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2008 Hana Bank Sustainability Report

2008

Hana Bank

Sustainability Report



Hana Bank

100-1, 1-ka, Eujiro, Chung-ku, Seoul, 100-719, Korea T 82-2-2002-1111 www.hanabank.com

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Overview of the 2008 Sustainability Report

The 2008 sustainability report is the second report to be published and it is also the first COP(Communication on Progress) of Hana Bank since we signed the UN Global Compact. The 2006 sustainability report was focused on various social contributions and the effort to deliver sustainable value to our stakeholders. The 2008 sustainability report is organized with a strong focus on our activities and achievements for the most material issues. Addressing stakeholder feedback from our first report, every effort was made to improve the reader-friendliness of this year's report.

By reading this report, readers can get an overview of Hana Bank's sustainability management activities and achievements that took place from the beginning of 2007 to the end of 2008. However, some exceptions were made to include important events and activities that have potential to influence stakeholder judgment on Hana Bank's commitment to sustainability management. The table below outlines the organization of this year's report, as well as how the report and additional web content complement each other. The contents of the sustainability report consist of information on issues of highest materiality to Hana Bank's operation presented in a reader friendly format. Data and other contents that supplement the report can be found at Hana Bank's official web site.



The G3 guidelines of the Global Reporting Initiative employed for Hana Bank's 2006 sustainability report was once again used as a guideline for the 2008 report. Profile related indicators, management approaches, and key performance indicators were all included in this report, as required by the G3 guidelines. The 16 supplemental indicators for the financial service sector were also assessed and included in the report. Detailed information can be found in the GRI Contents Table at the official Hana Bank website, which have been checked and assured by a third party agency.

Hana Bank's 2008 sustainability report is available in both Korean and English. You may request a paper copy or download an electronic version available at the official Hana Bank Internet homepage (www.hanabank.com > Hana Bank Overview > Sustainability Management > Sustainability Report).

CEO Message

The wide-spread financial crisis, which was ignited by subprime mortgage loans, has caused a global economic recession and Korea is struggling to overcome the difficult economic situation. The unprincipled management practices of some businesses are the main cause of the current recession. These firms' irresponsible conduct has brought irrevocable damage to investors and shareholders alike. Executives, employees and their family members were also seriously affected. Moreover, those companies inflicted major damage to communities and nations, in which they operate. Small financial losses can teach valuable lessons and may prevent future losses. Yet great financial losses can cause people to lose hope for a better future, as well as undermine the belief in society. Attention must be given to dealing with psychological shocks in addition to economic losses.

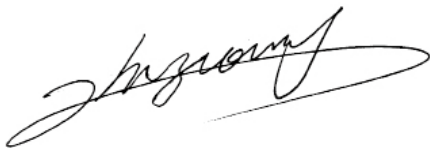
We believe that the recent economic crisis has loudly sounded an alarm on the importance of implementing sustainability management practices. As we all know, sustainability management demands economic dependability and the fulfillment of social responsibility. In today's world, corporations are no longer just an economic entity. As economy and everyday life are fundamentally related, all social entities are now intricately intertwined, which makes it absolutely necessary for corporations to be 'good' with due consideration to all social issues. We firmly believe that our stakeholders including customers, shareholders, investors, and local communities can only become truly prosperous when corporations pay as much attention to the fulfillment of their corporate social responsibilities as they do on achieving their own growth. The economic growth of the 21st century should not simply concentrate on the accumulation of more wealth, but on the contribution to creating a better quality of life and happier communities.

In this time of change, Hana Bank presents our second sustainability report in order to, once again, pledge our unyielding commitment to sustainability management. This year's report encompasses social contribution activities and various efforts Hana Bank is making to better society and promote environmental values as a financial institution. Also, extraordinary effort has been exerted to portray Hana Bank's status of sustainability management and share what challenges lie ahead. We will listen to opinions of stakeholders like you and continue to improve our sustainability management practices.

In August, 2007, Hana bank joined the UN Global Compact in order to strengthen our sustainability management practices. We will continue to make every effort to become an economic entity that fulfills all relevant social responsibilities that pertain to our operation and society. I would like to ask for your continued support and encouragement.

Thank you

June 2009
President & CEO Kim, Jung Tai



“By pursuing sustainability management, Hana Bank will be a good neighbor who benefits all our stakeholders.”

Overview

Hana Bank has experienced rapid growth by providing unique products and services. The company is not only a pioneer within the Korean financial industry, but is also doing its best to become a global financial institution with a premier financial services network.

1. Business Performance (for year ended on December 31st, 2008)

We are making a great effort to achieve good business performance each year. Hana Bank’s business performance in year 2008 is summarized below.

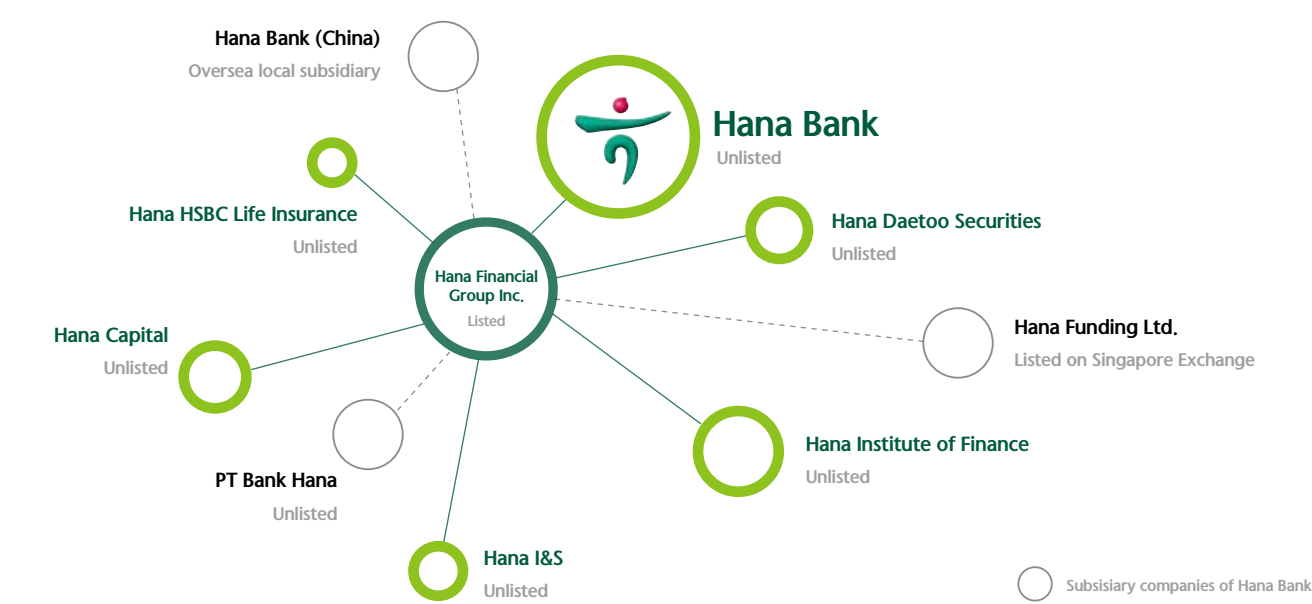
Net Income	474.4 billion KRW
Return on Equity (ROE)	5.94 %
BIS Capital Adequacy Ratio	13.51%
Standard and Below Loan Ratio	1.20%
Coverage against Standard and Below Loan	126.84%
Asset per Employee	17,269million KRW
Net Income per Employee	59million KRW

Please refer to page 44 of this report for more detailed information on Hana Bank’s key performance data.

2. Hana Bank’s Operation Status

1) Holding company and subsidiary companies

Hana Bank is a wholly-owned subsidiary of Hana Financial Group Inc. and it has ownership of three subsidiary companies including Hana Bank (China) Co., Ltd.



2) Products and services

- Banking** S-Line Installment Savings, Hana Charitable Account, New Dream Tree Installment Savings, Big Pot Account, etc.
- Personal Loans** Hana Home Mortgage Loan, Student Loans, Home Mid-term Payment Loan for Low Price Housings, etc.
- Corporate Loans** Hana Free-currency Loan, Purchasing Payment Loan, Solar Loan and etc.
- Trust** Money in Trust, Property in Trust, Public Trust, etc.
- Credit Cards** Hana Auto Card, Hana Coffee Card, Hana Big Pot Card, etc.
- Foreign Exchange** Exchange Rate & Transaction Fee Discount Service, Web-based Foreign Exchange Service, etc.
- Bancassurance** Pension Savings Insurance, Children’s Insurance, etc.

3) Domestic Market Share

	2006	2007	2008
Deposits	11.95%	12.10%	11.81%
Loans	10.18%	9.90%	9.33%

4) Credit Rating

Credit Rating of Hana Bank assessed by leading credit rating agencies

Changes over past three years	Moody’s		S&P		Fitch	
	Long-term	Short-term	Long-term	Short-term	Long-term	Short-term
2006	A3	P-1	A-	A-2	A-	F2
2007	A1	P-1	A-	A-2	A-	F2
2008	A1	P-1	A-	A-2	A-	F2

3. Hana Bank’s General Status

1) Employee Status

Category	2008		2007	
	Domestic	Overseas	Domestic	Overseas
Executives	61		56	
Total Employees	10,798	54	9,942	101
Total	10,859	54	9,998	101

2) Branch Office Status

Category	Branch offices	Sub-offices	Administrative offices	Total
Domestic	629	36	–	665
Overseas	4	–	3	7
Total	633	36	3	672

Sustainability Management Highlights of 2007 and 2008

2007.8 As a public pledge to our will to promote sustainability management, Hana Bank signed as a member of the UN Global Compact, a UN-led initiative to promote corporate social responsibility. As a member of the UN Global Compact, Hana Bank has committed to abide by the 10 principles that encompass corporate social responsibility issues including labor unions, human rights, environmental protection, and anti-corruption.

2007.9 Hana Bank joined UNEP FI (Finance Initiative) which was organized by major banks including Deutsche Bank and HSBC in 1991 in order to renew the level of understanding in the financial sector of the importance of protecting the environment. By joining UNEP FI, Hana Bank aims to further strengthen our sustainability management activities.

2007.11 Solar electricity producers have had much difficulty in securing necessary funds to launch their businesses even after securing the government permit to start their businesses due to longer payback periods and business uncertainties. Hana Bank's 'Solar Loan' is making a contribution to alleviating this problem by allowing payback over 15 years using government paid 'feed-in-tariff' on electricity generated and up to 90% of the credit-based loan.

2008.3 Hana Bank launched a virtual on-line space called 'Hana City' which is aimed at children, so they can become accustomed to various economic concept while utilizing the educational contents and participating in on-line community activities. As of December 2008, more than 1.44 million users have visited 'Hana City'. Hana Bank won the grand prize in the 'social contribution to finance' at the Web Awards Korea 2008.

2008.9 Hana Bank has launched the 'Hana Hope Foundation' with 30 billion KRW, created to operate a microcredit business that lends money to low income family members who do not qualify for loans from financial institutions. This program is designed to aggressively assist business venture of underprivileged citizens, in order to create jobs and create value. The microcredit business, operated by the Hana Hope Foundation, is recognized as one of the most exemplary social contribution activities founded by a financial institution.

Joined the UN Global Compact
August 2007

Joined UNEP FI
September 2007

Hana Bank's Solar Loan launched
November 2007

Economic Education Website for Children "Hana City" Launched
March 2008

The Hana Hope Foundation was established, launching a Microcredit business.
September 2008

S-Line Installment Savings Services
September 2008

Awarded the Grand Prize in Management Innovation at the Korea Management Awards 2008
October 2008

Awarded Euromoney's Best Private Bank Award for the fifth consecutive year.
February, 2009

The Hana Care Center Opened
March 2009

Launch of 'Green Bank on the Move' initiative
April 2009

2008.9 In addition to various sustainable finance products that address environmental concerns and other social issues, Hana Bank has launched an 'S-Line' installment savings account, which is designed to address more personal concerns of our customers. Customers who open an 'S-Line account' are given a guidebook on 'healthy living.' Customers who then follow the guidelines and lose weight are rewarded with a better interest rate. This program has generated great interest from customers, and Hana Bank is currently launching an improved product based on the 'S-Line' product. In 2009, Hana Bank has launched a new product that aims to save energy and improve the health of customers by providing incentives to ride bicycles which includes bicycle insurance. The S-Line installment savings product won 'Best Hit Product' at 2008 Asia Finance Culture Award.

2008.10 Hana Bank won the Grand Prize for Management Innovation for its fourth consecutive year, for our effort to continue to renovate and improved global competitiveness via thorough management innovation. The judges highlighted the introduction of private banking services and a 24-hour call center, as well as for being an innovative leader in the finance sector with efforts made in all areas, and consistent with efforts made towards activities including environmental, cultural, and volunteer/donation activities as the basis for the award.

