Hana Financial Group

Sustainability Report 2014

Hana Financial Group

Growing Together,
Sharing Happiness

About this Report

Hana Financial Group Sustainability Report 2014 is the fourth sustainability report published by Hana Financial Group (HFG).
HFG fulfills sustainability management through communications with diverse shareholders in a bid to gain confidence and become a leading global financial group. In this report, HFG transparently presents the company's activities conducted over the past year to achieve a happy and healthy society as a corporate citizen, together with its achievements and future plans. HFG gathers diverse feedback to contribute to the sustainable development of society.

Characteristics of this Report

This report is composed of a form of magazine to enhance the readability. The report consists of interesting stories for important issues to improve the understanding. It also comprehensively covers specialists' sessions in terms of the essential reporting matters of sustainability management guideline. This report is prepared based on the Global Reporting Initiative (GRI) G4 Guidelines' Core Options. It presents a materiality analysis focusing on in-depth issues that stakeholders show higher interest.

Reporting Period

The reporting of this report spans from January 1, 2014 to December 31, 2014. This report contains the company's economic, environmental and social responsibilities, as well as its achievements. To demonstrate the trends of time series analysis, the report includes data from the past three years (from 2012 to 2014) as of 2014. It partially contains achievements in 2015, if HFG's significant activities and timeliness are required.

Reporting Scope and Boundary

This report covers HFG's sustainability activities and performances conducted in Korea. The report sets its organizational boundary, including major affiliates of Hana Financial Group Inc., Hana Bank, Korea Exchange Bank (KEB), Hana Daetoo Securities, KEB Hana Card, Hana Life, Hana Capital, Hana Institute of Finance, Hana I&S, Hana Asset Trust, Hana Savings Bank, Hana Asset Management, KEB Futures, KEB F&I Inc. and KEB Investors Services. In this report, when "Hana Financial Group (HFG)" is used as a subject, this means the term is applicable for the entire group. When the content is related to individual affiliate company, such affiliates are in principle used as a subject.

Independent Assurance

To ensure reliability, objectivity and fairness, the report content was assured by an independent external assurance provider. The assurance report appears in the independent assurance report section of this report. It is available on pages 86~87.

*Hana Financial Group Sustainability Report is available to download on HFG website (www.hanfn.com).

Inquiries on Hana Financial Group Sustainability Report 2014
For additional inquiries or feedback, please contact us at the following number.
Communication Team at Hana Financial Group Inc.
T.02-2002-1753

Contents

Hana Financial Group Sustainability Report 2014

01 Sustainability Overview

04 CEO Message
06 Company Profile
08 Sustainability Performance Highlights 2014
09 Business Model
10 Risk Management
12 Vision & Values
16 Corporate Governance
18 Committee for Sharing Happiness
20 The Creation and Distribution of Economic Value
21 Stakeholder Communication

02 Happy Finance

24 Special Section
25 1. Global Financial Market
28 2. Enjoyable Workplace
30 3. Support for SMEs and the Socially Vulnerable
32 Material Issues
33 1. Social contribution activities
40 2. Customer-Oriented Management
43 3. Compliance Management
46 4. Comprehensive Management
48 5. Human Resource Management

03 Hana Network

54 Hana Financial Group Inc.
55 Hana Bank
56 KEB
57 Hana Daetoo Securities
58 KEB Hana Card
59 Hana Life
60 Hana Capital
61 Hana Institute of Finance
62 Hana I&S
63 Hana Asset Trust
64 Hana Savings Bank
65 Hana Asset Management
66 KEB F&I
67 KEB Futures
67 KEB Investors Services

04 Appendix

70 General Standard Disclosures
74 Economic
75 Environment
77 Labor Practices and Decent Work
79 Human Rights
80 Society
81 Product Responsibility
82 GRI G4 Index
86 Independent Assurance Report
88 2014 Awards
89 History of Sustainability Report Publication

CEO Message

Distinguished stakeholders,

I would like to express my sincere gratitude to all of you for supporting Hana Financial Group (HFG).

In 2014, Hana Financial Group declared a new vision of "The Trusted Premier Global Financial Group" based on a mission of "Growing Together, Sharing Happiness." With our new mission and vision, we aim to play our part in the growth of the nation's financial sector, growing together with our customers, shareholders, and society, actively sharing happiness. This explains why Hana Financial Group exists and our ultimate goals for the company. Furthermore, such mission and vision are our promises and pledges to become a top financial group for sharing greater happiness.

