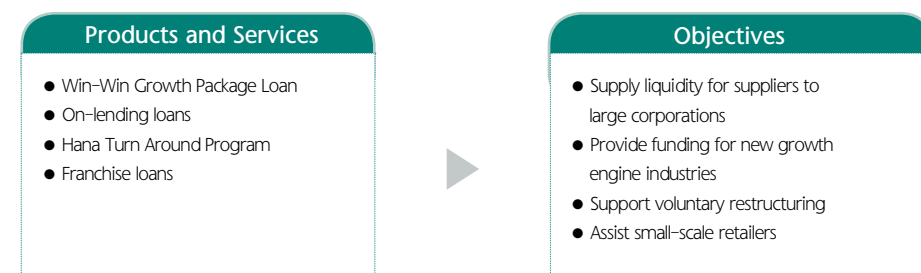


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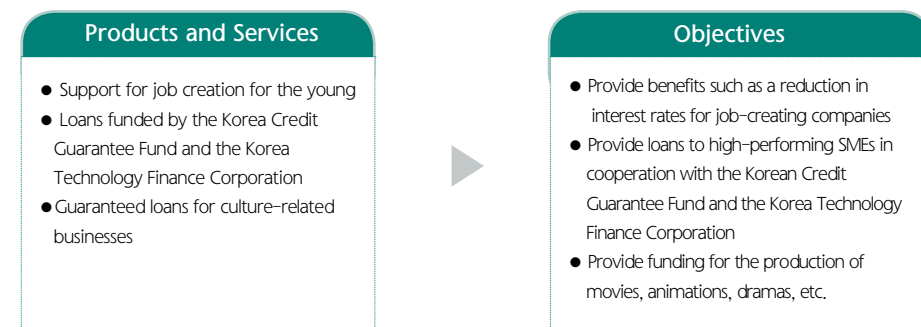
Loans for SMEs

Although the market for SMEs decreased in the year 2010, Hana Bank provided loans amounting to 29 trillion KRW. In addition to raising the amount of loans for SMEs, we provide consulting services, fiscal consultation and assistance in restructuring processes. Services for small-scale retailers are also available.

► Products and Services for SMEs



► Products and Services Introduced in the Year 2011



The Win-Win Growth Package Loan provides funding to suppliers of large corporations based upon the credit of their customers, that is, large enterprises, from the point of receiving orders to the point of receiving payments. It is highly regarded in the market in that the loan distinguishes itself from similar types of existing products by assisting 2nd-tier and 3-tier suppliers in securing liquidity relatively easily and benefiting from low interest rates.

► Awards for the Win-Win Growth Package Loan

- 2nd place at the 16th Mail Economy Financial Products Awards
- 1st place at the 2011 E-Daily Financial Products Awards
- 2nd place at the Financial Supervisory Service New Financial Products Awards

06

Cutting-Edge Smart Services to Meet the Needs of More Customers

Hana Bank pursues sustainable financial practices which enable a growing number of customers to have access to financial services with ease. Mobile banking services have been expanded for mobile devices including smart phones and customers can access the Internet free of charge at wi-fi hotspots in all branch offices. We distinguish ourselves with unique financial services, such as the Hana N Plaza, an innovative web-based marketing platform, the Mobile Hana Bank, which visits customers, not the other way around, and banking services for expatriates working in Korea.



Hana N Plaza(www.hananplaza.com) Service

- Information on products and services
- Provision of 60 specified financial products through affiliated companies
- Online PB Service
- Financial Consultation Service

► Places where the “Hana Mobile Bank” can be located

- Expressway service areas during holidays
- Areas where emergency relief, such as food relief, takes place
- Tourist spots during high season

► Banking Services for Expatriates

- Opening a counter dedicated to Chinese nationals
- Weekday after-hours and weekend services
- Hiring Chinese nationals at call centers to provide financial services for Chinese customers
- Pay-Easy Service for Vietnamese and Mongolian migrant workers

07

Constant Effort to Reduce Environmental Degradation and Economic Inequality

Hana Bank plans to provide services for sustainable finance and expand the number of products that take into account the environment and health, befitting the bank's status as the “Green Bank on the Move.” Furthermore, microcredit programs are also included in our expansion plan. In the year 2011, Hana Bank will increase the portion of loans for SMEs to 2.6 trillion KRW by contributing 50 billion KRW to the Korea Credit Guarantee Fund and the Korea Technology Finance Corporation. In addition to financial support, Hana Bank will do its utmost to facilitate business activities of SMEs by building viable cooperative networks with SMEs.



Culture Bank

Hana Bank, which appreciates the true value of art and culture and desires to share enriching experiences, has been at the forefront of enhancing the quality of life through cultural programs. Culture-related activities at Hana Bank have grown significantly both in quality and quantity. In 1987, we organized cultural seminars for women, the first of its kind in the country, which was followed by the opening of the Hana Love Gallery in 1991 and the launch of the Hana Cultural Affairs Advisory Committee in 1992. The cultural activities of Hana Bank are largely divided into 3 categories: programs for customers and employees; programs for the public and the community; and programs for the culturally underprivileged. Our programs provide opportunities for more people to experience the pleasure of culture enriching lives, helping us to get one step closer to a culturally wealthy society where corporate activities are compatible with cultural activities.

01

Sponsorship for Music Providing Various Musical Opportunities

Hana Bank strives to provide a wide range of musical opportunities for the general public and the local community. Hana Classic Academy arranges courses for music lovers and HFG customers. The courses are composed of performances by the country's leading artists and lectures by Park Eun-Hee, the music director of the Korea Festival Ensemble. Approximately 3,000 students participated in 21 courses between 2000 and 2010. Hana Yeouido Classical Concert is a free concert for the public, especially residents and office workers near the Yeouido region. About 500 people in a year join this concert combining classical music and theatrical elements. Hana Bank also sponsors Seoul Philharmonic Orchestra as part of its mecenat programs to support the art community. We donated 2.56 billion KRW between 2006 and 2010. Hana Children's Economic Musical helps elementary school children learn how the economy works through performances combining dance, songs, and economic education. The musical Jack and the Magical Wallet was performed 33 times in 2010 for 12,440 school children.