2009.2 Hana Bank always makes uttermost effort to achieve highest customer satisfaction and our efforts always lead to a better result. Our performance in 2008 was no exception and Euromoney endowed Hana Bank 'the Best Private Bank in Korea' award again in recognition of our excellence for superior asset and risk management. This year's award is especially valuable because it marks our fifth year of excellence in asset management since Hana Bank received the first award in 2004. Hana Bank will make a continued effort to minimize investment risk and maximize profit associated with client assets.

2009.3 The Hana Financial Group has opened a nursing home, the 'Hana Care Center' for senior citizens on March 31. It is the first of its kind to be created by a company in the finance sector as a part of social contribution activities targeted to tackle the issue of elder care in our society. The center provides tailored services to clients incorporated in the 'Unit Care' system that minimizes the number of medical staff per client. The Hana Care Center is located in Soodong-myun, Namyangju city of Gyeonggi province. The building is three stories tall with nearly 4,000 square meters of space, large enough to accommodate 98 senior citizens at once.

2009.4 As an answer to the new development paradigm of 'low carbon green growth,' and as an open pledge to fulfill our social responsibility, Hana Bank has made an open promise to become 'Green Bank on the Move.' It is an open pledge to become a leader in the global green trend. It is also an open declaration to further strengthen 'on-site management' and maximize cohesiveness. Hana Bank will make the uttermost effort to develop and sell eco-friendly financial products and remind our customers of the importance of natural environment. Other initiatives, including increased use of eco-friendly products, better environmental management of offices, and "Green Foot" volunteer environmental projects will be carried forward in order to strengthen the foundation for sustainable green growth.



“ Fulfilling corporate social responsibility is a natural obligation of any company.
Hana Bank is a wholesome economic entity that abides the 10 Global Compact principles.”

Ju Chul-Ki Secretary-general, UN Global Compact Korea Network

Hana Bank's Effort to Fulfill Social Responsibility

From the establishment of Hana Bank, we have consistently provided maximum value to shareholders with economic growth as a core value. In addition, we have put forth effort in diverse areas in order to fulfill corporate social responsibility as a responsible corporate citizen. Our goal is to become a major global player in the financial sector, with stronghold in Asia. In order to achieve this goal, we believe that we have to complete the four major missions; ‘Pursuit of Customer Satisfaction as a financial partner’, ‘Employee Empowerment as a great work place’, ‘Maximization of Shareholder Value as a business partner’, and ‘Contribution to Community as a leading financial institution.’ When we successfully complete these four missions, we will realize our sustainability management vision.



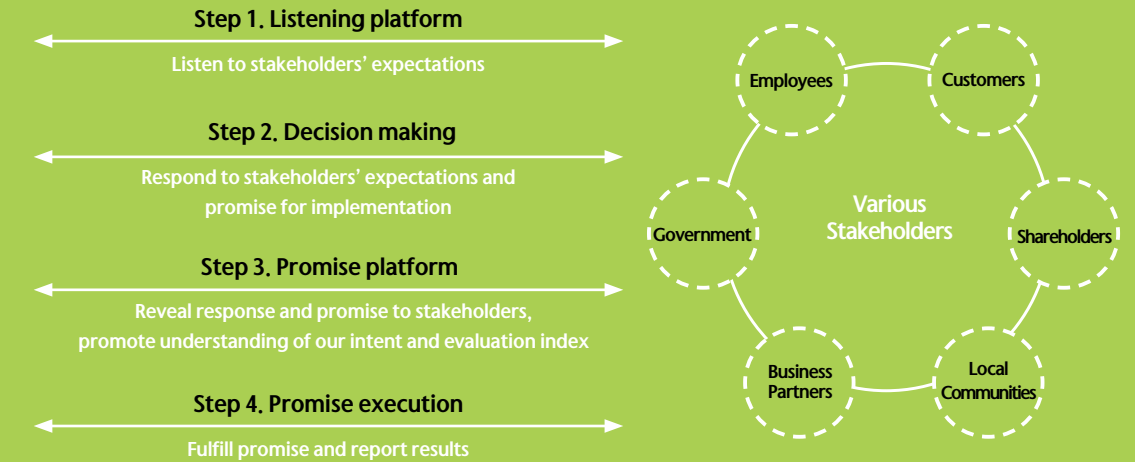
Sustainability and Our Interpretation of Sustainability Management

‘Sustainability’ means ‘pursuing happiness without compromising resources and the environment which future generations need for their happiness.’ ‘Sustainability Management’ is a way of improving sustainability of not only communities and nations we operate in but the whole planet we live on. In other words, sustainability management means that we take social responsibility and environmental health into account within business management, Hana Bank has pursued sustainability management since its very foundation. The recently revised mission statement announced in 2005 with the launch of the Hana Financial Group is a good example

of our understanding of sustainability management. The four major pillars of our mission are as follows. 1) Pursuit of Customer Satisfaction as a financial partner, 2) Employee Empowerment as a great work place, 3) Maximization of Shareholder Value as a business partner, and 4) Contribution to Community as a leading financial institution. As clearly indicated in our mission statement, we strive to provide a healthy and environmentally-sound economic value to not just our shareholders, but to employees, customers, and all members of the communities in which we operate. That is Hana Bank's way of pursuing sustainability management.



[Strengthening Stakeholder Relations]



Communication Channels for Listening to Various Stakeholder Opinions

Finding the right balance to embrace the diverse demands of customers and other issues often require the most difficult decision making. First, it is important to listen to opinions of stakeholders and allocate human and financial resources to the necessary areas that Hana Bank and stakeholders find most relevant. In order to do better, we must keep improving the corporate resource allocation system.

However, we believe that what the four major stakeholders demand do not conflict with each other. For example, our effort to create an enjoyable work place for employees leads to improved customer satisfaction, which in turn increases shareholder value. We also firmly believe that such changes contribute to making the community better.

What our stakeholders demand from Hana Bank in terms of corporate social responsibility changes all the time. For example, communities, who used to concentrate on increased social contributions, are now asking us to do more work on environmental issues, especially climate change. We will keep listening to the changing opinions of stakeholders and establish a solid communication channel in order to make the necessary changes to our operation to accommodate their demands.



Opening of Hana Hope Foundation (above)
Sustainability Management Conference 2007 (below)

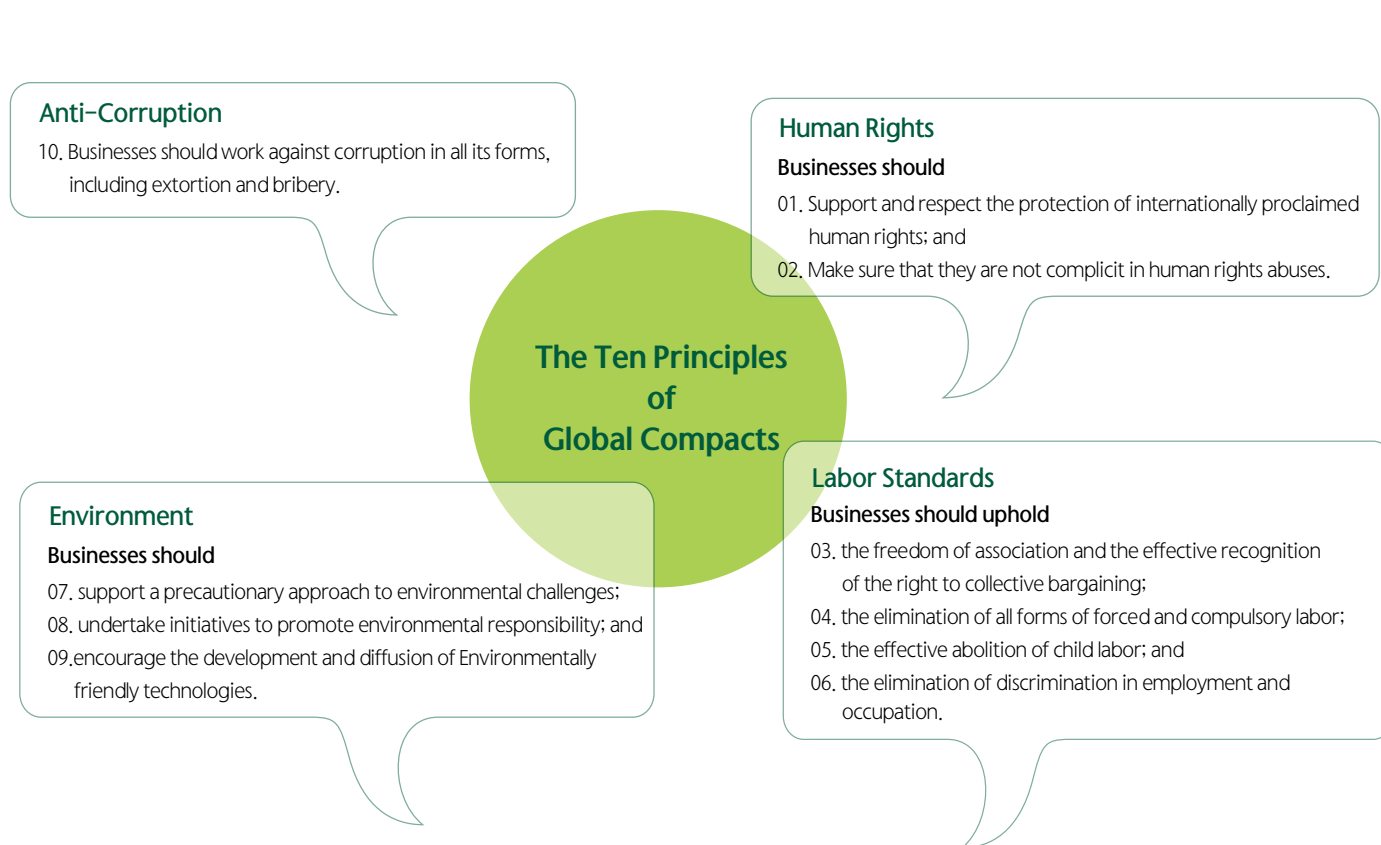
Progress made since Publication of our First Sustainability Report in 2006

In early 2007, we set a strategic objective for different stages of sustainability management and detailed business plans for each stage. In the first stage, we decided to strengthen the company's foundation for sustainability management and strengthen our internal capacity. In the second stage, we planned to incorporate sustainability management issues into conventional management of Hana Bank in order to firmly establish sustainability management practices in everyday operations of Hana Bank. As a long-term objective, we aim to fully integrate all sustainability issues, including economic development, social contributions, and environmental protection into all management decisions made by Hana Bank.

As a way of expressing our firm stance on promoting sustainability management, Hana Bank joined the UN Global Compact, which demands its members to fulfill their social responsibilities. We also joined the UNEP FI (Finance Initiative), which demands financial institutions to conduct business in a socially responsible manner. As an active member in these two global initiatives, we are making our contribution in spreading socially responsible business practices and creating success examples that can serve as models for others.

There is an important initiative that Hana Bank has recently launched. In September 2008, we created the Hana Hope Foundation in order to provide a 'Microcredit' loan service. So far, 48 people have benefited from the 'Microcredit' loans totaling 912 million KRW. Few non-traditional financial companies have created few small scale microcredit programs in the past. However, our program is the first program of its kind to have a significant capital base.

In November 2007, we launched the 'Hana Solar Loan' in order to help renewable energy businesses, specifically solar electricity producers. The Hana Solar Loan is one of our good examples using our products and services to practice sustainability management, which also contributes to community development and environmental protection.