For HFG, 2014 was a year that marked the first step in establishing the foundation for such vision. With an integrated entity of both Hana Bank and Korea Exchange Bank (KEB) Indonesian corporations, HFG created more synergy effect than it had expected. HFG successfully launched an integrated entity of local corporations that gained recognition from local customers in China. Moreover, as KEB's Card and Hana SK Card joined forces to launch "Integrated KEB Hana Card," HFG has provided customers with better goods and services. With such enhanced capacity, HFG has strived to take the lead in fulfilling its social responsibility and promoting relations with stakeholders. With the belief that "Education" is an important investment in creating a happy society, HFG targeted the key sectors of multicultural families, North Korean defectors, young people, and global so as to provide diverse educational opportunities.
To promote constant social responsibility activities, HFG has also joined forces to operate the Committee for Sharing Happiness and promoted systematic corporate social responsibility activities, including various projects led by the corporation's foundation.

In response to social issues such as financial consumer protection, HFG established a financial consumer protection system for the first time in the financial sector in Korea, which enabled the company to integrate its consumer protection-related function and create a one-stop process. Through the system, HFG solved consumers' complaints in an accurate and prompt manner and strengthened financial fraud prevention activities.
HFG has taken active steps to realize a creative economy: the company proposed and implemented a "Startup Win-Win Fund," which is a support model for a new type of venture company using the advantages of government, financial business and the manufacturing industry. HFG is currently successfully operating the Fund.
Most of all, I am very proud of the fact that most of HFG's executives and employees participate in various volunteer activities in the spirit of sincere and responsible corporate citizens.

HFG is fully committed to making strenuous efforts to become a top-class financial group that will join forces with customers and employees, shareholders and local communities for growth and share happiness with all.

I look forward to receiving your continued interest in and support for Hana Financial Group.

Thank you.

June 2015
Hana Financial Group Chairman, Jung-Tai Kim

Company Profile

Hana Financial Group

Hana Financial Group was formed initially as Korea Investment & Finance Corporation in 1971, and then converted into Hana Bank in 1991. HFG has achieved steady growth as a comprehensive financial group since 2005. HFG provides customers with a wide range of financial products and services such as banking, securities, cards, capital and insurance to make the world more convenient. Having strived to serve as "The Trusted Premier Global Financial Group," HFG continues to reach out to a broader world with bigger ambitions. Through its largest global network in Korea, HFG will take a leap forward to become a global financial group and create a happier future for people all around the world.

Management Slogan

Happy Finance

With the aim of growing together and sharing happiness through finance, HFG sets a goal for "Happy Finance" as its social responsibility. To create "Happy Finance" where employees, customers and society are all happy, HFG follows three principles to fulfill the slogan of happy finance: "Happy Competition" putting customers above the size or figures and the competition with other banks; "Happy Growth" growing together with customers, employees, shareholders and society; and "Happy Sharing" sharing the fruits of happiness and creating a balanced society.

Hana Financial Group Inc.

HFG's management strategy, financial management

· The percentages represent the equity ratio in an affiliate held by HFG.
· Details on the Hana Network are available on the HFG website.
http://www.hanafn.com/network/hanaNetwork/networkIndex.do

General Status

Company Name	Hana Financial Group
Tel.	+82-2-2002-1110
HQ Address	55 Euljiro, Jung-gu, Seoul
No. of Total Stocks Issued	289,894,062 shares
Date of Foundation	Dec. 1, 2005
CEO	Kim Jung-tai
No. of Employees	20,682 people
Website	www.hanafn.com

• Status of Korea's credit ratings

	Hana Bank	KEB
Korea Ratings (KR)	AAA	AAA
NICE Investors Service	AAA	AAA
Korea Investors Service (KIS)	AAA	AAA

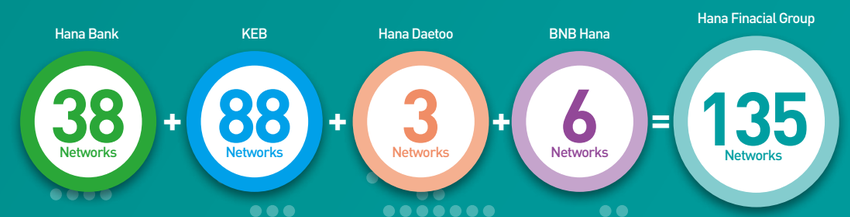
• Status of overseas credit ratings

	Hana Bank	KEB
S&P	A1	A1
Moody's	A	A
Fitch	A-	A-

Global Network

As of March 2015, HFG operates 135 global networks in 24 countries, the largest size of any financial services group in Korea. With the synergy effects of its robust capital competitiveness and overseas network, we will overcome the challenges of a business environment where the financial market is characterized by low margins and low growth in Korea. Furthermore, HFG strives to take a step forward to grow into a globally recognized financial group by providing differentiated products and services to local customers and companies as well as Korean companies in foreign countries.