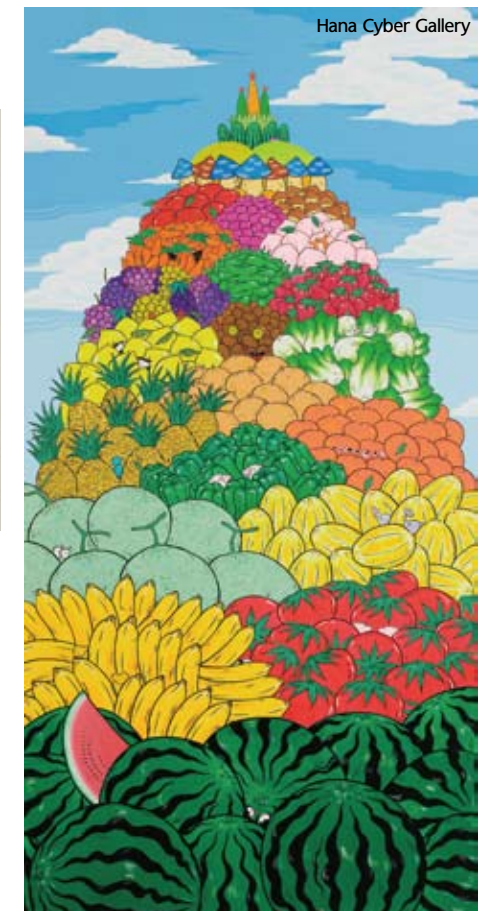


- Sponsorship for Seoul Philharmonic Orchestra : Mecenat programs to support the art community
- Hana Yeouido Classical Concert : Concert for the public, especially residents and office workers near the Yeuido region
- Hana Classic Academy: Classical music courses for music lovers and HFG customers
- Hana Children's Economic Musical : Performance of the musical "Jack and the Magical Wallet," a combination of dance, songs and economic education

02

Sponsorship for Art Providing Various Artworks in Everyday Life

Hana Bank's art sponsorship also provides various opportunities for the community to appreciate art. Hana Cyber Gallery, which virtually exhibits the artworks on the Hana Collection, a free exhibition of various artworks in the "Hana Love Gallery" in Pyungchang branch, a head office turning into an innovative art building called Art Museum in Your Neighborhood allow customers of Hana Bank to enjoy various artworks. Quarterly 「Hana Bank」is published every March, June, September, and December with art & culture contents. It is also available in major bookstores at 3,000 KRW as a "trans-trend magazine" with all proceeds going to community contribution programs. Hana Calendar Design Contest departs from conventional ways of designing calendars, allowing for financial institutions to engage customers, students and designers in the process of designing bank calendars. 14 contests were held between 2007 and 2010, and the contest in 2010 received 384 entries.



- Hana Cyber Gallery: Virtual exhibition of the artworks on the Hana Collections
- Quarterly 「Hana Bank」: High-class quarterly published by Hana Bank, specializing in art & culture
- Hana Calendar Design Contest: Departure from conventional ways of designing calendars, allowing financial institutions to engage customers, students, and designers in the process of designing bank calendars

03

Support for the Culturally Underprivileged

Hana Bank puts a great deal of effort into expanding opportunities for the culturally underprivileged to fulfill its mission as an avid advocate for shared cultural experience. Programs in this category include a variety of sponsorships ranging from “Mushroom,” a theater company offering free performances to music scholarships for children with developmental disorders to the “Angel’s Visit,” a cultural performance program for children deprived of opportunities to enjoy cultural events.



Sponsorship for the Theater Company “Mushroom”

Free performances for socially disadvantaged groups including the disabled and adolescents of under-privileged households



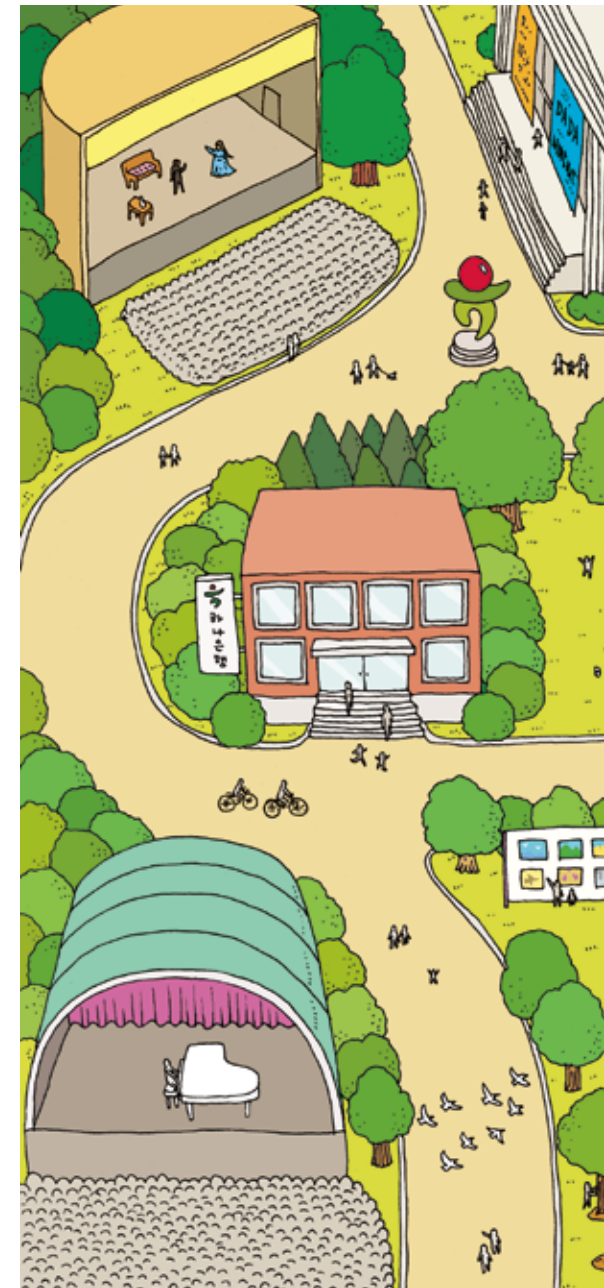
Music Programs for Children with Developmental Disorders

Scholarships for musically talented children of low-income families with developmental disorders



Angel’s Visit

Free performances for socially disadvantaged groups including children in group homes, factory workers, and senior citizen households