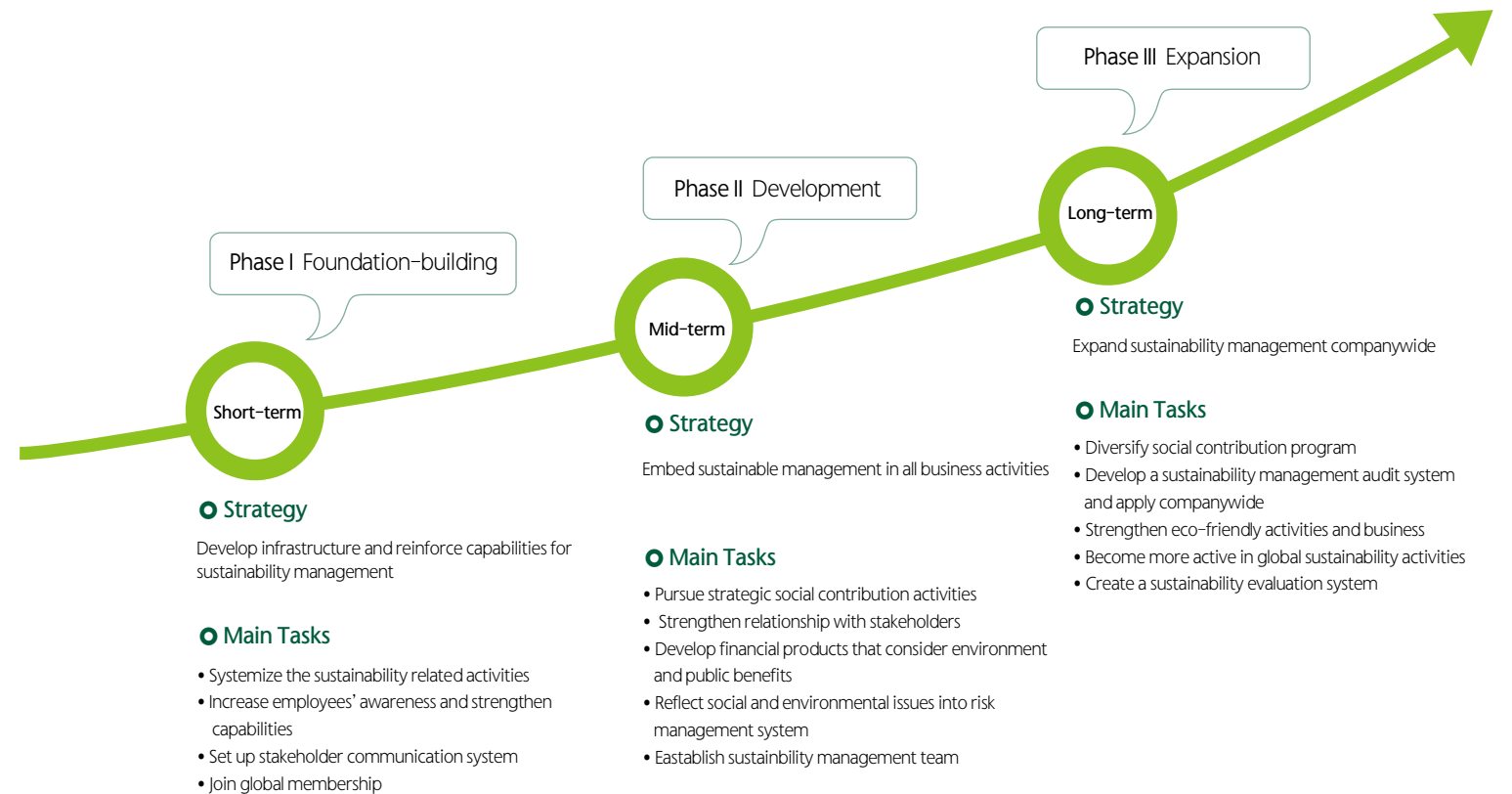


Meaning of joining the “UN Global Compact”

The UN Global Compact is a UN initiative that demands improvement to socially responsible business management, as advocated by the former UN secretary Kofi Annan. Membership is voluntary, yet companies who join the Global Compact assume responsibility to publicly communicate what they have done, and what they plan to do, to better promote the ten principles of the ‘UN Global Compact.’

This report also serves as a way of communicating our achievements over the past two years, as well as our plan for the future in order to better promote the 10 principles. The 10 principles consist of pledges that aim to prevent the violation of human rights, to respect basic worker’s rights, to eliminate discrimination of all types, to conduct business in an environmentally conscious manner, and discourage corruption of all nature.

Some of the 10 principles are already well-incorporated in our business management. In terms of environmental management, we launched the ‘Green Bank on the Move’ initiative in April 2009, in order to drive our environmental management practices. As this example shows, the 10 principles of the UN Global Compact have provided a direction towards more robust sustainability management at Hana Bank. As it is required for implementation of other business initiatives, we must set detailed strategic programs and implement a performance review structure in order to promote the 10 principles to the highest standard in our business conduct. We will continue to make the necessary efforts to better our management practices and set a high benchmark for others to follow.



Sustainability Management Plan

Hana Bank aims to improve our sustainability management system, instill sustainability management as an integral part of corporate culture, and produce more robust social and environmental performance results. In order to realize this goal, we plan to establish a dedicated sustainability management team by the end of 2009. The new team will have a greater capacity compared to the current sustainability management task force. Their first priority will be to drive initiatives that have been announced, both internally and publicly, in addition to also internally communicating the importance of sustainability management while incorporating sustainability management as an integral part of our corporate culture. In addition, Hana Bank will collaborate with product development and marketing teams to create products and services that can lead to improved social and environmental values. Hana Bank will also be responsible for designing the second and third generations of the microcredit business which will not simply be larger in scale, but also more effective in maximizing its effectiveness. There will be a strong emphasis on the recently launched ‘Green Bank on the Move’ initiative, which will lead to improved environmental management with participation by all employees and executives. We firmly believe that active participation by our employees will be the foundation for our environmental protection activities, an important part of Hana Bank’s corporate social responsibility.



“My child speaks much better Vietnamese since he began participating in the ‘Hana Kids of Asia’ program. We can now read Vietnamese story books together.

A mother and her son of a multicultural family who participated in 'Hana Kids of Asia' program.

Hana Bank’s Activities for Creation of a Happier Society

As a responsible corporate citizen, Hana Bank considers social contribution activities for development of local communities as a natural duty. Thus, we have been engaged in a variety of activities since our foundation. The initiatives that fall under our mission of ‘contribution to community’ include the ‘Community Contribution,’ the ‘Arts Sponsorship,’ and the ‘Environmental Stewardship.’ Among these activities, the ‘Community Contribution’ activities specifically focus on social contributions to local communities and activities aimed at addressing contemporary social issues. We are focusing on supporting multicultural families, tackling low birth rates phenomenon, and the addressing issues of an aging society, among other issues.

Hana Bank Social Contribution Programs		Reasons for Social Contribution Activities
Community Contribution	Hana Sarang Volunteer Corps	<p>‘Contribution to Community’ is one of Hana Bank’s important missions. The mission originated from our belief that we, as a responsible corporate citizen, must help the underprivileged members of our community to be able to support themselves. It is clear that Hana Bank can only be profitable through continued support of our customers who are members of the communities in which we operate. Moreover, contributing to the communities where we operate and where present and future customers live is a natural responsibility of a progressive company that celebrates corporate responsibility.</p> <p>Our social contribution activities began through helping impoverished families in 1980. Beginning in mid-1990, we strengthened our activities in the social welfare arena, as well as the art and culture, and education areas. In 2004, we strengthened our social contribution activities by organizing the ‘Hana Sarang Volunteer Corps,’ which consists of employees from within the wider group of companies that is the Hana Financial Group.</p>
	Multicultural Family Support	
	‘Hana Care Center’ Nursing home for Senior Citizens	
	Hana Puruni Childcare Center	
	Hana Hope Foundation’s ‘Microcredit Business’	
	Hana Happiness-sharing Public Trust	
Arts Sponsorship	Hana Children’s Economy Musical	
	On-line Economic Education site ‘Hana City’	
	Hana Yeouido Classical Concert	
	Hana Classic Academy	
	Hana Calendar Design Contest	
Environmental Stewardship	Hana Cyber Gallery	
	Quarterly Magazine ‘Hana Bank’	
	Hana Green Poster Contest	
	Hana Green Concert	
	Beautiful Forest Visit Program	

Local Community Contribution Activities

Community contribution activities can be classified into promoting public welfare of local communities, education and sports sectors. More specifically, multicultural family support, operation of nursing home, and building childcare facilities are aimed at promoting public welfare. In education area, we are attempting to support and also conduct various activities that focus on the provision of economic education to children and youth. In sports, we are contributing as sponsors of various sports events that community members enjoy.

1. Local Community Contribution Programs

1) Support for Multicultural Families

According to the statistical data accumulated at the end of 2008, there were 850,000 registered foreigners in South Korea, and that number is increasing. There are an especially large number of Asian immigrants who are settling within Korean families in industrial parks and agricultural communities. In recognition of this trend, Hana Bank has formulated a plan to take on various initiatives to tackle issues that are associated with multicultural families including cultural conflicts and language barriers.

In October 2008, we held an official event that marked the launch of ‘Hana Kids of Asia – An Alternative Education Program for multicultural families’, at Hana Bank’s headquarters. The Hana Kids of Asia program, jointly managed by ‘Save the Children’, was designed to carry on the multicultural family support program that began with the ‘Vietnamese Family Day’ that was held on November 4, 2007, in a more systematic manner and with a long-term perspective. With continued support for this project, we hope to help participating children to understand both the Korean and Vietnamese culture and languages, constructing a bridge between the two countries. As a part of our initiatives, we have published three children’s story books in Korean and Vietnamese, distributing a total of 40,000 copies. We also signed a sponsorship agreement with the National Museum of Korea and will hold a traditional Vietnamese puppet show and relics exhibition titled ‘My friend Vietnam’ in September 2009. We also held three ‘Korea-Vietnam Family Day’ events in areas including Jinahn of Jeonbuk province and Choongju of Choongbook province in November 2007, January 2008, and May 2008. The events were co-organized with the Vietnamese embassy and 1,700 members of multicultural families participated. We plan to continue our effort to help multicultural families adjust to life in South Korea, enjoy the cultures and experience less hardship as they settle in Korea.



Advertising Campaign on the Hana Financial Group's Multicultural Family Initiatives (above)
Hana Kids of Asia Alternative Education Project (below)



Hana Care Center (above)
Hana City, children's economic education site (below)
(www.hanacity.com)

2) Activities for Senior Citizens and Children

Hana Bank is listening to the voice of local communities and we are organizing various initiatives to make our contribution. In addition to the multicultural family support initiatives, we consider the low birth rate and aging society issues as two of the most important problems that we face in Korea. Hana Puruni Childcare Center is our response to the low birth rate problem. The Hana Care Center that serves as a nursing home for senior citizens addresses the aging society issue. The two centers are funded and operated under the Hana Finance Public Interest Foundation, which was more than 95% funded by Hana Bank.

■ **Hana Puruni Childcare Center** The Hana Puruni Childcare Center was built to address the low birth rate problem which is aggravated by the lack of childcare facilities. Completed in September 2008, it was donated to the local government of Shingil and it is now operated as a public childcare center. It was the first facility of its kind to be donated to a local government for entrusted management. We are subsidizing operating cost of the facility to help its operation.

The center has 14 staff members and it has a maximum capacity to accommodate 138 children. The center reached its full capacity in March 2009, within six months of opening its doors. We plan to expand the facility in the near future.

■ **Hana Care Center** The Hana Care Center is a nursing home for senior citizens designed to provide adequate care for senior citizens who need a place to recuperate. It is designed to accommodate senior citizens over 60 years of age. It began its operation in March 2009. Although it does not provide free services, it does not operate on a for-profit basis, and thus requires external financial support, which is provided by the Hana Financial Group. A staff of 79 works at the center taking care of a maximum of 98 senior citizens. By implementing the ‘Unit Care’ system that puts each senior citizen in a group of 10, the center provides better quality service. In addition, the center assigns no more than two patients per health care provider, which ensures high quality care for the residents. TEL 82 31 591 9090

2. Contribution in Education and Sports

1) Education Support Program for Children and Youth

As a major financial institution that leads the economic development of the Republic of Korea, we feel responsible for teaching children and young students about how the economy works. One initiative we have created is sending a musical performance team that performs a creative educational musical titled ‘Jack and the Magic Wallet.’ Hana Bank sent the musical team to perform at schools that request a performance and the team has performed at 74 elementary schools between April 2006 and February 2009. Starting in April 2008, we also organized an educational program titled the ‘Hana Youth Financial Class’ which provides opportunities to learn about finance at the middle school and high school level that request our service. A total of 14 sessions were given at various schools between April 2008 and February 2009.

In October 2008, we launched an educational website, Hana City (www.hanacity.com), for children interested in learning how the economy works. It is designed to help children learn

useful economic concepts while having fun. By joining the site, children can learn about basic economic concepts and experience how they work as they participate in the virtual economy by taking on a job, producing goods, saving and spending money, as a citizen of Hana City. The site had 1,441,287 visitors by the end of 2008. Due to its popularity, the site won the grand prize for social contribution by the finance sector of the ‘Web Award Korea 2008.’ It was also chosen as a recommended site for youth by the Korean Communications Commission in April 2009. We are also supporting many universities by making donations to support their research and education activities.

Another important social contribution initiative related to education is the launching of the Hana High School. With a goal of nurturing youth who will serve communities and the country, we are directly funding the school instead of making donations, which makes Hana Bank the first financial institution to take on such an initiative. The Hana Financial Group including Hana Bank plans to subsidize the operating costs of the school and recruit diverse students from diverse backgrounds by allotting 20% of admissions for underprivileged citizens including low income families and children of multicultural family backgrounds. Also, scholarships will be provided based on financial need in order to allow students from unprivileged families to benefit first.