135 Networks in 24 Countries



2014 Highlights

Start 2014, Declaration Ceremony of HFG's New Vision

In January 2014, when a new year started, HFG declared its new vision. HFG held a declaration ceremony, called "Start 2014." The ceremony was attended by about 12,000 participants, including affiliated companies' employees at Hana Bank and KEB and overseas employees across the world. The ceremony served as an opportunity for HFG's employees to pledge a new start and challenge for HFG's future. With the participation of the HFG Family Love Volunteering Corps, which consists of HFG employees and their family members, it became a really meaningful event.

KEB - Winner of "Best Trade Finance Bank" award by <Global Finance>

In January 2015, KEB won the highest award of "Best Trade Finance Bank," marking the 14th consecutive year of receiving the award. KEB was selected by Global Finance, which is a world-acclaimed financial and economic magazine. With the reflection of various specialists in diverse surveys, KEB gained a higher assessment in terms of trade volume, market share, price competitiveness and innovative technology, achieving recognition as the best bank in Korea.

Launch of Integrated Entity of the Hana Brand and KEB in Indonesia and China

In April, HFG launched "PT Bank KEB HANA," an integrated entity of both Hana Bank and KEB, by merging both local corporations. In December, HFG integrated the local corporation in China of Hana Bank and KEB to launch Hana Bank (China) Co.Ltd. Along with such mergers, HFG continues to create overseas branches and overseas corporations of Hana Bank and KEB to expand its global network.

Hana Financial Group Holding a Launch Ceremony of Family Love Volunteering Corps

Family Love Volunteering Corps, which consists of HFG employees' spouses, is a volunteering group that carries out warmhearted sharing for a healthy society. In May 2014, a launch ceremony was held and attended by volunteers in Seoul, and Gyeonggi-do and Incheon as well as 100 new members in the capital area. The ceremony served as an opportunity for celebrating new local teams and for welcoming new volunteers. In the ceremony, volunteers were given aprons and rose pots instead of appointment certificates.

Hana Bank, "Award for Excellence 2014 Best Bank in Korea" by Euromoney

On July 17, Hana Bank won the highest honor in the country in the banking sector, "Best Bank in Korea" at the "Awards for Excellence 2014" ceremony of Euromoney, marking second consecutive years of receiving the award following 2013. Hana Bank received higher assessment in terms of continued growth of total asset and credit scale, global localization, successful cases of integrated entity of overseas corporations, developing specialized products for small and medium-sized enterprises, microcredit services and developing mobile banking products. As a result, Hana Bank was award "Best Bank".

Launch of the Customer Information Protection Division of Hana Bank and KEB

In February, Hana Bank and KEB respectively launched the Customer Information Protection Division. There have been growing concerns about customer information protection due to the leakage of customer information by credit card companies. Under the circumstances, HFG created the Customer Information Protection Division at Information Management Team and Information Protection Team, respectively, to proactively respond to diverse risks and align the organization. As a leading financial group, HFG is dedicated to such efforts.

Launch of Integrated Card Companies

To establish a stable portfolio and enhance its competitiveness in the card sector, HFG launched KEB Hana Card, as an integrated corporation, in December. KEB spun its card headquarters off KEB Card to integrate with Hana SK Card, launching an integrated corporation that could achieve economies of scale. KEB Hana Card makes constant efforts to be a top player in the mobile card market based on the strong market share.

Business Model

• Banking Service

Hana Bank
KEB Korea Exchange Bank

Hana Bank and Korea Exchange Bank are mainly involved in foreign exchange business, including domestic and foreign exchanges centering on a bank's traditional services of deposits & loans, payment guarantees, issuance of securities and investments. They also cover wide-ranging auxiliary operations prescribed by the Banking Act including the collection of national revenues and separate safekeeping, trust operations and credit card transactions.

• Financial Business

Hana Daetoo Securities
KEB Futures

HFG contributes to efficient allocation of capital by providing the capital demand side with diverse solutions necessary for financing and offering investors attractive investment opportunities. Under the Financial Investment Services and Capital Market Act, business operations are divided into investment trading, investment brokerage, collective investment, investment advisory services, investment discretionary services and trust business.

• Credit Card Business

KEB Hana Card

HFG issues credit cards to eligible subscribers, and generates added value including commission fees in exchange for extending credit to member stores and subscribers after signing contracts with member stores that sell products and services of HFG.

• Loan Business & Facility Rental

Hana Capital

Hana Capital's main business is credit cards and installment financing. Its main loan business involves financing through bond issuances.

• Real Estate Trust

Hana Asset Trust

Hana Asset Trust strengthens cross-affiliated business operations to expand its functions to offer products for WM/PB. The company continues to reinforce wide-ranging synergies by providing solutions for the development of real estate held by customers.