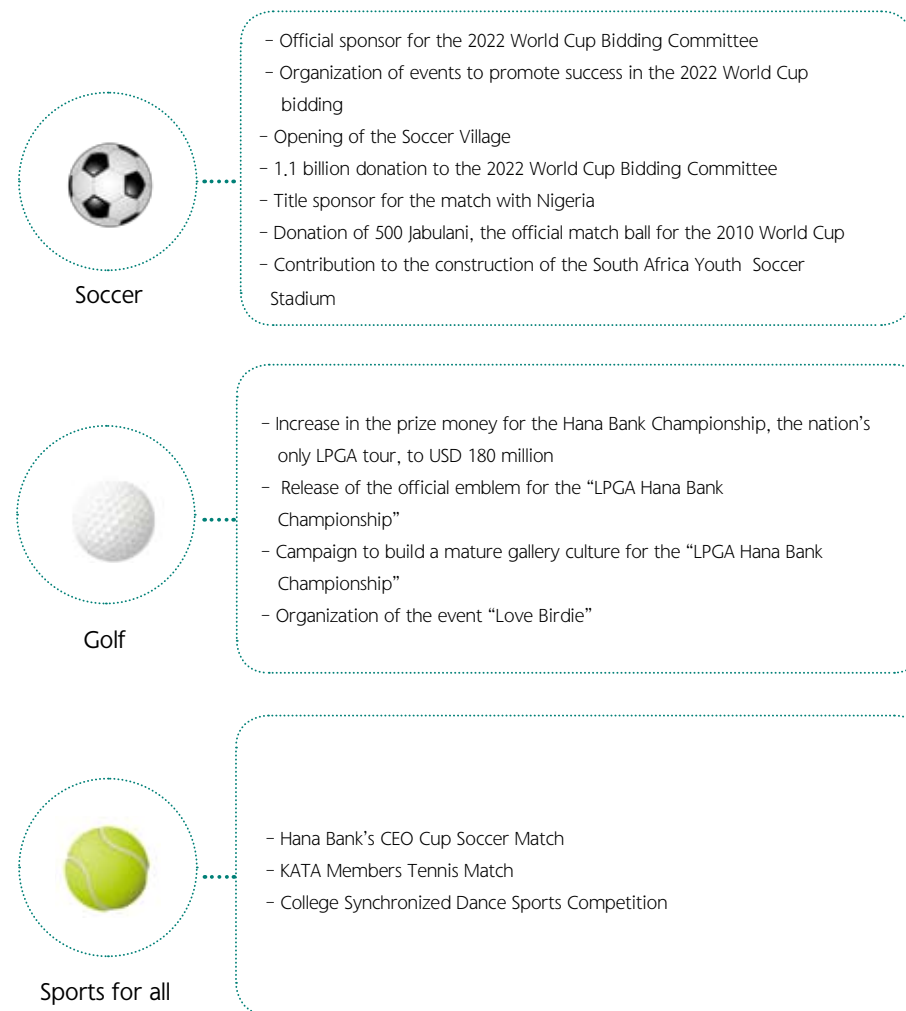


Hana Bank, which boasts a reputation as a patron of art and culture, will continue to work toward a harmony between the business world and the art community and make the most of the knowhow it has accumulated in the process. We will maintain our frontrunner position in the race to bridge inequalities in cultural opportunities through the expansion of support for culturally underprivileged individuals and groups as well as for the public and the community. No effort will be spared on our part to engage more of our customers and community residents in various Mecenat activities and exhibitions to help them lead more enriching lives.

04

Sports Sponsorship including Soccer and Golf

Starting from the sponsorship for the 1998 National Soccer Team, Hana Bank has been an active advocate of the sport, whose records include sponsorships for the World Cup bidding for the 2002 and 2022 Games, friendly matches for the national soccer team, the Hana Bank FA CUP, FC Seoul in the K-League, and various amateur soccer leagues and tournaments. The LPGA Hana Bank Championship, which took its first step in 2001, has grown into an undisputed major event both in terms of history and scope over the last 10 years. In addition, Hana Bank is seeking to expand base for sports by hosting various sports and recreational activities.



LPGA Hana Bank Championship





Sharing Bank

Hana Bank, a leading financial institution, believes community services to be one of its vital missions. In the mid-1990s, the scope of its community outreach programs was expanded to include such sectors as social welfare, culture, art, and education. Our activities to serve the community culminated in the creation of the Hana Love Volunteer Corps in 2004, which contributed to the culture of sharing and volunteering taking root in the company. In 2008, the Adding Hana (One) Hope Campaign was launched, setting new directions in this important cause. Hana Bank has been expanding its community outreach programs in two main categories: community services and education and sports sponsorships.



01

Support for Multicultural Families

“Hana Bank implements a range of activities to contribute to building a mature multicultural society, which appreciates cultural diversity.”

Korea is home to 1.2 million expatriates as of the end of 2010. The advent of multiculturalism has led Hana Bank to turn to activities aimed at creating a mature multicultural society where its members appreciate cultural diversity. We launched our support program for multicultural families on November 4, 2007 with the Vietnamese Family Day. The support program gained momentum in 2008 through the establishment of Hana Kids of Asia, an education program for children from multicultural households. Hana Kids of Asia, which took its first step in Seoul in 2008, opened in Incheon in 2009 and Ansan in August, 2010. Under the program, a total of 55,000 bilingual story books were published to provide children from multicultural backgrounds with opportunities to learn the languages and cultures of their parents. In addition, books designed to raise understanding of multiculturalism are provided free of charge for multicultural families and the general public and two public service advertisements were produced to raise awareness of a multicultural society among the public. As showcased in the examples above, Hana Bank is engaged in a vast array of activities to contribute to the promotion of a multicultural society.



► 2010 Hana Bank’s Programs Supporting Kids from Multicultural Families

Hana Kids of Asia	Saturday School, afterschool programs, cultural experience programs, counseling for children of multicultural families, language and culture text development for multicultural education
Publication & Distribution of Bilingual Story Books	Publish bilingual story books and biographies for children of multicultural families and distribute a total of 55,000 books
Multicultural Experience	Instill pride in multicultural family members through puppet shows, artifact exhibitions, and traditional cuisine festivals
“Multicultural Day” Event	Cultural performances and events for marriage migrant women
Public Service Ad Campaign on Multiculturalism	Raise awareness of multiculturalism through public service advertisement via print and broadcast media
Financial Service for Expatriate Workers	Telephone counseling service in mother tongues of expatriates, translation of forms, opening of Hana N Plaza, diversification of services through affiliation with foreign banks

Economic Education Programs

“Hana Bank focuses its efforts on teaching children how the economy works.”

Hana Bank hosts diverse events to teach children the basics of economics including a musical performance titled 'Jack and the Magic Wallet,' which visited 150 elementary schools between April 2006 and December 2010, and the 2010 Hana Children's Dream Festival. Moreover, an educational website named the Hana City (www.hanacity.com), which opened in October 2008, has contributed to a great number of children developing an interest in economics. As citizens of a virtual city, kids can learn about basic economic concepts and experience how the economy works as they take part in the process of production, savings and consumption. Recognized for its contribution as the country's first social network service education site, the Hana City won the Grand Prize for Community Contribution by the Finance Sector in the Web Award Korea 2008. The Hana City went on to earn another achievement in 2009, when it was selected as a site recommended for adolescents by the Korea Communications Standards Commission.

► 2010 Hana Bank's Programs Supporting Economic Education



Hana Children's Dream Festival

- Provide giveaways for the Hana Dream Tree Installment Savings and the Hana Happy Birth Installment Savings
- Provide giveaways for fund products for children and invitations to the Jang Bo-go History Exploration



Hana Children's Economic Musical

- Visit 150 elementary schools to stage a musical titled Jack and the Magic Wallet



Hana City

- Provide hands-on experiences for diverse occupations customized for children
- Teach basic economics to elementary school children in higher grades
- Organize Economy Olympiads for elementary school children



Economic Musical Titled Jack and the Magic Wallet



03

An Independent Private High School, Hana High School

“Hana Bank established Hana High School to contribute to society through talent fostering initiatives.”

Hana Bank opened Hana High School in March, 2010. Hana High School, which is a boarding school, runs English and other foreign language courses in the curriculum. It is equipped with a concert hall called the Hana Art Center and a gymnasium for afterschool art and sports programs. Divided into three categories of the International Course, the Specialized Course, and the General Course, the school curriculum is taught in Korean and English. Since it was established by a financial institution, such courses as economics, management, and international finance are also incorporated into the curriculum. Students in the top 3 % of their middle school class are eligible to apply, whereas 20 % of the number of students is set aside to admit students from underprivileged families including children of households in the lowest income quintile and multicultural families. Scholarships are provided to 30 % of students with priority given to students from low-income families.