2) Support for Sports Activities

Our sports-related social contributions are focused on player and event sponsorships. We have been sponsoring Korea national football team since 1988, long before the national soccer boom, which reached its heighest during the 2002 World Cup. We are also supporting the Korea Football Association and FC Seoul pro soccer team as its official sponsor. Additionally, we also sponsored the ‘Share the Dream Football Match 2008 with Hana Bank’ which was held on the December 25, 2008, and organized by Hong Myung-Bo Scholarship Foundation. We are also sponsoring a Hana Bank CEO’s Cup Football Competition for amateur football teams consisting of employees of various companies, which provides an opportunity to relieve stress and build teamwork for participants.

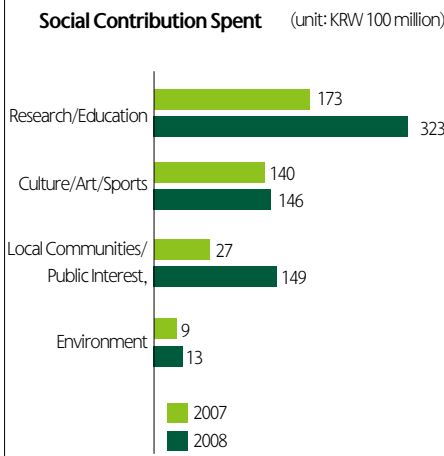
Golf is one of the sports we are supporting actively. Starting in 2006, Hana Bank began playing a role in the Korea Open tournament and the LPGA Championship event as co-title sponsors. Since 2008, we began to more actively sponsor talented golf players including In-Kyung Kim.

Business Unit in Charge of Hana Bank’s CSR Activities

Hana Bank is conducting our social contribution activities in collaboration with other affiliates of the Hana Financial Group and social contribution team of Hana Financial Group Inc. is the team in charge of our activities. The Hana Financial Group has established a microcredit business, a nursing home for senior citizens, and a childcare center in collaboration with Hana Finance Public Interest Foundation and the Hana Hope Foundation. Hana Bank is providing more than 95% of the funding for the aforementioned activities. We are currently considering forming a Hana Group Social Responsibility Committee in order to carry out social contribution activities in a more strategic and consistent manner.



Hana High School Air View (above)
Sponsoring 2008 LPGA Championship (below)



Hana Sarang Volunteer Corps Activities

Hana Sarang Volunteer Corps Status			(unit : persons)
	Hana Sarang Volunteer Corps Members (Total)	Hana Sarang Volunteer Corps Members (of Hana Bank)	
2007	1,876	1,613	
2008	2,315	2,004	

* Based on volunteer activity participation data

Employee Volunteer Work Status			(unit: hour)
	Hours spent on Volunteer Work per Employee (excluding non-participants)		
2007	6.8		
2008	5.1		

Employee Donation Status			(unit : KRW million)
	Donation made by employees who joined Hana Sarang Volunteer Corps		
2007	122		
2008	164		

Employee Volunteer Activities, Hana Sarang Volunteer Corps

Hana Bank employees have organized the ‘Hana Sarang Volunteer Corps’ and its members are actively participating in volunteer works. As of the end of 2008, a total of 2,315 the Hana Financial Group employees were participating in the group. Of that number, 2,004 members, which is 86.6% of the Hana Sarang Volunteer Corps, are the Hana Bank employees.

Our employees are supporting children of underprivileged families, children who do not have enough food, and disabled people through volunteer work. In 2007, 2,400 Hana Bank employees participated in cleaning up of the oil spill in Taeahn Peninsula area. In 2008, we launched a ‘Hana Love-sharing Campaign’ which concentrated on making kimchi and delivering coal blocks. A total of 1,600 employees participated. Operating costs of Hana Sarang Volunteer Corps are funded by donations from our employees.

Social Contribution Activities Plan

Hana Bank plans to continue making social activities including multicultural family support, local community contribution activities, as well as sports and education related activities. Our social contribution programs will be modified over time in order to maximize its impact on local communities. The existing programs were not designed as one-time events and we are attempting to sustain them. For example, we planned the ‘Hana Kids of Asia’ as a ten year program with the first batch of activities planned for between 2008 and 2010.

We also plan to build more nursing homes and childcare centers. In addition, we are proactively searching for our next area of contribution to local communities.



“Hana (which means ‘One’ in Korean) is a harmonious part of two, and two is the harmony of ones. Culture is the driving force of our achievements and Hana Bank promotes culture.”

Atta Kim, an invited artist to the 2009 Venice biennale whose works are in the Hana Collection

Step 3 Arts Sponsorship Activities

Hana Bank’s Penchant for the Art and Culture

In addition to its donation and volunteer activities, including our environmental protection initiatives, we are passionate supporters of culture and arts. We believe that arts can enrich our lives as much as good financial services do. We began our cultural activities in 1987 with the launch of cultural seminars for women. Since then, we have organized many cultural and arts related events for adults, youth and underprivileged people, as an opportunity to enrich their lives. As an effort to give people a chance to appreciate the arts, we have created an art gallery at our head quarters and branch offices, giving visitors a chance to enjoy arts and find a peaceful moment in their busy lives.

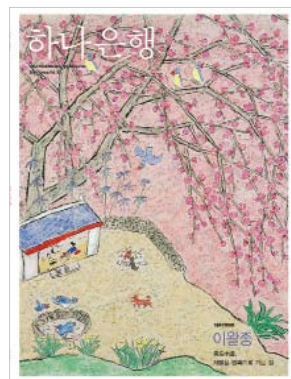


The Hana Collection Exhibition at the head office

Unique ‘Arts Sponsorship’ Activities

As the average income of Korean citizens rises, and more individuals are placing stronger emphasis on quality of life, many corporations are greatly expanding their cultural activities as part of their social contribution effort. Since we have a long history of conducting cultural activities as a part of social contribution, there are many employees and executives who are knowledgeable and highly interested in all manners of the arts. This has allowed us to try many new initiatives in this arena. ‘Arts Sponsorship’ activities began more than 20 years ago when it launched cultural seminars for women in 1987. In 1991, Hana Bank became the first bank to open a multi-purpose art gallery named ‘Hana Sarang.’ The launch of

the Hana Cultural Affairs Advisory Committee has boosted our ‘Arts Sponsorship’ activities in scale and quality. Many of our cultural activities began in the mid-1990s. For example, the ‘Hana Calendar Design Contest’ began in 1997 and the 2008 competition marked its 12th year. The quarterly magazine ‘Hana Bank’, which marked its 90th publication with the Spring 2009 issue which is another good example of our creative efforts. A quarterly magazine titled ‘Hana Bank’ began in 1991, and it is now considered one of the best art magazines published in Korea. More than 130,000 copies are printed and distributed to our customers and the general public. It is also sold as ‘Trans Trend Magazine’ in larger bookstores located within the Seoul metropolitan area at 3,000KRW per copy. The money raised through its sales is used as a fund for social



contribution activities for local communities. Many of Hana Bank's 'Arts Sponsorship' activities are the first of its kind in Korea. Our Hana Cultural Affairs Advisory Committee, which involved external experts in order to strengthen cultural activities as a part of business management, was the first of its kind. Also, the committee has provided a foundation for our many 'first' cultural activities that served as social contribution activities. Our interest in culture also has led us to produce fusion products that we refer to as 'Culture Products' that combined finance and popular culture. In

November 2004, we launched the 'Musical Fund.' More recently, we launched the 'Hana Beethoven Virus Fixed Deposits Account'.

Joy of Arts and Culture at Hana Bank

Our employees are actively participating in various hobby groups that are related to cultural activities. The number of employees who belong to hobby groups including paintings, orchid growing, and photography, number approximately 400 as assessed measured at the end of 2008. Hana Bank has put various art works on every floor of the 21-story head office building, giving employees an opportunity to enjoy arts and also be creatively inspired by them in their business daily lives. The art within the headquarters building is periodically replaced and rotated. The quality of the art is recognized for such a high standard that many people



Hana Paintings Hobby Group Members visit to an Art Gallery (above)
Hana-ville Forest Concert (center)
Hana Yeouido Classical Concert Performance (below)

ask for a visit to our head office. Such activities are made possible because of our 'Hana Collection' which consists of 4,186 works of various artists. The prime objective of the 'Hana Collection' initiatives is to provide support for young, talented artists and contribute to the advancement of fine arts in Asia. The collected works are displayed at various sites and in various arrangements. For example, we held an official exhibition, titled 'Innovative Hana' in the lobby of Hana Bank between January 2008 and November 2009. Also, visitors to our head office can always enjoy various works by the video artist, Nam June Paik, such as the 'Economic Highway.' Various 'Hana Collection' art pieces are on display at more than 50 of the Hana Bank offices, and we plan to display more arts at a wider number of Hana Bank offices.

Our cultural activities are not limited to the fine arts. We are also active in providing classical music for our clients to appreciate. Our music programs include the 'Hana Yeouido Classical Concert,' the 'Hana Classic Academy,' and the 'Hana-ville Forest Concert.' The Hana Yeouido Classical Concert is held at the 'Hanmaum' hall of the Hana Daetoo Security Headquarter on the third wednesday of every month since 2006. As of November 2008, more than 15,000 people attended the concert through the 24 performances held. 'Hana Classic Academy' is an educational concert series, during which experts explain each classical music piece as well as performing them. A total of 17 concerts were held between 2000 and 2008, and more than 2,500 customers have participated. Starting in April 2004, the 'Hana-ville Forest Concert' has been performed at an open air concert hall located within the 'Hana-ville', Hana Bank training center complex.



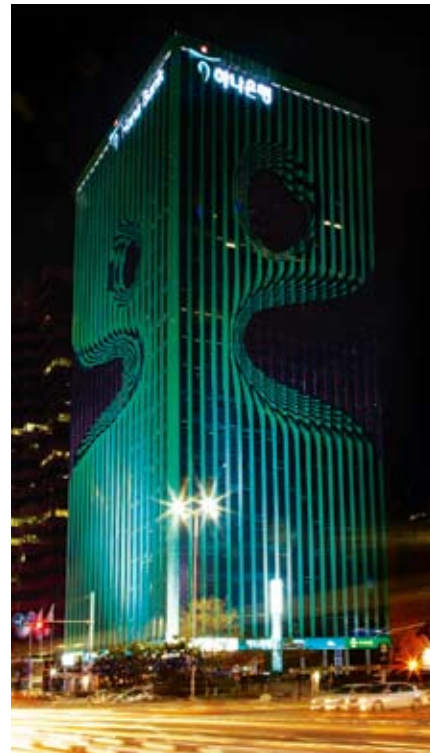
Winning Works of the 12th Hana Calendar Design Contest



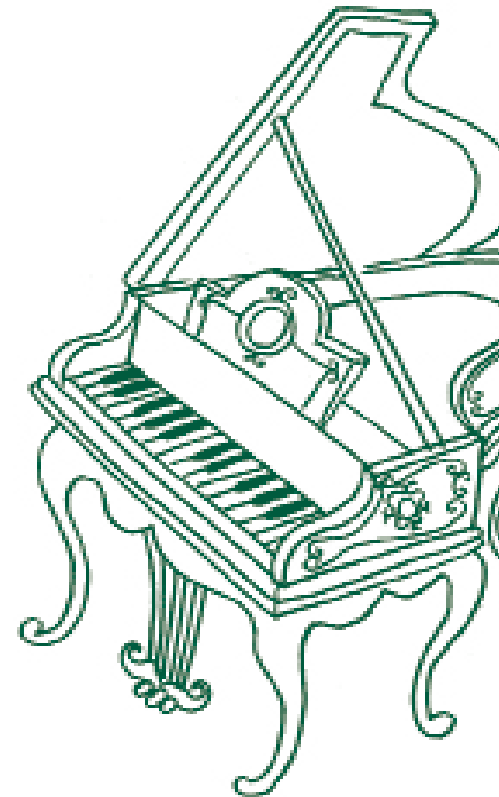
Art & Culture Activities for General Public and Local Communities

Many of our cultural initiatives are designed to reach out to not only to our customers, but to the general public and local community members. In fact, providing opportunities to enjoy arts and culture is the ultimate objective of ‘Arts Sponsorship’ activities. The launch of the ‘Hana Cyber Gallery,’ the first of its kind by a domestic financial institute is one of our efforts to realize our objective. The cyber gallery was created to reach out to internet users, and it allows internet users to enjoy the art in the ‘Hana Collection’. Visitors to the ‘Hana Cyber Gallery (www.hanabank.com/cybergallery) can enjoy various artworks in the ‘Hana Collection’ including paintings, photographs, sculptures, and prints. Currently the gallery hosts 314 artworks by 147 artists. We plan to display more artworks on the cyber gallery as copyright agreements are made, with a target of including every piece of the ‘Hana Collection’ on the website.

In 2007, we had installation artist, Woo suk Go, turned the Hana Bank head office building, itself into a piece of art by wrapping it with printed materials and making it resemble a hourglass. As one of our ‘Street art gallery’ initiatives, we provided the citizens of Seoul with an opportunity to enjoy arts using the billboard on top of a building. The ‘Hana Calendar Design Contest’ was also open to the general public and winning pieces are displayed within high-profile art galleries, as well as printed in Hana Bank’s table calendars. This provides participants an opportunity to display their works to the public and allows the general public an opportunity to appreciate fine arts.