• Savings Bank Business

Hana Savings Bank

With its high credit-capacity and ample capital strength, Hana Savings Bank enhances financial conveniences for small enterprises and the financially vulnerable with low collateral capacities and credit potential.

• Life Insurance

Hana Life

Hana Life is a comprehensive life insurance company that provides optimal products and services meeting customer needs. The company is achieving quantitative and qualitative growth.

• General Custodian Business

KEB Investors Services

KEB Investors Services specializes in calculating the net asset value of collective funds and provides a wide range of additional services and systems related to investment asset compliance, performance analysis, risk management, order management and other operations.

• Savings Bank Business

KEB KEB F&I Inc.

With its type of business changing from the existing loan business into a Non-Performing Loan (NPL) investment management one, KEB F&I changed its company name from KEB Capital. The company provides comprehensive NPL investment services such as buying and selling asset backed securities with NPL.

Risk Management

Risk Governance

Acknowledging that "risk management" is significantly crucial to financial business, HFG operates integrated company-wide functions that enable preemptive awareness and responses to any crises. Moreover, the company runs the Risk Management Committee under the Board of Directors to establish, approve and manage policies and basic management plans for a possible crisis in management activities. It operates a systematic and effective risk management system through the Risk Management Executive Committee on a monthly basis to extensively discuss risk agendas of affiliates and measures for control.

2014 Risk Management Committee Meetings

No. of Meetings Held

8 times

Attendance Rate

100%

Risk Management System

HFG established a company-wide risk management for coherent risk management. HFG holds regular meetings and communicates with the Risk Management Committee, the Risk Management Executive Committee, and the Risk Management Committee & Council of Affiliates to effectively manage major risks of the holding company. In 2014, the Risk Management Committee was held about 13 times, and there were a total of 16 agendas for deliberation, 13 agendas for resolution and 45 agendas for report. The main agendas include the enactment and amendment of supervision provisions, changes in key management Group and Group affiliates' grades, a regular reporting on the results of compliance verification for affiliated companies' credit evaluation models.

HFG's Risk Management Structure

HFG's Board of Directors	HFG's Risk Management Committee	HFG's Risk Management Executive Committee	Holding Company's Risk Management Team	Affiliates
Final responsibility for HFG risk management	Establishing, approving and managing policies and basic management plans for risk	Integrating the function of the entire HFG's risk management	Establishing, regularly monitoring and improving HFG's risk management policies & control system	Complying with and managing the execution of HFG's risk management policies by risk-related committee/council

Risk Management Process

HFG operates the process of classification, measurement, monitoring and reporting for various possible risks to respond systematically to diverse risks. Furthermore, HFG runs channels that enable the company to share risk-related information in order to manage key management industries, thus promptly responding to the risk of market changes.

HFG's Risk Management Process

01 Risk Classification	02 Risk Measurement	03 Risk Monitoring	04 Risk Reporting
Classifying and recognizing financial and non-financial risks	Measuring risks based on credit evaluation model	Measuring risks based on credit evaluation model	Reporting to HFG on compliance with risk management policies, response and its handling

Risk Management Key Sectors

Based on the characteristics of the financial industry, HFG sets credit risk, market risk, liquidity risk and operational risk as major risk management sectors. The company makes proactive responses with regard to major risk management sectors to prevent possible risks in management activities, thereby laying the foundation for stable growth.

HFG's Risk Management

	Credit Risk	Market Risk	Liquidity Risk	Operational Risk
Sectors	Risk for losses that possibly occur when the counterparty fails to fulfill contractual duties	Risk for losses of assets that possibly occur due to market price fluctuations, including interest rate, stock price and exchange rate	Risk for losses that possibly occur due to interest rate-type assets, maturity of debts and discrepancies in interest rate structure	Risk for losses that occur due to inappropriate management of HR, tasks and systems or external events
Countermeasures	• Establishing credit rating evaluation system • Organizing independent management unit • Early warning system	• Regularly measuring risk volume • Setting market risk limits • Monitoring the compliance of limits	• Proactively recognizing liquidity crises • Establishing early warning system against liquidity risk • Liquidity stress simulation	• Regularly measuring risk volume • Setting operational risk • Monitoring the compliance of limits

Risk Management Major Performance and Plan

In 2014, HFG set four major initiatives for risk management: improving loan portfolios, strengthening proactive risk management, implementing systems for efficient capital management and establishing a computer network for a single credit evaluation model. HFG operates an integrated risk management system and its process to effectively manage risks. The company completed the development of a single credit evaluation model applicable for Basel III that took effect in December 2013.