04

Hana Puruni Childcare Center and Hana Care Center

“Hana Bank seeks to find solutions to low fertility rates resulting from the burden of childcare expenses and the lack of nursing homes and rehabilitation centers for the elderly population.”

Hana Bank recognizes low fertility rates and population aging as two key challenges facing our society, which has led us to turn to practical solutions. We became the first domestic bank to make a direct donation to a provincial government to help establish a public childcare facility called the Puruni Childcare Center in 2008 and in the following year 2009, set another record of becoming the first financial institution to establish an assisted living facility known as the Hana Care Center. At the Singil Hana Puruni Childcare Center, which opened in September, 2008, 21 staff members run a facility which can accommodate up to 148 children. At the Namyangju Hana Care Center, which opened in March, 2009, 64 care workers provide quality services for 74 occupants. We plan to expand these facilities with a goal of adding 10 childcare centers and 20 assisted living facilities

05

Financial Inclusion through Microcredit Business

“Hana Financial Group runs the Hana Smile Microcredit Foundation to help financially disadvantaged individuals to start a business and achieve economic self-reliance as part of its efforts to narrow widening income disparities.”

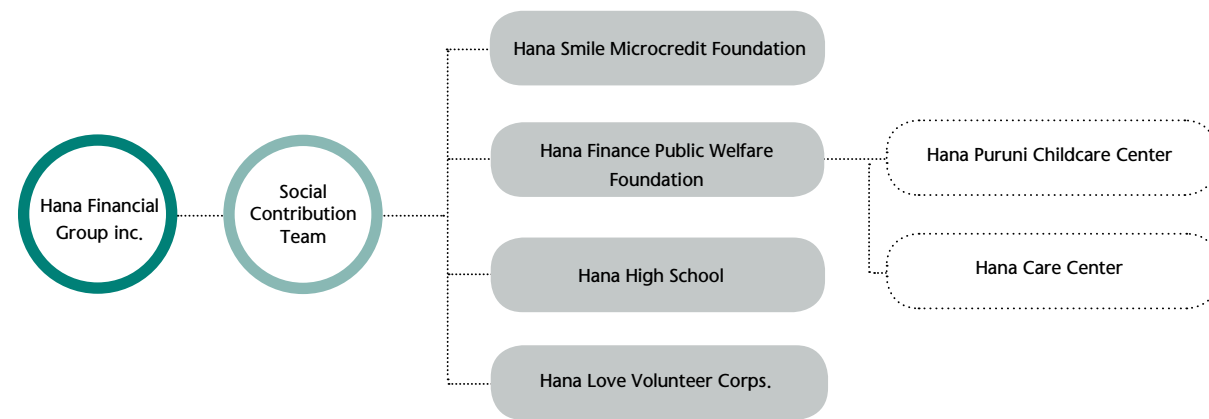
Hana Financial Group inaugurated the Hana Smile Microcredit Foundation on December 21, 2009 to narrow income disparities in society by providing startup capital to the financially underprivileged to help them achieve economic self-sufficiency. The Hana Smile Microcredit Foundation contributes to creating employment and added value in society by offering unsecured loans to people in the low-income bracket. In 2010, loans and business support programs worth 9.7 billion were executed for 810 customers and the project is expected to grow further with the launch of the Hana Smile Hope Volunteer Corps, a group of Hana employees who specializes in financial services for low-income families.

06

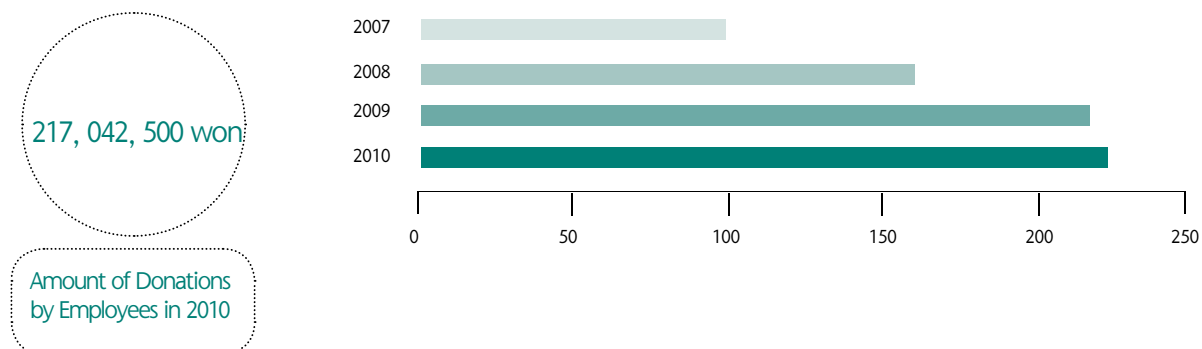
Business Unit Dedicated to Community Outreach Programs

Hana Bank has been involved in community outreach in collaboration with other affiliates of Hana Financial Group. HFG has established a microcredit business, a nursing home for the elderly, a childcare center and Hana High School through the Hana Finance Public Welfare Foundation and the Hana Smile Microcredit Foundation. Hana Bank is providing more than 95% of the funding for the aforementioned activities carried out by the HFG.

► Social Contribution Team in the Group



► Amount of Donations by Employees by Year (Unit: million KRW)



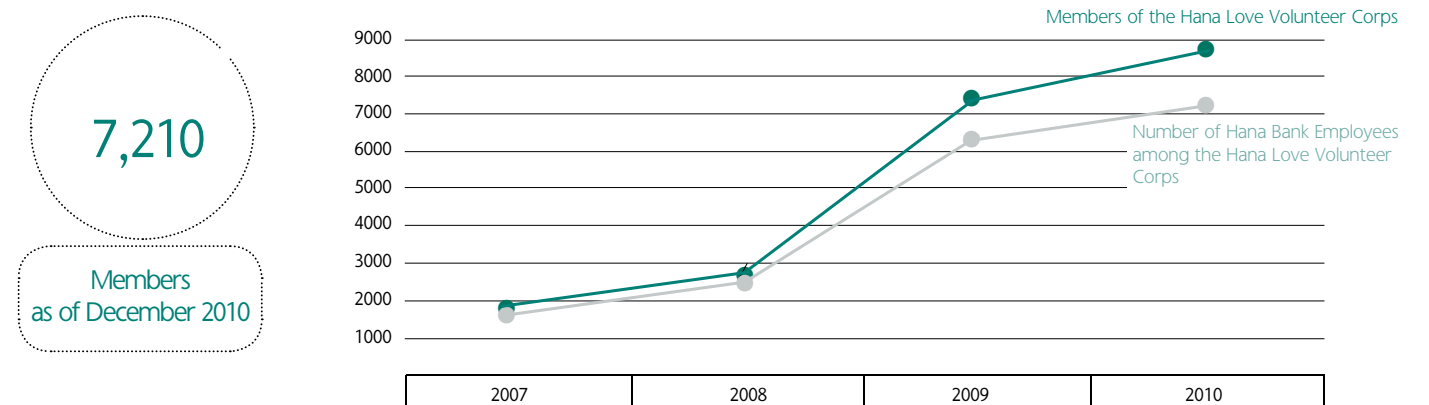
07

Hana Love Volunteer Corps

Employees at Hana Bank participate in volunteering work under the banner of the Hana Love Volunteer Corps. Some 3,000 Hana employees set aside a certain amount of their salary every month to donate to the underprivileged and take part in various volunteering work. As of the end of 2010, the membership of the Hana Love Volunteer Corps reached a total of 8,842 employees across the HFG, of which 81.5%, or 7,210, were the employees of Hana Bank. Employees of Hana Bank share their time and love on a regular basis for people who are subject to social exclusion in local communities, including minor heads of household, children who are forced to skip meals, the disabled, and the homeless and reach out to people living in low-income countries abroad. In 2010, the “2010 Add-Hana (One)” volunteer campaign was conducted for one month from November 24 to December 24.