Hana Bank head office turned into a work of art in 2007.



Art and Culture support for the underprivileged

Fine arts, music, theatre performances and various other cultural activities can enrich lives. Therefore, providing more opportunities to enjoy arts and culture is one of the best ways for making the world a better and happier place. However, there are many people who do not have the opportunity to enjoy art due to including financial reasons or geographical proximity issues. Realizing this, Hana Bank is making an effort to provide access to art and culture experiences to those who have limited access.

For example, we have been sponsoring the ‘Buh-sut Playgroup’ who gives free performances to the handicapped and unprivileged youth, since 2001. The ‘Buh-sut Playgroup’ has given free performances for 13 years as of 2008. Talented youth from unprivileged families have received training in the playgroup and joined the team, making Buh-sut Playgroup’s contribution even more meaningful.

Starting in 2008, we began providing music education programs for children suffering from development problems. We have selected 10 children who have developmental problems but also have talent in music, and have been supporting them through scholarships to help them grow as musicians. In addition, we are also sponsoring the ‘Angel Free Concert Initiative’ in collaboration with the Korea Federation of Banks, which gives youth in childcare institutions an opportunity to enjoy various performances.

We are actively searching for sponsorship opportunities and related business opportunities which will allow us to expand our effort to help people with limited opportunities to cultural experiences.



“Children do not give up easily when faced with difficulties, which makes them all heroes. I am grateful to have the opportunity to help young heroes through Hana Bank’s ‘Sarang Hana Add Love’ fixed deposit account product.

Mr. Hong Myung-Bo, Founder of the Hong Myung-Bo Scholarship Foundation

Hana Bank Products that Bring Positive Changes to Society

As a responsible financial institution, Hana Bank is always looking for a way to contribute to solving the social problems. Our sustainable finance business strives to provide financial services and products that can contribute to making our communities better and more robust. We are currently helping underprivileged families with a public trust program. Supporting small- and medium-sized businesses, by providing access to loans more easily, is also an important initiative. Additionally, we have also launched new financial products designed to support eco-friendly businesses. Finally, we are taking various measures to make our services and products more widely available to a larger number of people by expanding our ATM network and Internet-based services.

Sustainable Finance Programs by Category	
Category	Relevant Products & Services
Products for better Public Welfare	Hana Happiness-Sharing Public Trust
	Happiness Sharing SRI Equity Investment Fund
	Hana Charitable Account
	'Sarang Hana Add Love' Fixed Deposit Account
Financial Support Addressing Social Problems	Support Credit Recovery Program
	Support Personal Bankruptcy Recovery Program
	Student Loans
	Microcredit Business
Supporting Products for Small and Medium-sized Enterprises (SMEs)	SME Loans: Hana Free-currency Loan, Purchasing Payment Loan, Electronic bonds
	Small Retailer Finance Products - Franchise Store Loans, Hana Masters Shop Loans, Tax Refund Card
	Business Consulting Service
Addressing Customer Concerns	S-Line Installment Savings
	Baby Installment Savings
Environmental Business-related Products	Hana Solar Loan
	Water Resource Fund

Relationship between Financial Products and Social Issues

Sustainable finance can be defined as what a bank can do to address social issues including climate change, environmental protection, poverty, and decreasing population, using its financial services and products. Hana Bank has recognized the importance of sustainable finance since its very foundation, and has continued to strive to do better. Recently, we have launched products that are designed to address more personal issues relevant to our customers.



Products for Public Welfare/Financial Support/SME Support that Address Social Issues

1) Products for Public Welfare

The ‘Hana Happiness-Sharing Public Trust’ is Korea’s sole public trust and was first created via funding in 1972. It is a program that is designed to sponsor education and support programs using profits generated from managing assets entrusted by our customers. In February 2009, we began accepting assets for the 15th ‘Hana Happiness-Sharing Public Trust’ with a target of raising 100 billion KRW. The ‘Hana Happiness-Sharing Public Trust’ consists of two different products. One is the ‘Hana Children Education Public Trust’ which supports education programs, and the other is the ‘Share Love with Neighbors Public Trust.’ The ‘Hana Children Education Public Trust’ is designed to help underprivileged children by providing education aids and programs that enhance their learning experiences. It is especially used to support special schools and schools in isolated regions. Another product, the ‘Share Love with Neighbors Public Trust’ is designed to support non-profit organizations that contribute to improving public welfare and national development.

Operating profits of 9.3 billion KRW made through the ‘Hana Happiness-Sharing Public Trust’ were executed at the end of 2008, which was the 28th execution of the fund. In addition to our public trust program, we are also distributing the ‘Happiness-Sharing SRI Equity Investment Fund.’ In 2003, we have also created ‘Hana Charitable Account’ to promote donation culture. Holders of the account benefits from higher interest rates and they also benefit from a waiver of remittance fees. We have also offered ‘Sarang Hana Add Love’ fixed deposits accounts, for which Hana Bank donated 0.1% of the initial deposit amount to the Hong Myung-Bo Scholarship Foundation.

Ceremony of Hana Happiness-sharing Public Trust (below)



Credit Recovery Applicants and Amounts Approved

	2007	2008
Credit Recovery Appricants (in persons)	3,529	3,775
Credit Recovery Amounts (in 100 million KRW)	100	132

SME Loan Status (unit: KRW 100 million)

	Outstanding Loans to SMEs
2006	240,041
2007	299,006
2008	298,651



Hana Tax Refund Card (above)
Hana Hope Foundation (below)

2) Financial Support Programs addressing Social Issues

We have long been interested in assisting the credit and financial recovery of individuals. Hana Bank is an active participant in the Credit Recovery Program run by the Credit Counseling and Recovery Service, which is administered under the Korea Federation of Banks. As a result, Hana Bank approved the recovery of credit ratings for 3,529 (10 billion KRW) in 2007 and 3,775 people (13.2 billion KRW) in 2008 respectively. Hana Bank also supports the Credit Recovery Program approved by the court. So far Hana Bank has approved a recovery credit of 41 billion KRW to our customers. Hana Bank continues to offer Student Loans to students in conjunction with the Korea Housing Finance Corporation. Student Loans have been extended to students totaling 106.7 billion KRW in 2007 and 122.5 billion KRW in 2008 respectively.

3) Supporting Small and Medium-sized Enterprises (SMEs)

Due to the economic recession, there has been an increased emphasis on providing support to SMEs. We have extended greater resources for loans to SMEs and granted 30 trillion won worth of loans to SMEs in 2008 alone. In addition to our financial support, Hana Bank is also providing an array of consulting services. The consulting services aim to support SMEs in fully realizing their growth potential. ‘Financial Consulting for SMEs,’ the ‘SME Liquidity Support Team,’ and ‘Export-related Financial Consulting for SMEs’ are specific examples of Hana Bank’s initiatives on helping SMEs. In 2007 and 2008, we provided the aforementioned services to more 24 SMEs and 20 SMEs, respectively. We also offer specialized financial products for small retailers which represent 25% of the working population in Korea. Small retailers can quickly fund their businesses using our ‘Franchise Store Loans’ or the ‘Hana Masters Shop Loans.’ They can also easily receive tax returns associated with the loans using our ‘Tax Refund Card’.

Microcredit Program for Supporting Underprivileged Citizens

In September 2008, the Hana Hope Foundation was established to take charge of operating a microcredit service. The idea of a microcredit business was first created by Nobel Prize Laureate Dr. Muhammad Yunus, who, in 1976, made loans totaling 27 dollars to 42 underprivileged Bangladeshi without asking for any collateral. Our microcredit business is a loan program designed to provide business venture opportunities to people By providing loans to people who do not have access to financial services.

The Hana Hope Foundation aims to help beneficiaries to become healthy independent economic entities, rather than simply making a one-time provision of funding. Eligible applicants to our microcredit loan program are citizens who qualify for welfare benefits defined by the Public Welfare Act. Citizens who fall into the second to lowest welfare status defined by the Public Welfare Act may also qualify if certain conditions are met. As of March 2009, a total of 48 applicants with zero collateral were granted microcredit loans over past six months. In 2009, we plan to extend a total of four billion KRW as microcredit loans, and we also plan to donate more money to the Hana Hope Foundation, which was founded with 10 billion KRW.

Financial Products for Greener Earth

We contribute to the alleviation of environmental problems in two ways. First, we have set up an environmental standard for screening financial support decisions for projects. When Hana Bank grants loans to finance a project or make investments in a relevant project, we make a thorough assessment of environmental risks associated with the project and reflect the assessment results in our overall assessment of the project and the company.

Making loans to environmental businesses and operating environmental business-related financial products are another ways of supporting green businesses. In December 2007, we have introduced the ‘Hana Solar Loan’ which has addressed the ‘lack of certainty’ issue associated with environmental businesses. The Hana Solar Loan allows solar electricity producers to access the necessary funds to start businesses and pay back the loan with the government paid feed-in-tariff over a 15-year period. The launch of the ‘Hana Solar Loan’ has made it easier for renewable energy businesses to access funding, and it also contributes to changing other finance companies’ perception of environmental businesses.

As of May 2009, a total of 182.1 billion KRW in funding has been extended to 49 solar electricity businesses in forms including the ‘Hana Solar Loan.’ We have also introduced a ‘Water Resource Fund’ that invests in water resources management companies worldwide backed by our strong interest in protecting nature.

Products that address General Customer Concerns

In addition to providing products that are relevant to customers in special circumstances, we also offer products that meet the needs of general customers. The ‘S-Line Installment Savings’ and ‘Baby Installment Savings’ are two examples.

A low birth rate is currently a serious social problem in Korea. In order to help alleviate this problem, we have created ‘Baby Installment Savings’ account which provides higher than regular interest rates to customers who are pregnant or have more than two children in their households. As of December 2008, a total of 1,173 customers had signed up for the ‘Baby Installment Savings’ account.

The customers who sign up for the ‘S-Line Installment Savings’ receive a ‘Guide to Healthy Living’ and benefit from a high interest rate when they succeed in losing weight. As of December 2008, a total of 131,690 customers had signed up for the ‘S-Line Installment Savings’ account.

Smart Services that provide Maximum Convenience for More Customers

Finding ways to provide better access to more customers is another important financial sustainability activity. We have many devices and systems that allow our customers to access our services anywhere. In addition, we are also attempting to install devices that will allow non-Korean customers to conveniently use our banking services.

In addition to the continued expansion of our ATM network, we are also collaborating with mobile telecommunication service providers to provide mobile phone-based banking services. Our customers can also access the various services and products by accessing

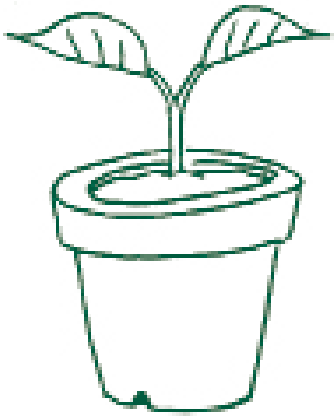
Solar Loans		(unit: KRW 100 million)
Solar Electricity Project Loans (including Solar Loans)		
2007	445	
2008	1,376	



Campaign for the S-Line Installment Savings



Hana Bank on the Move



the Hana N Plaza internet website at www.hananplaza.com. Customers can also access the products and services of our partner companies at Hana N Plaza. In recognition of its significance as an innovative marketing platform, the Hana N Plaza was awarded with the grand prize in 2008 Korea Digital Innovation Management Award. The Hana N Plaza also contributed greatly to Hana Bank’s sales by attracting more than 150,000 new customers, as of March 2009. And Hana Bank has been running a program titled ‘Hana Bank on the Move’ since the late 1990s. It provides extended access to customers at vacation spots and highway rest areas during holiday seasons. Provision of banking services in disaster-relief areas is another important part of the ‘Hana Bank on the Move’ program.

Some services are specially created for foreigners working in Korea. We have set up a special ‘Foreign Exchange Service Desk for Foreigners’ at the Guro branch of Hana Bank, to help Vietnamese and Mongolian workers conveniently exchange and transfer their hard-earned money to their families. We also offer ‘Pay-easy’ service, which allows foreign workers in Korea to automatically transfer their salary according to their needs.

Expansion Plan for Sustainable Finance Activities

In addition to continuing our efforts in promoting our existing sustainable finance activities, we are also planning to create products that correspond with our new ‘Green Bank on the Move’ initiative and address environmental and health issues. We also plan to continue expanding our microcredit business. Additionally, we have announced our aspiration to execute more than 40% of loan assets to support SMEs, and formed a support organization that encompasses both corporate finance and personal finance offices. In addition to supporting SMEs financially, we will continue to support SMEs to ensure their success.



“I love fresh air of forests, it always makes me feel great.
From now on, I will do all I can do to protect this precious forest.”