Vision & Values

HFG's Mission and Vision

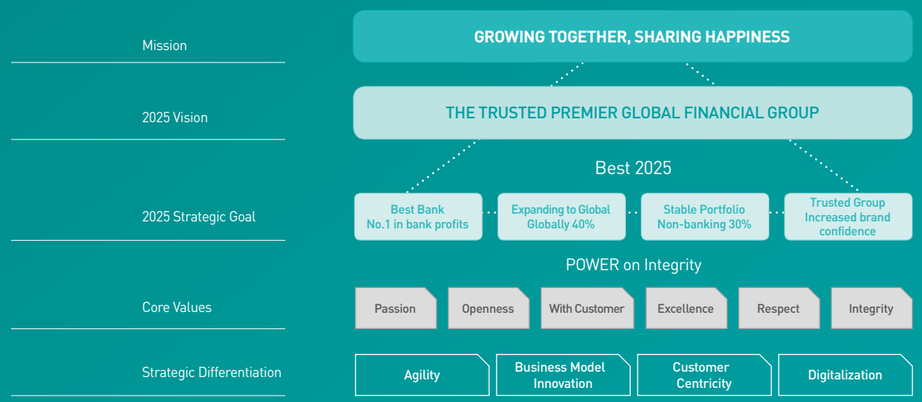
In January 2014, HFG declared a new vision as there is a growing need for a new direction toward HFG, along with changes in both domestic and overseas financial environments. Internationally, since the global financial crisis, the world has entered a "new normal age," which features low growth/low margins. Domestically, it is expected that Net Interest Margin (NIM) will continue to decrease in the financial market and profitability growth reaches its limits.

In response, domestic financial institutions, which once focused on external growth as their strategies, are dedicated to developing a new driving force for growth based on robust profitability. At the same time, they are taking active steps to implement radical reform and collect strategies for enhanced competitiveness. In light of the changes in trends in domestic and overseas environments, HFG adopted a method that allows all members of HFG to participate in the process in an effort to re-establish its mission, the new vision for the next decade, and core values that could be a yardstick for all value judgments.

Vision Emblem

HFG's new emblem represents the empathy for vision and embodies the image of an exclamation mark that is infused with admiration when the vision is achieved.

- Light blue: Reliability, trust and pioneering
- Earth: Symbolizing global presence with the shape of the globe
- No.1: Showing the commitment to becoming No. 1



Mission

HFG pursues "Growing Together, Sharing Happiness." Growth means growing together with society and corporate stakeholders, rather than the one that once represented the growth in scale to maximize the shareholder value and compete in itself. To this end, HFG not only plays its part to provide support for growth to its society and shareholders, but also helps employees who are in charge of such part in financial sectors grow together. "Sharing Happiness" means that HFG fulfills its roles of the financial industry and shares revenues from growth with all stakeholders, creating shared values through finance to join in the pursuit of happiness, which is the ultimate aim for all members of the society.

Vision

HFG's new vision represents a strong commitment to building full confidence among all stakeholders. HFG will implement consistent communication channels and management activities to provide financial services that are helpful to customers at all times and establish trust relationships. The company also will respond in a timely manner to changes and develop products and services with zeal and authenticity to achieve world-class competitiveness.

Core Values

HFG reflects Hana members' way of thinking and a creative, robust, corporate culture. Core values that Hana members share and fulfill become the standard for value judgment and behavior of corporate activities and individuals.

Vision & Values

Conversation with CEO

HFG offered opportunities for employees to talk openly with the CEO, while going on a stroll. Starting from events, such as walking the Bukhansan Dulle-gil Trail in September 2014 and the Naksanseonggwak-gil "Moonlight tour" in October, the company held such events in which employees talked informally with CEOs and understood each other. It held the "TongTong concert" for successful combination of Hana Bank and KEB and for healthy, happy communication, in which the CEO delivered a lecture on understanding, communication and "Helper leadership."

Vision Promotion Activity

HFG implemented a strategy that enables all members of HFG to participate in establishing vision. In 2014, HFG also shared and fulfilled HFG's vision with all employees. The company pushed ahead with various vision promotion activities to achieve "growing together" by connecting individual vision with HFG's vision.

Establishing a Vision and Core Values

HFG produced an emblem with its new vision, distributed badges to all employees to wear them and made online/offline visualized products and core values' icons in an attempt to build a broad consensus on its vision.

Lecture on Online/Offline Vision

HFG conducted mobile online training for all employees to give a lecture on vision. The mobile online training comprised a 10-minutes video that was easily accessible to executives and employees, connecting with its own vision promotion activity at each branch. HFG also carried out offline lectures on vision to communicate with employees in an intuitive and emotional way.