► Growing Number of Members of the Hana Love Volunteer Corps (Unit: Persons)





Eco-friendly Bank

Advocating an “Earth-friendly Bank,” Hana Bank promotes green management for the environment. Under the banner of the “Green Bank on the Move,” we carry out green initiatives at the individual, organizational and national levels with the “Green Footprint” as the icon of green growth. Furthermore, we run a range of programs designed to minimize environmental impact and raise awareness of environmental issues among community residents. One remarkable achievement is the opening of a new concept flagship store aimed to offer differentiated services combining environmental awareness with the culture of philanthropy.

Programs to Raise Environmental Awareness in Local Communities

Hana Bank strives to develop and raise awareness of environmental issues in local communities by undertaking a variety of initiatives to preserve the environment. Some of our programs, such as Hana Green Poster Contest, Hana Forest Exploration, Hana Green Concert, and Hana Forest Care, have taken firm root as major environmental campaigns. In December, 2010, Hana Bank opened a brand flagship store in the downtown area of Myungdong, the first of its kind in the finance industry. Under the concept of a “Bank Growing Trees,” the store serves as a focal point of disseminating messages on finance, the environment and community contribution.



Hana Green Poster Contest

A poster drawing contest for elementary school children in two categories (the individual competition and the group competition), with the winner of the group competition getting a “Dream Art Room” built for their school



Hana Forest Exploration

An activity for Hana Bank customers' families to explore and experience national forests near the metropolitan area



Hana Green Concert

Concerts taking place across the country where audience enjoy musical performances and realize the importance of the environment



Hana Forest Care

A project to preserve the 133-hectare forest located in Sinron-ri, Yangpyung-gun, Gyeonggi Province by checking up on the status of the forest, developing walking trails and installing signs



Winning Pieces from the 2010 Hana Green Poster Contest

Down from the left,
2nd Prize, Jin Lee from Gimpo Elementary School, 6th grade
2nd Prize, Seulgi Kim from Chungryong Elementary School, 3rd grade
Special Selection, Chanhyung Jo from Gwangju Samyook Elementary School, 1st grade
1st Prize, Sohyun Eum from Gyunggi Elementary School, 4th grade



Exhibition of Winning Pieces from the Hana Green Poster Contest



Efforts to Save the Earth in Everyday Life through Energy Conservation, Reduction in Paper, and Use of Eco-friendly Supplies

Hana Bank carries out various activities to lower the impact of our business operations on the environment. These activities are divided under the headings of energy conservation, reduction in paper consumption and use of eco-friendly supplies. Practices to minimize environmental impact help Hana Bank to contribute to the cause of environmental preservation as well as an overall reduction in operation expenses.



Reduction in Paper Consumption

- Use scrap paper
- Recycle envelopes
- Recycle slips that have passed the storage requirement period



Energy Conservation

- Replace energy in use with eco-friendly energy sources
- Raise A/C temperature during the summer time
- Restrict elevator access to lower floors
- Run the "Save Energy / Save Korea" Campaign
- Run a campaign to recommend the public to abstain from driving on a selected day of the week and encourage the use of public transit



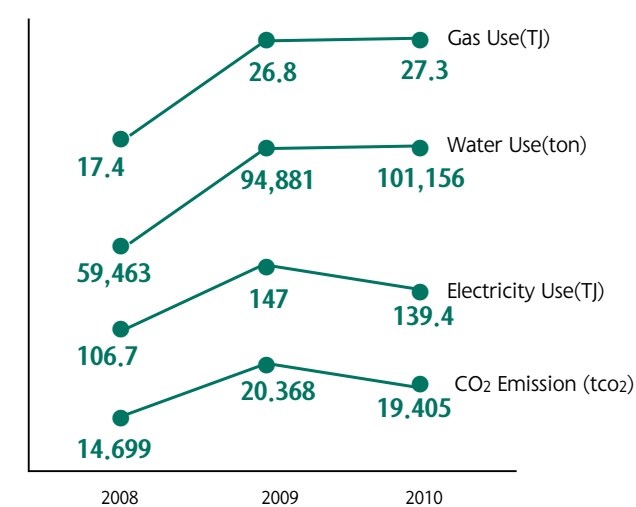
Use of Eco-friendly Supplies

- Purchase eco-friendly office supplies
- Use recyclable cartridges
- Use of recycled paper for photocopying
- Use name cards made of recycled paper

► Annual Paper Use (Unit : kg)



► Energy and Water Use



- 1) Water Use includes waterworks use only; not the underground water use
 2) CO₂ Emission only includes emission from banks owned by Hana Bank
 3) CO₂ Emission is calculated based on Ministry of Environment's "Guide for Managing Greenhouse Gases • Energy"



Hana Brand Flagship Store

Opened in Myungdong under the concept of a "Bank Growing Trees," the store encompasses green initiatives, philanthropy, community outreach and entertainment. The store also collaborates with UNEP National of Korea and runs the donation drive with the visitors of Hana Brand Flagship Store for Mangrove Forests, "the Earth's Carbon Sinks"

03

Commitment of Hana Bank to Green Management: “Green Bank on the Move”

Hana Bank pursues green growth. Since the very beginning of our foundation, we have been at the forefront of campaigns to promote green initiatives based upon our distinctive awareness of environmental issues. In April, 2009, Hana Bank unveiled the Green Bank on the Move project, declaring, both internally and externally, our strong commitment to environment-driven management approaches. The Green Bank on the Move is an eco-friendly management program undertaken by Hana Bank, which aspires to become a major player in environmentally-friendly management. We will further strengthen our image as an environment steward by implementing the Green Bank on the Move initiative based upon the three values: Green Growth, Field-oriented Management, and Health.



Hana Bank will step up its efforts towards green management as a “Green Bank on the Move.” In particular, we will strive to enlarge our “Green Footprint” and focus on developing green programs and products which engage our employees and customers in activities for the environment. We will continue to play a leading role in raising awareness of environmental issues in local communities by setting good examples through community contribution. We wish to contribute to building a culture where all members of society volunteer for green growth initiatives.

04

An Icon for Green Growth, “Green Footprint”

Hana Bank has chosen the Green Footprint as an icon for green growth. Feet are the body part placed closest to nature and symbolize action to overcome challenges. The Green Footprint activities of Hana Bank are further divided into the national, organizational and individual levels.