A Young Participant of Beautiful Forest Visit Program

Action for Green Earth

We are deeply interested in environmental problems and are actively striving to increase environmentally-sound activities. Our motivation comes from a firm belief that environmental issues do not conflict with economic growth as was traditionally believed. Thus, we would like to promote low carbon, green growth, which can simultaneously achieve both economic growth and environmental protection. With ‘Green Bank on the Move’ as our motto, we are strengthening our environmental management practices. Promoting green growth will help us recover from the current national recession, prevent environmental crises, and provide Hana Bank with a springboard to a new growth.

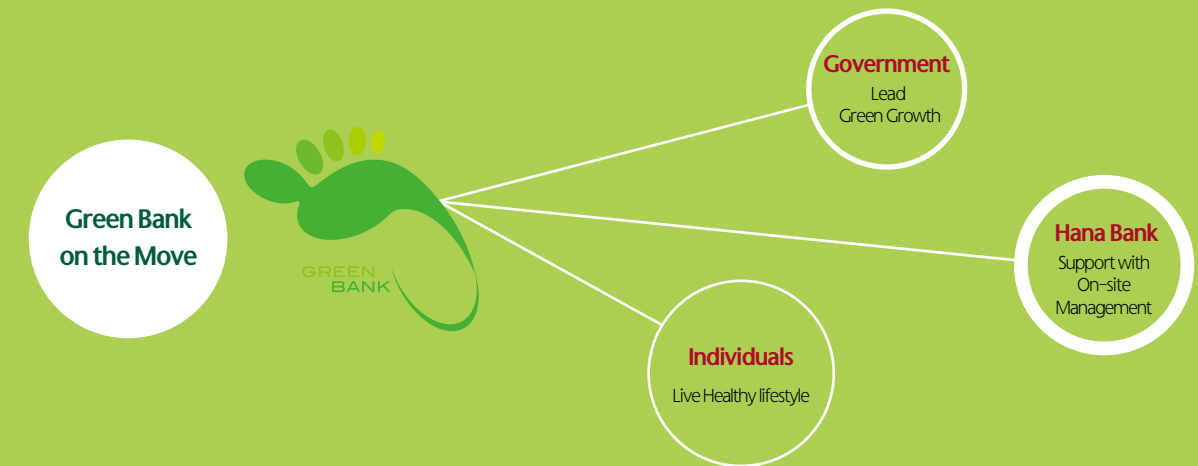
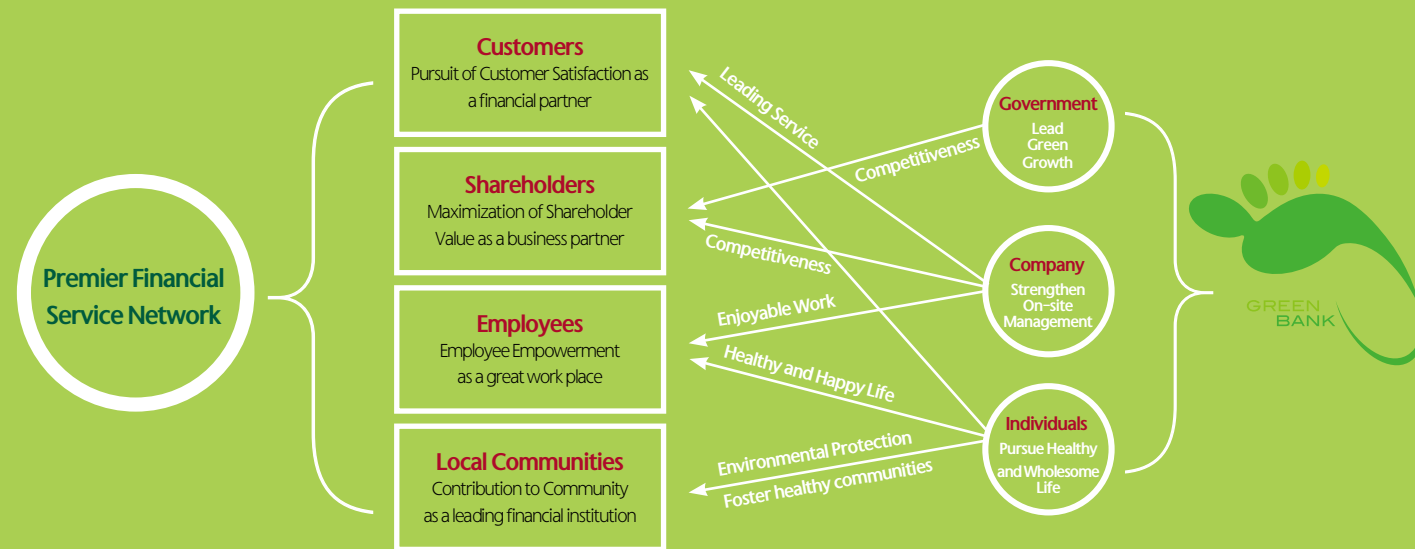


Walking & Donation Event

Hana Bank's ‘Green Bank on the Move’ Initiative

We aspire to be a green bank. In line with this aspiration, we have announced our new initiative to become a ‘Green Bank on the Move,’ and chose ‘Green Foot’ as our icon brand for green growth. We chose a foot as a symbol because it is a fundamental part of our body that is always in contact with our environment. In addition, a foot symbolizes our ability to act and go places even when faced with hardship. Thus, our ‘Green Bank on the Move’ is an expression of our aspiration to be an environmental leader in the banking industry. It is also a declaration that we will proactively take part where we are most needed with strengthened on-site management and optimal teamwork.

We have been taking the lead in conducting many activities that were designed to raise the environmental awareness of our customers, children and members of local communities. ‘Green Bank on the Move’ is a unique environmental management program designed to promote three goals of ‘strengthening leadership on green growth,’ ‘on-site management,’ and ‘contributing to the health of community members.’ By promoting ‘Green Bank on the Move,’ Hana Bank will further strengthen our Environmental Stewardship activities and serve a pivotal role in promoting green growth in Korea.



‘Green Foot’ Activities for Promoting Green Growth

‘Green Foot’ activities can be categorized by national, company, and personal level activities. On a national level, we plan to actively participate in the Korean government’s low carbon, green growth initiative by reducing energy use and conducting activities that raise environmental awareness in local communities. On a company level, our members strive to be a more passionate partner with a more on-site approach for customers who need us. Lastly, we will strengthen our effort to create financial products and activities that will contribute to the healthy and happy life of our customers and employees.

More specifically, we are planning to have several initiatives on a national level. The activities include a no-car day the first working day of every month (promoting mass transportation use), sponsor the Love River Foot Relay for the Han River Parks and other smaller rivers (volunteer work to remove invasive plants), banking products, credit card products, and loans that support eco-friendly businesses. In addition to the new initiatives, we also plan to further strengthen our more than a decade-old environmental awareness program which sponsors activities including the ‘Hana Green Poster Contest,’ the ‘Beautiful Forest Visit Program’ and the ‘Hana Green Concert.’ On a company level, we are planning on further tailoring our operation for each region and increasing communication between the head offices and branch offices.

We also plan to launch a ‘Green Private Banker’ service which will lead the Green foot campaign, and also help promote our new private banking business as a new growth engine. We plan to actively conduct green marketing campaigns at various points of customer contact and thus, 152 private bankers working for Hana VIP clubs and 17 private bankers managing gold club participated in the Green private banker launch event.

There are other activities planned at a more personal level including greening offices by using eco-friendly products and in-office, green health seminars at regional offices. We also plan



Love River Foot Relay (above)
The Hana Bank CEO, participating in the ‘No-car Day’ campaign, which is the first working day of every month (below)

to provide discounted interest rates for loans taken out by customers who lead an eco-friendly life style. Existing products, such as the ‘S-Line Installment Savings’ and ‘- 0.3°C Loan’ will be made available to more customers as well. As we have illustrated, the scope of our Green foot initiative is not limited to Hana Bank itself. Our green initiative’s greatest significance lies in the fact that it contributes to the national ‘Green Growth’ initiatives as well as lives of our customers. Hana Bank will continue to take the necessary steps forward, without pause, for all of our customers.

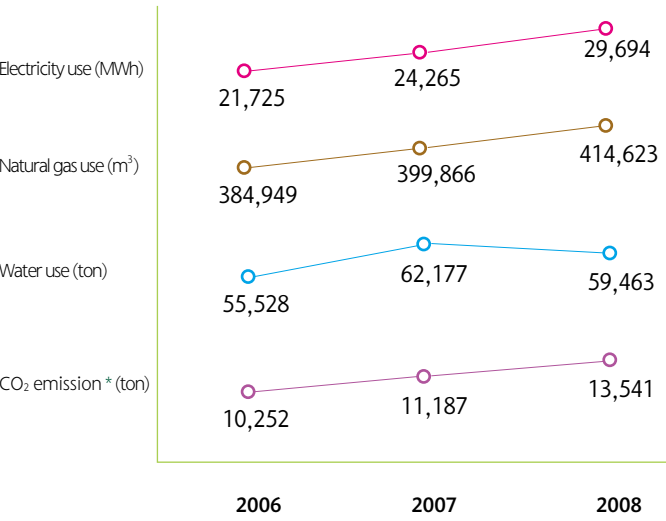
[Green Bank on the Move approach]

	2009. 1Q	2009. 2Q	2009. 3Q	2009. 4Q
Internal Management (Employees)	Promote ‘Green Foot’ symbol. Build a common understanding that green management is an absolute requirement. Strengthen on-site management. Organize task force for promoting common understanding of green initiatives.			
Business (Products)	Launch existing products S-Line savings (green)	Launch new products Green credits cards and bank accounts ‘- 0.3°C Loan’	Launch new products & update existing products (Renewal of S-Line savings and etc.) Execute public trust donation	
Public relations (Events, etc.)	Green management of offices, Green health seminars Hana Green Poster Contest, Beautiful Forest Visit Program Love River Foot Relay (March~June)			Green Concert (Daejeon)

Energy-saving Efforts

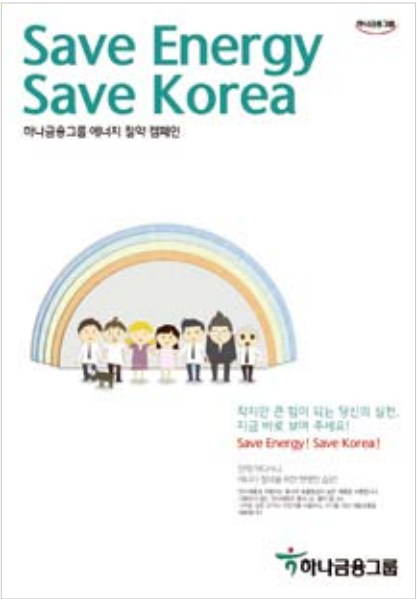
We are striving to reduce the environmental impact associated with our operation. Since we are not in the manufacturing business, our activities make relatively little impact, yet we do consume resources including energy and paper. In recognition of the climate change issue, we are making an effort to reduce energy use, a major source of CO₂, which is the main culprit of climate change. According to our calculation, our CO₂ emissions for 2008 were 13,541 tons. In order to reduce CO₂ emissions, Hana Bank has changed its heating systems that used bunker C-oil or kerosene to more eco-friendly electric heaters. We also have several Operation Support team-led energy conservation campaigns including office temperature guidelines for summers, as well as limiting elevator use for lower floors. The Hana Financial Group's 'Save Energy Save Korea' campaign is another example of our efforts to save energy in all operations. In terms of transportation, we have signed a treaty with the Seoul metropolitan government on energy conservation practices, and our employees are participating in the Seoul city initiatives on limiting personal car use and increasing the use of mass transportation.

We are also keen on reducing our environmental impact associated with paper use. Maximizing use of single-sided printouts is one of our most important initiatives. Some of our envelopes are used many times over by writing addresses using pencil and erasing them for reuse. Recycling used slips is another important activity. In 2008, we used a total of 565,041 kg of paper. Starting in 1997, we have gradually increased use of more eco-friendly office supplies. As of December 2008, 24% of inkjet printer cartridges and 8% of laser printer cartridges we used were recycled cartridges, contributing to environmental protection as well as an overall cost reduction. We are also purchasing toilet paper made using recycled paper.



* The CO₂ emission increase in 2008 is due to an increase in electricity-use related to newly-installed IT devices at the Bundang Data Center.