Operating "Vision Action Group"

HFG's employees who have their own passion and convictions created the "Vision Action Group," which consisted of volunteers who either applied for or received other's recommendation by February 2014, making a final selection of 1,200 members who could take the lead in achieving HFG's vision in 2025. The action group weekly provides support for vision activities for each branch on a weekly basis. It also performs creative, enthusiastic activities to form an emotional consensus and promote this vision.

Mobile Game, Vision Pang

Instead of a declarative vision that is no more than just a slogan, HFG launched a game of "Vision Pang" that connects the contents of vision with mobile game in order to make vision appealing to all. HFG easily conveyed core values through games and operated "Vision together mobile" website in which posting photos and other various events were held, receiving great attention from executives and employees.

Training for Emotional Integration of all Employees

HFG strives to share values with executives and employees and grow together. Setting a new vision, HFG also conducted training to provide an emotional integration to all employees of Hana Bank and KEB. The company arranged sports activities and camping to offer an opportunity for them to talk openly with each other. It also held workshops to set an individual vision as well as HFG's one.

01 Sustainability Overview

Corporate Governance

HFG's Governance

Hana Financial Group has its mission of "Growing Together, Sharing Happiness" with customers, shareholders, employees and local communities. HFG makes efforts to improve managerial stability and contribute to the financial industry in the long term by establishing transparent and sound corporate governance. To this end, Hana Financial Group Inc. operates the board of directors with professionalism and independence.

Composition of Board of Directors

To express professional, various opinions and make an effective decision, the board of directors is composed of those who have professional specialties in diverse fields. HFG's board members are not only qualified for the standards prescribed by the related Act, but also are required to have higher ethics, vocations and integrity. HFG operates the board of directors that serves as a fair representative for the rights of all stakeholders, including shareholders. As of March 2015, the board of directors has a total of 9 members, including 1 executive director and 8 outside directors.

Sub-committees within Board of Directors

The board of directors has 6 committees: Steering Committee, Risk Management Committee, External Director Recommendation Committee, Management Development & Compensation Committee, Audit Committee, and Audit Candidate Recommendation Committee. The CEO Candidate Recommendation Committee, which serves as the temporary committee, is operated if required. The Candidate Recommendation Committee and the Management Development & Compensation Committee act on behalf of the Executive Candidate Recommendation Committee's function, stipulated by the Corporate Governance Code that took effect from December 24, 2014. Due to revised regulations, since February 2015, HFG has operated the sub-committees in accordance with the Code. Under the enforcement of the Code, starting from February 2015, the Management Development & Compensation Committee was solely in charge of executive's management performance evaluation and its compensation. The Executive Candidate Recommendation Committee, which was newly created, was responsible for CEO management succession planning and the recommendation of candidates, including Hana Bank with assets of more than KRW 2 trillion, KEB, Hana Daetoo Securities, KEB Hana Card, Hana Capital and Hana Life; the CEO Candidate Recommendation Committee was engaged in management succession of HFG's chairman and candidates' recommendation .

In-Bae Kim
Professor, Economics, Ewha Womans University

Eun-Ju Hong
Professor, Business Administration, Hanyang Cyber University

Jung-Tai Kim
Chairman & CEO, Hana Financial Group

Won-Keun Yang
Researcher, Korea Institute of Finance

Jin-Kook Lee
Former vice-president, Shinhan Investment Corp.

Sung-Bok Yoon
Former CEO, Samjong KPMG LLC

Operation of Board of Directors

The board of directors meets on a regular basis and as needed, a temporary BOD meeting is held. The board of directors made in-depth discussions and strategic decisions on important matters the integration of Hana SK Card and KEB Card and the merger between Hana Bank and KEB during the year 2014. In 2014, the board of directors met at 9 times, including 7 times of regular BOD and 2 times of temporary BOD. The average attendance rate for the BOD meeting is 98.86%.

BOD Performance Evaluation and Compensation

HFG fairly evaluates the performance of the BOD, and provides reasonable compensation packages to internal and external directors according to compensation standards approved at the general shareholders' meeting. Compensation is composed of reward and bonuses: the reward is decided by the Management Development & Compensation Committee under the board of directors, including external directors, while bonuses are paid based on results of the evaluation following the standard for performance evaluation set by the Management Development & Compensation Committee.

Shareholder Status

As of December 31, 2014, the total number of stocks issued by HFG is 289,894,062. The biggest shareholder is the National Pension Service that owns 9.47% of the total stocks. For protecting the rights of shareholders, HFG ensures that the right to make decisions is exercised in writing. To facilitate communication with shareholders, HFG operates a unit to assist the BOD for stakeholders in freely proposing their opinions to the chair of the BOD and its directors via letter or email.