Efforts at the National Level : Take Part in Low Carbon, Green Growth

As our efforts to take part in low carbon, green growth, we run a Car-Free Day campaign by designating the first business day of the month as a car-free day so as to encourage employees and customers to use public transportation. Another campaign inaugurated by Hana Bank is the “Love River Foot Relay,” a project to remove harmful plants from rivers.

Efforts at the Organizational Level : Develop Various Financial Products

As for our efforts at the organizational level, we provide loans to support eco-friendly businesses. Private customers can open an S-Line Installment Savings account or take out a -0.3°C Loan. Furthermore, the Hana Solar Loan and the Hana Installment Savings Sponsoring the International Suncheon Garden Expo 2013 are also available for companies involved in the environment industry.

Efforts at the Individual Level: Join Programs such as the “Walk to Donate” and the “Show Your Love for the Environment”

Hana Bank runs such campaigns as the “Walk to Donate” and the “Show Your Love for the Environment” to promote practical environmental activities for its employees. The “Walk to Donate,” which was launched in March, 2009, counts the number of steps taken by employees using pedometers to determine the amount of donation. With Season 4 completed in 2010, the drive has raised a total of 41,477,344 KRW, donating 84,055,808 KRW to several organizations. In addition to these large-scale campaigns, Hana Bank hosts a series of small events such as “My Resolution,” where employees recommit themselves to the cause of environmental stewardship.

► Total Amount Raised through the “Walk to Donate” (Unit: steps, KRW)

Division	Season 1	Season 2	Season 3	Season 4	Total
Duration	2009. 4. 16 ~ 5. 29	2009.5. 30 ~ 9. 30	2009. 10. 1 ~ 12. 31	2010. 3. 22 ~ 6. 30	
Steps Taken	112,937,752	140,937,010	70,089,635	28,248,833	352,213,230
Collection	10,674,434	10,886,475	15,466,995	4,449,400	41,477,344
Donation	21,348,868	52,506,940		10,000,000	84,055,808
Beneficiary	UNEP National Committee for the Republic of Korea	World Vision Korea		Global Love Sharing Campaign	
Usage	Plant 1 Million Trees Campaign	Haiti Earth Quake Emergency Relief		Support for Multicultural Families	



Talent Management

Hana Bank values each and every one of the employees. Employees finding their work fulfilling and enjoyable – that is the definition of a great company. Based upon the mission of “Employee Value Creation as a Pleasant Workplace,” we have been stepping up our efforts to empower employees, enhance the quality of life for employees, and establish a fair and open organization. We strive to mobilize all resources to help employees to increase job proficiency and efficiency and lead pleasant and happy lives through Capacity Building Program, Internal Communication Program, Employee Wellness Program, and Anti-Discrimination Measures.

Balls hanging from the ceiling of Hanaville, Hana Bank's Training Center, symbolize the strong will of employees

01

Employee Empowerment

Hana Bank provides a wide range of training opportunities for the self-development of employees. Programs like the Career Development Plan, the Leadership Program, CoP, Hana Twitter, and Assistance for Finance-related Certificates enable employees to reinvent themselves as more professional financial experts.



New-Turn

Launched in January, 2009, the New Turn, the next-generation knowledge-based management system, maximizes the concepts of participation, sharing and opening and serves to promote communication among employees. The components of New-Turn includes Knowledge Map composition, system monitoring the entire procedure from proposals all the way to implementation, online collaboration tool, Wiki, CoP and team rooms reflecting the elements of web 2.0 including blogs and library management system



CDP*

The Career Development Plan has established a 3-stage basic skill set in each Career Field. The specified and structured stage-based courses assist employees in developing their professional capacity.

*Career Development Plan



CoP**

The CoP is a field-oriented learning method, which seeks to depart from conventional ways of learning to generate and share knowledge from diverse sources and perspectives. Each community is composed of minimum six members, who hold meetings on- and off-line to study and find solutions to job-related issues.

**Community of Practices












Leadership Programs

Leadership Programs include Hana Leadership Pipeline, leadership programs for branch managers and for different positions on the corporate ladder, and programs to improve team coordination and collaboration. Hana Leadership Pipeline is established to strengthen leadership by cultivating three essential elements: organization; achievement; and innovation. Leadership programs for branch managers and for different positions on the corporate ladder develop respectable leadership skills for each position. As for programs to strengthen team collaboration, Hana Bank runs weekend team-building retreats and cultural programs for employees' families through invitations to festivals, exhibitions and historical site visits.

Enhance Quality of Life through Employee Benefits

Hana Bank runs wellness programs to contribute to the happiness of employees in the belief that the happiness of employees is integral to the success of the employer. We provide fringe benefits that ensure practical assistance for the lives of employees and run work-life balance programs to meet the need to improve the quality of life.

► Comprehensive Employee Benefits Package

	Medical Support	Offer medical checkup for employees aged 35 and older and spouses aged 36 and older Take out an insurance (covering spouses) for which the company pays the premium in situations of diseases and natural disasters Assume partial medical expenses in the case of employees and their families contracting diseases
	Housing Support	Offer rental housing for employees with dependents Arrange temporary housing for employees assigned to offices far from home
	Tuition Assistance	Provide tuition assistance from kindergarten through college
	Support for Female Employees	Run a daycare center Provide opportunities to stay and relax in holiday timeshare Offer 2 years' leave of absence before and after childbirth and for raising a child (1 year with allowance) Approve leave of absence for women going through infertility
	Refreshing Holiday	Provide refreshing holidays to enhance quality of life for employees
	Finding Happiness	Provide psychotherapists' counseling for employees and their spouses (no restriction to themes, confidentiality guaranteed), online education (mental fitness club, art of love, and special lectures on stress measurement and prevention)
	Oh Happy Day	Send gifts with cards celebrating birthdays and wedding anniversaries
	Wedding Support	Provide information to employees on wedding preparation and conflict resolution counseling for couples soon to be married Help employees to save expenses and time by introducing credible wedding planners
	Healthcare Support	Provide opportunities to work out for employees aged 40 years and older or employees with health problems such as obesity, high cholesterol, hypertension, etc. Offer chances to exercise, such as workouts at gyms, swimming, yoga, aerobics, sports dance, etc.

Anti-Discrimination Measures in Employment and Remuneration

“Hana Bank is dedicated to providing fair treatment to all employees in the entire process of human resources management ranging from hiring to performance appraisal to remuneration and bonus.”

Hana Bank does not discriminate against applicants, based on place of birth, gender, religion, or race. We are also setting good examples by taking proactive steps to hire minorities in society including the disabled.

► Percentage of Female Workers in Management-level Positions or Higher



Gender Equality and Fair Compensation

Hana Bank upholds performance-based compensation, applying the same standards for workers engaged in identical functions, regardless of their gender. During the course of our quantitative growth, the proportion of female employees has grown consistently and the number of females in management-level positions or higher has been on the rise.