Paper Usage (unit: kg)	
	Paper used
2006	509,348
2007	529,556
2008	565,041



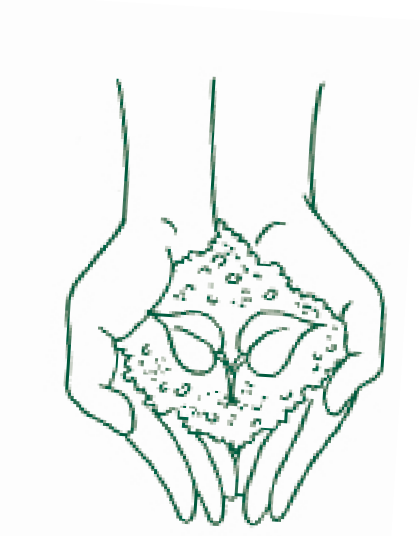
Save Energy Campaign Poster



'Dream art classroom' created as a prize for 'Hana Green Poster Contest'



Hana Green Concert



Environmental Protection Program for Local Communities

We have diverse programs that are aimed at promoting environmental protection at a community level. Since 1993, we have held the 'Hana Green Poster Contest,' which is aimed at giving children a chance to appreciate nature. The Grand Prize for the winning team in the group contest category is the creation of a 'dream art classroom' for the school, designed by a professional interior architect. The dream classroom provides talented young students a place to nurture their artistic talents. We have provided 'dream art classrooms' to 17 schools since 2001. The poster contest, in which 40,000 children participate each year, has been held 16 times so far.

Since 1993, we have been operating the 'Beautiful Forest Visit Program' in collaboration with the Forests and Culture Research Group, with a goal of raising awareness to the importance of the forest and promoting better forest management. Both our customers and non-customers can participate in the program and a total of 2,220 customers participated in one of 37 separate visits so far, as of 2008. The participants had a great family experience and learned about the importance of the forest.

In June 2006, Hana Bank signed a 'Forest care program agreement' with the Korean Forest Service, a ten year commitment to manage a set area of forest known as the 'Hana Forest.' Since then, we have planted tree saplings, created trails and put up signs in order to care for the 'Hana Forest' and to make it more accessible. We plan to hold various events at the Hana Forest with our customers and employees in the future. Lastly, Hana Bank also holds the 'Hana Green Concert,' which combines our cultural activities with our green initiative. The first 'Hana Green Concert' was held in 1993, and it is a significant event which is held up to three times a year. It is an opportunity for us to inform people about the importance of environmental protection, while providing an opportunity to allow the general public to appreciate music. Many different types of music are played at the concert including classical, popular and fusion music. The concert has been held a total of 42 times between 1993 and the end of 2008.

Environmental Management Plan

In environmental management, having a strong will and a good philosophy is not enough because changes only happen when concrete measures are taken with the support of both employees and customers who understand its importance. We plan to continue to raise the awareness and level of understanding among our employees, create products that catalyze behavioral changes of our customers, and increase contributions to environmental protection at a community level with our social contribution activities. First, we plan to provide more opportunities for our customers to take part in the green growth initiative by creating loans, savings, and credit card products that make a positive impact on environmental protection. We are also planning on renewing our popular 'S-Line installment savings' account and donate profits from existing public trust to support environmental protection activities.



“A Pleasant work place boosts productivity.

We believe our smiles contribute to the increased satisfaction of our customers.”

Hana Bank Employees

Hana Bank, a Healthy and Enjoyable Place to Work

We respect and value our employees, and we are striving to help them realize their full potential by supporting their education and growth. In fact, one of our four missions is to ‘Provide employee empowerment as a great work place.’ We encourage entrepreneurship; we share our profits with our employees through performance-based remuneration, while fostering a pleasant environment by providing diverse benefits. Satisfying our employees is relevant to our stakeholders because personal satisfaction encourages them to passionately provide the best quality service to our customers.



Ski Camp for Children of Hana Employees

Importance of Employee Values at Hana Bank

All our business activities, from creation of financial services and products to their delivery to customers, are all carried out by our employees. Naturally, employees are the key to our success. The success of sustainability management is also dependant on the efforts of our employees. This is why we chose ‘fostering a pleasant work place to satisfy our employees’ as one of our four key missions. We are striving to provide stronger support in various areas to create a pleasant work experience for our employees and provide opportunities for our employees to develop.

Our support for employees can be largely categorized into employee education programs and employee benefits. We are providing customized and focused education programs, as well as providing employee benefits that create a pleasant work environment while maintaining a healthy balance between work and life. We also have a wide range of employee communication programs through which the opinions of various individual employees can be communicated.

Personal Development Programs

We are providing a diverse set of training programs to extend the skills of each employee. Our Career Development Plan, Leadership training, and Community of Practices system (CoP) are prime examples of our personal development programs.

Career Development Plan

Hana Bank is operating a Career Development Plan which guides each employee to become an expert in their field. This plan is created to help each employee to become an expert in their field by providing a tailored and structured three stage education program. The program allows the employees to obtain the necessary level of knowledge at each stage of their career, as well as affecting their actual career development track, as employees are assigned to job positions relevant to their training and background experiences.

Leadership Training Program

In addition to providing the employee opportunities to become more knowledgeable, we are also operating a customized leadership training program to nurture our employees as responsible leaders. First, we have a weekend team-work building program, which is conducted by each branch office and team. We also have events for employee family members and host various festivals. Work is underway to set up leadership programs for branch managers, as well as for people at various levels in the corporate hierarchy, so that everyone can capably play their expected roles. In 2008, 493 employees in 45 branch offices and teams participated in team building programs and 434 family members of 140 families took part in employee family events.

Community of Practices system (CoP)

CoP is an on-site-oriented learning method, which is designed to share diverse knowledge and various perspectives among participants, that advances the traditional one-way transfer of knowledge. Each CoP is organized with more than five participants who hold on- and off-line meetings to study and find solutions to job-related issues, in addition to personal subjects of interest. The CoP study results are openly shared with all Hana Bank employees. As of December 2008, there were 20 working CoPs.

Launch of Next-generation Intelligent Business Management System

We have launched an intelligent business management system named ‘New-Turn’ in January 2009, with the goal of promoting more robust knowledge-sharing among our employees. The ‘New-Turn’ system is designed to increase the capacity of employees to create, share and utilize important information relevant to our operation and strengthen our core capacity. The system has various advanced elements and features including a knowledge map designed to incorporate every subsidiary companies, a suggestion system with a monitoring feature that oversees how suggestions are reflected. It also has ‘Community of Practices’ and ‘Team Room’ functionality that incorporate an on-line collaboration feature of ‘Wiki’ systems, blog function and web 2.0 elements. The system also has features and functions including web storage, e-books, and a library management system. It also has an improved search functionality that allows speedy responses to customer demands. Users of the ‘New-Turn’ system can also save



CoP Activities

Employee Training Expenditure (unit: KRW million)	
Training budget spent	
2006	8,959
2007	8,763
2008	11,078



Introduction of New-Turn System



time because work-related information, including know-how and regulation changes, can be checked at the site. Since the ‘New-Turn’ system encourages open sharing and participation, we are also expecting the added benefit of promoting communication among employees.

Programs for Promoting Work and Life Balance

	Programs	2007	2008
Life Care Center	Wedding Supporter System (employees)	Wedding ceremony supported: 30 Dating service supported: 108	Wedding ceremony supported: 21 Dating service supported: 70
	Child Support Program (employees)	Psychological test supported: 51 Counseling service: 201 Academic clinic service: 69	Psychological test supported: 14 Counseling service: 322
	Life Refresh Service	16 employees	20 employees
	Personal and Family Crisis Counseling (employees)	Life / Career Planning Consulting provided: 16	Life / Career Planning Consulting provided: 20
Family Program	Hana Family Love Program	All employees signed up for Hana Family Love Card and benefited from exclusive financial services.	All employees signed up for Hana Family Love Card and benefited from exclusive financial services.
	‘Oh Happy Day’ Program	Oh Happy Day beneficiary: 8,758 individuals Elementary School Enrollment Gift given: 485 students College Entrance Examination Support Gift: 343 students	Oh Happy Day beneficiary: 9,537 individuals Elementary School Enrollment Gift given: 503 students College Entrance Examination Support Gift: 348 students
Hobby Support Program	Employee Hobby Group Support	87 million KRW	76 million KRW
	Flight Discount Access	210 employees	202 employees
Health Support Program	Happiness Finding Program	228 employees	519 employees
	Employee Health Check-up Service	236 employees	560 employees
	Quit Smoking Program Support	22 supported, 12 succeeded	79 supported, 38 succeeded
Retired Employee Support Program	Hanmaeum Retired Employee Support Center	Job information provided: 524 Employment succeeded: 48	Job information provided: 1,004 Employment succeeded: 13
Personal Finance Consulting Program	Employee Credit Recovery Support	Credit recovery counseling: 5 Credit recovery supported: 2	Credit recovery counseling: 4
Grievance Handling Program	In-office Grievance Counseling Services	In-house consultation: 132 Outsourced consultation / stress relief service: 228	In-house consultation: 152 Outsourced consultation / stress relief service: 519
	On-line Training on Grievance Handling	450 employees	

Programs for Better Quality of Life

Employee Benefits

In addition to employee benefits required by law, Hana Bank offers a set of original employee benefits. First, we provide a free comprehensive health check for employees over 35, and spouses over 36 years old. We are also fully paying for an employee health care plan which partly pays the medical expenses of our employees in case of hospitalization due to diseases and natural disasters. In order to promote stable families, we are providing rental housing for some of our employees who do not have house ownership and are responsible for taking care of additional family members. We also offer a temporary boarding house for employees who were assigned to an office in regions away from their home. Our employees also benefit from a tuition subsidy for their children, which provides support from the start of kindergarten through college. We also operate a child-care facility for working mothers, as well as providing free access to resorts and vacation spots as part of our employee benefits programs.

Work & Life Balance Program

Reflecting our employee’s desire to improve qualify of life, we created a work and life balance program. A total of seven subprograms are provided. First, the ‘Life Care Center’ provides consultation services for common problems that our employees face at each stage of their lives. We also have a ‘Family Program’ which provides fun programs for employees and their family members. Other subprograms include a hobby and leisure support program, a health-support program with a focus on stress relief, a retired employee support program, a personal finance consulting program, and a grievance handling program for resolving work-related issues. (Refer to table on page 41 for details on 2007–2008 achievements)

Promoting Internal Communications

We are absolutely confident that communication among employees is a key factor in energizing our organization and creating growth. This belief comes from our unique history. Hana Bank has experienced great change in our organizational structure as we have gone through a number of mergers, which requires a great deal of communication in order to promote a sense of unity and keep talented employees at the company. Therefore, we have created and maintained an effective communications network among our employees. We are actively using on-line communications resources including the company groupware ‘Hana Portal’ and the on-line communications channel ‘Hana World.’ ‘Hana Echo’ is one of our key on-line communications programs, which allows our employees to directly ask about regular business affairs. In 2007, a total of 108 personal grievances and opinions were communicated via ‘Hana Echo’ with an additional 105 in 2008. In addition, each branch office and headquarters team has appointed a Customer Satisfaction (CS) leader who acts as a promoter of communications. There is also a volunteer initiative called the ‘Hana-ville Meeting’ which promotes communication between the Hana Innovators and the CEO. Hana Bank is striving to communicate with the labor union, which as of 2008, has 6,764 members. In this relationship, we are attempting to set a high benchmark for others. A meeting between six employer representatives, including the CEO, and six members of the labor union, including its leader, is held on a quarterly basis. Many productive agreements



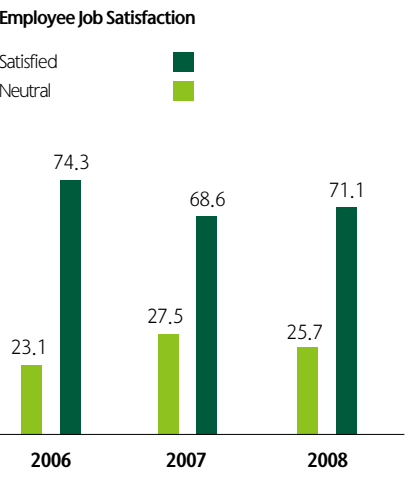
Overseas Training for New Employees (above)
Team Building Activities with Labor Union Members (below)

Disabled Employees Status				
(Unit : in persons)	2006	2007	2008	
No. of Disabled Employees	59	56	68	



Employee Health Check-up Program (left) Theatre Performance for Employees (right)

Female Employee Status			
	2006	2007	2008
Number of Female Employees(in persons)	5,317	6,143	6,747
proportion of female employee(%)	57.9	61.2	62.2
Female Employees at Management-level positions or higher (in persons)	57	60	66
Proportion of Female Employee at Management-level positions or higher(%)	6.1	6.0	5.9



were made so far. For instance, Hana converted 460 part-time employees into non-fixed term employees in 2007, reflecting a strong demand by the labor union. A common statement for unity was also announced in 2008, demonstrating our friendly labor-employer relationship.