Jong-Nam Yoon
Representative Lawyer, Cheongpyeong Law Firm

Moon-Kyu Park
Former CEO, PMK

Ki-Jin Song
Former President, Gwangju Bank

○ Committee Chairman ● Committee Member

Title	Name	Steering Committee	Management Development & Compensation Committee	Audit Committee	Risk Management Committee	External Director Recommendation Committee	Audit Candidate Recommendation Committee
External Directors	Jong-Nam Yoon (Chairman)	○	●			○	●
	Moon-Kyu Park	●	○			●	●
	Ki-Jin Song	●	●		○	●	●
	In-Bae Kim			●	●		●
	Eun-Ju Hong	●		○			●
	Jin-Kook Lee			●	●		●
	Sung-Bok Yoon			●	●	●	●
	Won-Keun Yang			●	●		●
Internal Director	Jung-Tai Kim	●				●	

* The CEO Candidate Recommendation Committee is a temporary committee, and its composition is made as needed.

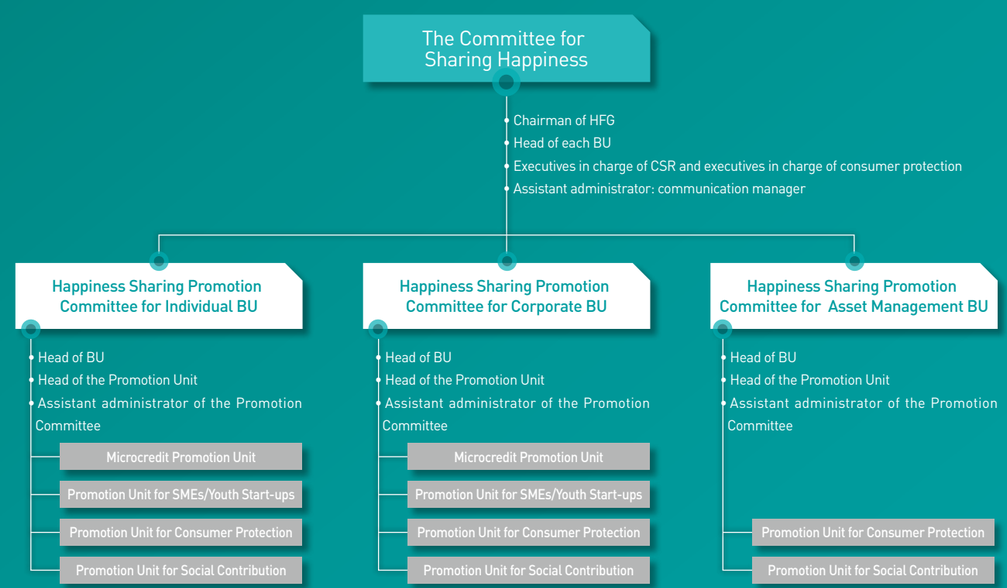
Committee for Sharing Happiness

Introduction to the Committee for Sharing Happiness

Hana Financial Group strives to provide differentiated values to customers and society based on its creative finance meeting the needs of the times. As there were growing demands of CSR management in the international community, HFG launched "the Committee for Sharing Happiness" on April 10, 2013. With the motto of "Growing Together, Sharing Happiness", HFG established the committee. Serving as an internal committee, it was designed to effectively respond to social demands focusing on four areas: initiating microcredit, supporting small and medium-sized enterprises (SMEs) and youth start-ups, strengthening consumer protection, and Promotion Unit for Social Contribution.
In 2014, the committee held its meetings at 4 times, monitored activities in each sector and established future plans.

Composition of the Committee for Sharing Happiness

To take a leap forward to become a global financial group, HFG established advanced CSR management governance that values the confidence with customers and local communities. The Committee for Sharing Happiness, which is chaired by the chairman of HFG, operates the Promotion Committee that is composed of heads of individual, corporate and assessment management business unit. In order to effectively establish, operate and monitor strategies for CSR management. The Happiness Sharing Promotion Committee holds regular meetings at 4 times each year. The Committee for Sharing Happiness, which is run by an active participation of high-ranking executives of HFG, serves as a top decision-making body to achieve the objective, value and mission of HFG's CSR management.



Activities of the Committee for Sharing Happiness

As a leading financial group in Korea, HFG makes various efforts to practice CSR management in an active and proactive way through the Committee for Sharing Happiness. Through diverse shared values, HFG renews itself as a financial group that will grow together with customers and society and share happiness.