- **Implementation of the special employment test for patriots, war veterans and their children on two occasions**
Hired 25 and 18 persons on November 2009 and December 2010, respectively
- **Implementation of the special employment test for the disabled on two occasions**
Hired 4 and 5 persons on May 2008 and June 2010, respectively
- **Signing an agreement with the Korea Employment Promotion Agency for the Disabled to increase the number of physically-challenged workers in the company in June, 2005**
- **Win an Official Commendation from the Minister of Patriots and Veterans Affairs**
Won a Man of National Merit in the 2009 Veterans Month
- **Anti-Discrimination in Employment**
Appointment of the first female executive in 2011
- **Distinguished Performance of Chinese Employees**
High customer satisfaction at the Guro-dong branch and other branches with Chinese employees and personal development opportunities for Chinese employees

Key Performance Data

A. Financial Statement

Balance Sheet (Bank Account) (Unit: million KRW)

Description	70th	69th
Asset		
Cash & Due from Banks	5,981,378	6,128,872
Securities	21,278,617	21,309,657
Loans	103,631,324	98,839,085
Tangible Assets	1,052,865	1,082,843
Other Assets	7,021,090	8,148,332
Total Assets	138,965,274	135,508,789
Liabilities		
Deposits	93,388,587	89,884,425
Borrowings	24,721,256	25,448,303
Other Liabilities	12,514,192	10,963,825
Total Liabilities	130,624,035	126,296,553
Shareholder's Equity		
Capital Stock	1,147,404	1,147,404
Capital Surplus	2,726,159	2,724,149
Capital Adjustments	-2,973	-176,338
AOIG*(Loss)	477,490	313,178
Retained Earnings	3,993,159	5,203,843
total Shareholder's Equity	8,341,239	9,212,236
Total Liabilities and Shareholder's Equity	138,965,274	135,508,789

* Accumulated Other Inclusive Gain

Income Statement (Bank Account) (Unit: million KRW)

Description	70th	69th
Operating Revenues	18,184,407	24,546,434
Operating Expenses	16,848,150	24,184,218
Operating Income	1,336,257	362,216
Non-Operating Revenues	72,070	67,066
Non-Operating Expenses	93,909	99,734
Income Tax	329,305	87,803
Profit of Continuing Operation	985,113	241,745
Profit of Discontinued Operation	-	32,185
Net Income	985,113	273,930

Balance Sheet (Trust Account) (Unit: million KRW)

Description	70th	69th
Assets		
Cash & Due from Banks	1,484,886	700,999
Securities	4,702,475	5,798,941
Loans	181,081	198,944
PPCB*	40,000	1,054,999
BPRA**	1,952,000	1,388,000
Money Receivables	1,466,826	1,421,694
Movables & Real Estate	5,129,521	5,235,949
Other Assets	143,399	148,677
Loans to Banking Account	419,285	675,487
AVR***	-145	-179
Total Assets	15,519,328	16,623,511
Liabilities		
Money in Trust	8,711,495	7,997,060
Property in Trust	6,382,878	8,049,828
Public in Trust	16,766	16,767
Mortgage Bond Trust	230,000	373,656
Other Liabilities	149,899	156,502
Special Provisions	28,289	29,698
Total Liabilities	15,519,328	16,623,511

* Private Placement Corporate Bonds

** Bonds Purchased under Resale Agreements

*** Allowance for Valuation of Receivables

* Interest and Dividends on Securities

** Interest on Private Placement Corporate Bonds

*** Interest on Repurchase Agreements

**** Gain on Derivative Transactions

***** Interest on Loans to Banking Account

***** Reversal of Allowance for Credit

***** Provision for Allowance for Credit Losses

Income Statement (Trust Account) (Unit: million KRW)

Description	70th	69th
Revenues		
Interest on Due from Banks	40,213	44,196
IDS*	217,592	240,828
Interest on Loans	11,029	3,716
IPPCB**	46,218	61,988
IRA***	38,196	18,727
Other Interest Income	33	196
GDT****	1	49
Gain on Securities	101,026	71,695
Commissions Received	1,866	2,388
Other Revenues	1,425	611
ILBA*****	16,794	17,698
Reversal of Special Provisions	1,747	1,465
RAC***** loss	538	1,383
Total Revenues	476,678	474,940
Expenses		
Gain on Money Trust	354,202	291,429
Gain on Property Trust	46,983	100,266
Gain on Public Welfare Trust	714	586
Commission Paid	1,162	581
Loss on Derivatives Transactions	60	178
Expenses on Securities	41,101	50,601
Contribution Fees to Fund	133	154
Trust Fees & Commission	31,892	29,575
Other Expenses	89	-
Provision for Special Revenues	338	1,530
PACL***** Loss	4	40
Total Expenses	476,678	474,940

B. Financial Data and Economic Value Generation and Distribution

Financial Data

(Unit: billion KRW, %)					
	2010	2009	2008	2007	2006
Pre-Provision Income	1,945	1,112	1,777	1,988	1,807
General Operating Income	3,187	2,405	3,029	3,232	2,917
Net Income	985	274	475	1,052	1,046
Net Interest Margin(NIM)	1.93%	1.68%	2.06%	2.31%	2.40%
Return On Assets(ROA)	0.70%	0.19%	0.34%	0.93%	1.06%
Return On Equity(ROE)	10.47%	3.03%	5.94%	13.97%	15.97%
Total Assets(Bank Account)	138,965	135,509	146,597	116,941	110,852
Total Liabilities(Bank Account)	130,624	126,297	137,685	109,225	103,970
Standard and Below Loan Ratio	1.50%	1.05%	1.20%	0.77%	0.69%
Ca S&BL*	106.2%	129.9%	126.8%	169.1%	172.6%
Loan to Deposit Ratio ¹⁾	104.7%	113.2%	105.3%	105.9%	100.9%
BIS Capital Adequacy Ratio ²⁾	14.04%	14.98%	13.51%	11.75%	11.34%
Delinquency Ratio ³⁾	0.54%	0.51%	0.86%	0.64%	0.77%
Dividend	1,934	87.9	0.0	460.0	338.0
Dividend Ratio	176.0%	8.0%	0.0%	49.0%	36.0%
Salary ⁴⁾	539.2	584.2	521.0	552.7	536.2
Other Employee Benefits	114.9	102.3	117.8	105.6	92.4
Donation	58.8	77.9	42.3	22.0	46.4

* Coverage against Standard and Below Loan

- 1) Loan to Deposit Ratio was calculated monthly due to the revision in banking audit process.
- 2) BIS Capital Adequacy Ratio has been calculated based on Base II since 2008.
- 3) Delinquency Ratio has been calculated based on the new standard since 2007.
- 4) Salary is Salary + Retirement Allowance + Voluntary Retirement Allowance.