Measure to prevent Discrimination

We strive to be fair in all human resource management processes; from hiring to appraisals and promotions. We are an equal opportunity employer and do not discriminate against job applicants based on place of birth, gender, religion, or race. Compensation is made on the basis of job performance, and workers engaged in identical duties are evaluated against an equal standard. We are also endeavoring to embrace diversity in our work place. During the course of our growth, the proportion of female employees has grown consistently and the number of females in management-level positions or higher has increased as well. We are also an active employer of disabled workers. In June 2005, we signed an agreement with the Korea Employment Promotion Agency for the Disabled to hire more physically-challenged workers. The number of disabled employees has grown from 59 in 2006 to 68 in 2008.

Employee Satisfaction and Improvement Plan

We have strengthened activities including employee benefits, training programs, internal communication improvements, which are all aimed to develop Hana Bank into a more satisfying place to work. Our efforts have been successful so far, as the annual job satisfaction survey results have remained high with employees responding ‘very satisfied’ and ‘satisfied’ at 74.3%, 68.6%, 71.1% in 2006, 2007 and 2008 respectively. We will continue to expand on our existing programs to further improve employee satisfaction. A special emphasis will be placed on increasing training programs and improving internal communication. Our next generation knowledge-based business management system will play an important role in promoting the two areas of emphasis. Lastly, we will continue to strengthen our work and life balance promotion programs.

Key Performance Data

A. Financial Statement

Balance Sheet (Bank Account) <div>(unit: KRW million)</div>		
Description	2008	2007
Assets		
Cash & Due from Banks	7,630,092	7,283,219
Securities	20,358,215	17,657,426
Loans	99,649,253	85,820,102
Tangible Assets	1,130,251	1,084,728
Other Assets	17,829,196	5,095,851
Total Assets	146,597,007	116,941,326
Liabilities		
Deposits	91,201,491	78,382,599
Borrowings	29,121,272	23,676,756
Other Liabilities	17,362,249	7,165,292
Total Liabilities	137,685,012	109,224,647
Shareholder's Equity		
Capital Stock	1,174,661	987,161
Capital Surplus	2,720,169	1,406,497
Capital Adjustment	(1,300)	(1,208)
Accumulated Other Inclusive Gain(Loss)	87,178	728,610
Retained Earnings	4,931,287	4,595,619
Total Shareholder's Equity	8,911,995	7,716,679
Total Liabilities and Shareholder's Equity	146,597,007	116,941,326

Income Statement (Bank Account) <div>(unit: KRW million)</div>		
Description	2008	2007
Operating Revenues	35,366,335	10,397,391
Operating Expenses	34,801,620	8,797,677
Operating Income	564,715	1,599,714
Non-Operating Revenues	127,998	88,254
Non-Operating Expenses	69,531	197,696
Income Before Income Tax	623,182	1,490,272
Income Tax	148,821	438,729
Net Income	474,361	1,051,543

Balance Sheet (Trust Account) <div>(unit: KRW million)</div>		
Description	2008	2007
Assets		
Cash and Due From Banks	852,605	236,088
Securities	6,359,563	5,788,081
Loans	213,828	176,594
Private Placement Corporate Bonds	1,214,998	1,252,849
Call Loans	–	100,000
Bonds Purchased under Resale Agreements	389,000	–
Money Receivables	1,889,290	1,826,942
Movables & Real Estate	4,720,038	2,907,079
Other Assets	167,968	243,256
Loans to Banking Account	412,542	641,818
Allowance for Valuation of Receivables	(2,710)	(180)
Total Assets	16,217,122	13,172,527
Liabilities		
Money in Trust	7,190,482	5,769,271
Property in Trust	8,857,645	7,045,538
Public Trust	24,866	24,878
Other Liabilities	114,496	304,653
Special Provisions	29,633	28,187
Total Liabilities	16,217,122	13,172,527

Income Statement (Trust Account) <div>(unit: KRW million)</div>		
Description	2008	2007
Revenues		
Interest on Due from Banks	37,932	6,591
Interest and Dividends on Securities	278,983	280,582
Interest on Loans	15,617	11,323
Interest on Private Placement Corporate Bonds	73,797	12,283
Interest on Call Loan	955	13,754
Interest on Repurchase Agreements	16,897	133
Other Interest Income	9	33
Gain on Derivative Transactions	244	192
Gain on Securities	39,433	974,115
Commissions Received	2,928	3,079
Other Revenues	339	211
Interest on Loans to Banking Account	31,091	33,333
Reversal of Special Provisions	521	991
Reversal of Allowance for Credit loss	7,850	795
Total Revenues	506,596	1,337,415
Expenses		
Gain on Money Trust	245,008	1,151,215
Gain on Property Trust	135,157	56,414
Gain on Public Welfare Trust	1,566	944
Commissions Paid	178	200
Loss on Derivatives Transactions	289	334
Expenses on Securities	74,572	82,958
Contribution Fees to Fund	174	350
Trust Fees & Commissions	31,462	31,480
Other Expenses	13,659	10,377
Provision for Special Reserves	1,972	3,121
Provision for Allowance for Credit Losses	2,559	22
Total Expenses	506,596	1,337,415

B. Financial Data and Economic Value generation and distribution

Financial Data	2004	2005	2006	2007	2008	Unit
Pre-Provisioning Income *	1,173.9	1,242.4	1,727.5	1,965.9	1,755.6	KRW billion
General Operating Income *	2,099.2	2,283.3	2,837.6	3,210.7	3,007.0	KRW billion
Net Income	1,343.0	906.8	1,045.8	1051.5	474.4	KRW billion
Net Interest Margin(NIM)	2.21	2.42	2.40	2.31	2.06	%
Return On Assets	1.66	1.05	1.06	0.93	0.34	%
Return On Equity	33.03	16.71	15.97	13.97	5.94	%
Total Assets(Bank Account)	82,423	92,002	110,851	116,941	146,597	KRW billion
Total Liabilities(Bank Account)	77,562	86,108	103,970	109,225	137,685	KRW billion
Standard and Below Loan Ratio	1.44	0.98	0.69	0.77	1.20	%
Coverage against Standard and Below Loan	111.94	127.62	172.65	169.07	126.84	%
Loan to Deposit Ratio	104.7	106.7	107.6	109.5	109.3	%
BIS Capital Adequacy Ratio	11.83	13.29	11.34	11.75	13.51	%
Delinquency Ratio	1.20	0.89	0.77	0.64	0.86	%
Dividend	131.8	65.6	337.9	460.0	0	KRW billion
Dividend Ratio	15	7	36	49	0	%
Salary	379.2	457.1	492.3	489.3	460.0	KRW billion
Other Employee benefits	67.7	76.0	92.4	105.6	117.8	KRW billion
Donation **	5.7	21.1	46.4	22.0	42.3	KRW billion

* The 2005 and 2006 data was recreated following SKAS(Statements of Korea Accounting Standards) No. 24 : Preparation and presentation of Financial Statements II (Financial Industry)

** Donation is included under 'other expenses' Description on the Hana Bank financial statement.

Economic Value Generation

	unit: KRW million)	
	2008	2007
Net Interest Profit(Loss)	2,662,121	2,524,217
Net Profit(Loss) on Valuation and Disposal of Securities	103,670	519,523
Net Profit(Loss) on Valuation and Disposal of Loan Receivable	(1,231,844)	(359,127)
Net Profit(Loss) on Foreign Exchange Trading	252,477	51,821
Net Profit(Loss) on Commission	207,365	218,780
Net Profit(Loss) on Trust	39,646	39,695
Dividend on Securities	150,171	48,033
Other Operating Profit(Loss)	(367,501)	(198,334)
Administrative Expenses	(423,509)	(373,718)
(Excluding Salary and etc.)		
Non-Operating Profit(Loss)		
(Excluding Donations)	100,782	(87,433)
Total	1,493,378	2,383,457

Economic Value Distribution

	unit: KRW million)	
	2008	2007
Dividend	0	459,988
Retained Profit	474,361	591,555
Taxes	211,627	500,114
Salary, Severance and Retirement Benefit, and	638,776	658,328
Other Employee Benefits		
Donation	42,315	22,009
Depreciation and Amortization	126,299	151,463
Total	1,493,378	2,383,457

C. Environmental / Social Contribution Key Achievement Data

Sustainable Finance						
	Hana Happiness sharing Public Trust		Sports Trust	General Public	Total	Unit
	14	13	12	11~1		
Public Trust Fund Raised *	24,325	29,852	31,565	1,400	87,142	KRW million
	2004	2005	2006	2007	2008	Unit
Small and Medium-sized Enterprises(SME) Loans	170,974	177,597	240,041	269,006	298,651	KRW 100 million
Proportion of SME loans to total Corporate loans in Korean Won	84	84	90	87	79	%
No. of CDs and ATMs	3,456	3,738	3,894	4,120	4,285	unit
Customer	2004	2005	2006	2007	2008	Unit
NCSI Survey Results	69	70	73	70	70	Point
FSC-Registered Customer Complaints Trends	334	517	413	372	529	Case
Employee	2004	2005	2006	2007	2008	Unit
No. of Employees **	8,601	8,817	9,230	10,099	10,913	Person
No. of Female Employees	4,647	4,910	5,317	6,143	6,747	Person
Proportion of female employee	54.4	56.0	57.9	61.2	62.2	%
Female Employees at Management-level positions or higher	31	36	57	60	66	Person
Proportion of Female Employee at Management-level positions or higher	3.5	4.2	6.1	6.0	5.9	%
Trend Recruitment	1,225	1,400	1,240	1,729	1,714	Person
Retirement Trend	1,130	622	537	846	739	Person
Recruitment status of Disabled workers	39	51	59	56	68	Person
Salary of New Recruits Relative to Minimum Wage	439.4	450.0	464.9	468.1	470.2	%
Other Employee Benefits(Discretionary) ***	41,307	47,845	56,862	67,912	77,685	KRW million
Other Employee Benefits(Statutory) ***	26,419	28,195	35,506	37,702	40,105	KRW million
Education Spending	7,388	9,372	8,959	8,763	11,078	KRW million
Education Spending per Employee	865	1,070	976	872	1,073	KRW thousand
Work-Related Accidents Case	4	7	2	3	5	Person
Employee Satisfaction (Satisfied)	66.8	68.7	74.3	68.6	71.1	%
Employee Satisfaction (Neutral)	29.1	27.8	23.1	27.5	25.7	%
Local Community Contribution	2004	2005	2006	2007	2008	Unit
Social Contribution Spending	9,782	25,840	54,909	35,015	63,255	KRW million
Environment ****	2004	2005	2006	2007	2008	Unit
Electricity Usage	8,718	10,042	21,725	24,265	29,694	MWh
Gas Usage	356,126	449,875	384,949	399,866	414,623	m³
Water Usage	66,640	61,434	55,528	62,177	59,463	ton
CO₂ Emission	4,574	5,367	10,252	11,187	13,541	ton

* Fund-raising for Hana Happiness sharing Public Trust 15 is currently under progress and thus was not included in this report.
** Number of employees for 2006 was revised with inclusion of executives in addition to the employee numbers reported in 2006 Sustainability Report.
*** Compensation and Benefits for this year's report is revised with reflection of overseas branch offices in addition to the reported numbers in 2006 Sustainability Report.
**** Environmental performance data for 2006 was revised due to expansion in reporting scope.

Assurance Report

Dear Readers of 2008 Hana Bank Sustainability Report

Foreword

The Korea Management Association Registration and Assessments(KMAR) has been engaged by Hana Bank to verify the contents of its 2008 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 segment: Review whether financial performance data has been extracted appropriately from Hana Bank's 2008 Financial Statements Audit Report and Annual Report as defined in the Report's performances and conclusion sectors
- Verification of social/environment segments: Review whether information included in the following segments is presented appropriately.
 - Sustainability Management System
 - Contributions to Local Communities / Hana's Arts Sponsorship Activities
 - Sustainable Finance / Environmentally-conscious Business Management
 - Employee Benefits and Development Activities

'Presented appropriately' means that the contents of the Report appropriately reflected actual data and original information and were presented in a consistent and reliable manner. 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 verification standards that have been developed in accordance with the Accountability's "AA1000 Assurance Standard." 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 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 2008 Financial Statements and found that the financial data presented in the Report has been appropriately derived from 2008 Financial Statements.

■ Environmental and social performance

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

Recommendation for improvement

KMAR confirmed that significant effort was made in various areas to reflect stakeholder demands in the 2008 Sustainability Report. We hope Hana Bank's publication of the report is actively used as a communication tool with stakeholders and recommend the following for improvements.

- Extension of reporting scope on customer relations and concretization of stakeholders' concerns
- Linkage of corporate sustainability management strategy and individual activities

KMAR *K. H. Park*

CEO Ki Ho Park

Contact Information

Hana Bank is committed to providing accurate and reliable information regarding our sustainability performance to our stakeholders. We will continue our endeavors to provide a comprehensive and balanced view of our performance in our corporate citizenship. Your feedback will be invaluable in guiding our future efforts.

Hana Bank Sustainability Task Force Team

TEL : (02) 2002-2754

FAX : (02) 2002-1414

E-mail : daeyoungpark@hanabank.com