Economic Value Generation

(Unit: million KRW)		
	2010	2009
Net Interest Profit (Loss)	2,619,129	2,026,737
NPVDS*	308,327	179,686
NPVDLR**	-611,871	-726,805
NPFET***	-182,795	-260,263
Net Profit (Loss) on Commission	406,472	366,929
Net Profit (Loss) on Trust	40,513	37,362
Dividend on Securities	37,130	24,021
Other Operating Profit (Loss)	-38,488	-11,355
AE****	588,018	602,307
Non-Operating Profit *****	36,967	45,256
Total	3,203,402	2,283,875

Economic Value Generation

(Unit: million KRW)		
	2010	2009
Dividend	1,934,232	87,920
Net Income - Dividend	-949,119	186,010
Taxes	385,817	157,076
SSRB*****	654,104	686,527
Donation	58,806	77,924
Depreciation and Amortization	141,275	145,283
Total	2,225,115	1,340,740

- * Net Profit (Loss) on Valuation and Disposal of Securities
- ** Net Profit (Loss) on Valuation and Disposal of Loan Receivable
- *** Net Profit (Loss) on Foreign Exchange Trading
- **** Administrative Expenses (Excluding Salary and etc.)
- ***** Non-Operating Profit (Loss) (Excluding Donations)
- ***** Salary, Severance and Retirement Benefit

C. Economic Value Generation

Sustainable Finance

(Unit: million KRW)					
	2010	2009	2008	2007	2006
Public Trust Fund Raised		16,637			24,736
(Unit: million KRW, %, Unit)					
SME Loans	293,777	309,637	301,126	270,945	240,466
Proportion of SME Loans to Total Corporate Loans in KRW	32.8	36.9	37.2	38.9	38.9
No. of CDs and ATMs	4,236	4,245	4,286	4,120	3,894

Customer

(Unit: Point, Case)					
	2010	2009	2008	2007	2006
NCSI Survey Results	72	70	70	70	73
FSC-Registered Customer Complaints Trends	321	555	529	372	413

Employee

(Unit: Person, %, million KRW)					
	2010	2009	2008	2007	2006
No. Employees ¹⁾	9,282	9,614	10,913	10,099	9,230
No. of Female Employees	5,501	5,804	6,747	6,143	5,317
Proportion of female employee	59.6	60.7	62.2	61.2	57.9
Female Employees*	66	61	66	60	57
Proportion of female employees**	6.5	6.4	5.9	6.0	6.1
Recruitment Trend	860	707	1,714	2,013	1,240
Retirement Trend ²⁾	1,140	1,289	739	861	537
Recruitment Status of Disabled Workers	58	56	68	65	53
Salary of New Recruits***	305.3	313.7	470.2	468.1	464.9
Other Employee Benefits (Discretionary)	77,290	62,888	77,685	67,912	48,217
Other Employee Benefits (Statutory)	37,640	39,443	40,105	37,702	27,823
Work-Related Accidents Case	4	7	5	3	5

- 1) Workers hired in the second half of the year 2010 (262persons), workers hired in year '10 who were assigned in year '11 are not added
- 2) Contract workers based on the law for short-term workers issued in July 2009 (Fast Teller, Office Worker, Call Center, Individual Contract Workers)
- 3) Work-Related Accidents Cases are calculated on the accidents approval date
- 4) Recruitment Status of Disabled Workers are calculated on the last day of each year

Local Community Contribution

(Unit: 100 million KRW)					
	2010	2009	2008	2007	2006
Social Contribution Spending	625	849	631	350	627

Environment

(Unit :TJ, ton, tco ₂)					
	2010	2009	2008	2007	2006
Electricity Use	139.4	147	106.7	108.2	99.8
Gas Use	27.3	26.8	17.4	29.1	30.3
Water Use	101,156	94,881	59,463	99,814	87,835
CO ₂ Emission	19,405	20,368	14,699	15,461	14,432

- 1) Water use includes waterworks use only; not the underground water use
- 2) CO₂ Emission only includes emission from banks owned by Hana Bank
- 3) CO₂ Emission is calculated based on Ministry of Environment's 「Guide for Managing Greenhouse Gases - Energy management by objectives」

- * Female Employees at Management-level Positions or higher
- ** Proportion of female employees at Management-level positions or higher
- *** Salary of New Recruit relative to Minimum wage

Third Party's Assurance Report

Dear Readers of 2010 Hana Bank Sustainability Report

Foreword

The Korea Management Association Registration and Assessments (KMAR) had been engaged by Hana Bank to verify the contents of its 2010 Sustainability Report (the Report). Hana Bank is responsible for the collection and presentation of information within the Report. Our responsibility is to carry out assurance activities on specific information in the verification scope stipulated below

Our independence

With the exception of providing third party verification services, KMAR is not involved in any other Hana Bank business operations that are aimed at making profits in order to avoid any conflicts of interest and to maintain independence.

Verification scope

Hana Bank described its efforts and achievements of its sustainability activities in the Report. The verification process was designed to provide readers with the following information:

Verification of the economic section

Review whether financial performance data has been extracted appropriately from Hana Bank's 2010 Financial Statements Audit Report and Annual Report as defined in the Report's performances and conclusion sectors

Verification of environmental and social section

Review whether environmental and social information included in the Report is presented appropriately.

"Appropriately Presented" means that the actual data and the original information are appropriately reflected in the contents of the Report with consistency and reliability. For the economic sector, we based our evidence gathering procedures on reasonable assurance. It is a higher level of assurance than the limited verification in terms of characteristics and the extent of performed tasks.

Verification standards

KMAR performed the review based on our own verification. We also used the International Auditing and Assurance Standards Board-issued "International Standard on Assurance Engagements (ISAE 3000): Assurance Engagements other than Audits or Reviews of Historical Financial Information" as additional guidelines.

Verification process and conclusion

In order to form our conclusion, KMAR undertook the steps outlined below to assess Hana Bank's internal processes for reviewing the sustainability reporting practices.

- Surveyed Hana Bank's sustainability related media information during the reporting period
- Reviewed systems and processes used in producing data
- Assessed internal documents and materials
- Interviewed people in charge of disclosed activities and performances

Based on the results we have obtained from material reviews, related department visits and interviews, we held several discussions with Hana Bank on the revision of the Report. We reviewed the Report's final version in order to confirm whether our recommendations for improvement and revisions have been reflected.

Economic performance

We compared the Report with Hana Bank's 2010 Financial Statements and found that the financial data presented in the Report has been appropriately derived from 2010 Financial Statements.

Environmental and social performance

We observed that the information contained in the environmental and social sections has been appropriately presented. We did not discover any significant errors.

Recommendation for improvement

We hope Hana Bank's publication of the Report is actively used as a communication tool with stakeholders and recommend the following for improvements.

- Improve the materiality test process by understanding stakeholder's expectations and reflecting them
- Conduct analytic review on the sustainability performances and improve them
- Develop the manual to manage and report sustainability performance data

April 26, 2011

Korea Management Association
Registrations & Assessments Inc.

CEO : Ki Ho Park



2010 Hana Bank Sustainability Report

Administrator : CHRO Young Ho Lim

Executive Support Office, Business Administration HQ, Sociocultural Team, Trust HQ, Hana Smile Microcredit
Foundation, Retail Business HQ, Medium Business HQ, Small Business HQ, New Business Promotion HQ, Marketing
Strategy PR Team, HR Development HQ, Secretary Support HQ, HR Support HQ

* Your feedback is always welcome

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