Microcredit

Topic	Easing the Financial Burden for the Financially Vulnerable	Guaranteeing a Comfortable and Vibrant Post-Retirement Life	Microcredit Services
The Overview of Activities	Providing systematic services that reach out to customers to effectively reduce the burden for financially vulnerable individuals	Providing comprehensive management services ranging from preferential financial services to deposit, fund and insurance	Lowering the entry barriers for the underprivileged to financing services by professional consultants providing education and various investment products
Main Activities	• Developing customized loan products in line with the launch of the Microcredit Promotion Agency • Setting goals for expanding the supply of the New Hope Seed Loan in 2015 (microcredit marketing)	• Extending one-stop services for senior customers	• Planning to firstly launch Social Impact Bond (SIB) in the banking sector • Offering native language service to foreign workers • Facilitating the Hope Financial Plaza

Consumer Protection

Topic	Strengthening Consumer Rights and Consumer Protection	Establishing a Customer Protection-centered Corporate Culture	Enhancing System and Reducing Complaints
The Overview of Activities	Making educational promotional materials, such as the establishment of joint computer system between companies to resolve consumers' complaints and protect consumer rights	Protecting consumer rights by checking whether there is a possible violation of consumer rights prior to product sales (provision)	Publishing a monthly report of customers' voice and conducting activities to prevent and reduce complaints
Main Activities	• Making guide books for financial living information • Establishing and training consumer protection computer system • Operating financial consumer engagement system	• Expanding working-level council of consumer rights protection in products/services • Protecting financial consumers	• Strengthening activities to prevent and reduce complaints • Establishing consumer protection system

Social Contribution

Topic	Healthy Society & Happy Neighbors	Developing a Healthy Growth and Competency in the Future Generation	Making Society for Sharing Together and Communicating with Each Other
The Overview of Activities	Facilitating support business for the underprivileged, including children from broken families, North Korean defectors and multicultural migrants, as well as projects to recover the cultural homogeneity in the future unification	Expanding investment in the future generation by supporting financial education for elementary, middle and high schools and providing various scholarship programs and internships	Creating a venue for communication where people from all walks of life, including employees, share together
Main Activities	• Expanding volunteering corps' activities and invigorating organization • Support programs for the underprivileged at home and abroad • Initiating projects in the future unification	• Expanding financial class for young students and providing support for a healthy society • Supporting education for the underprivileged	• Providing support for multicultural families to adapt to society • Expanding an opportunity of enjoying culture and addressing a cultural gap • Conducting joint CSR activities with affiliates

Support for SMEs/ Youth Start-ups

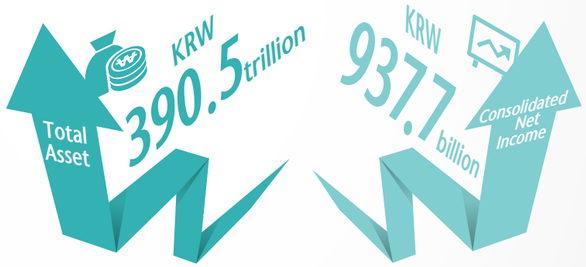
Topic	Establishing a Hopeful Ladder for SME Growth	Reinvigorating Small Enterprises & the Self-Employed	Providing Support for Creative Finance and Going Global of SMEs
The Overview of Activities	Creating loan-design team and providing diverse consulting by raising awareness on the importance of finance-related issues that SMEs and middle standing enterprises face	Making efforts to reduce the burden of debts by providing specialized products and long-term installment repayment program based on the needs of the self-employed	Operating a new organization to actively participate in the policy for activating a creative economy in 2014 and supporting a globalized SMEs in Korea
Main Activities	• Supporting the Hopeful Ladder for SMEs and middle standing enterprises (providing management consulting) • Happiness Sharing Loan Project	• Supporting finance for small enterprises and the self-employed through products • Providing support for youth start-ups	• Utilizing units in charge of the sector and a specialized workforce • Facilitating technology finance and providing support for competitiveness in exports (entering the overseas market)

The Creation and Distribution of Economic Value

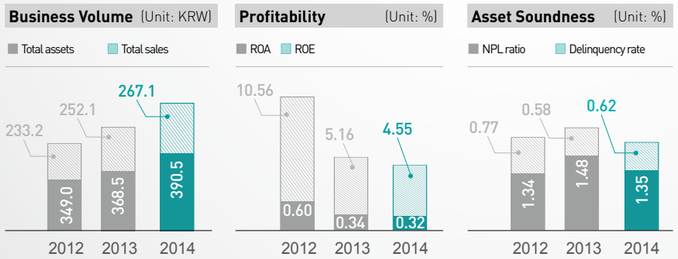
Management Performance

Internationally, despite a steady economic recovery from developed economies in 2014, there were growing concerns on a global sluggish economy from emerging countries. As a result, economies around the world showed signs of a slowing inflation rate. Domestically, the uncertainty undermined the financial market due to the negative effect of the implementation of policy on the market and shrinking global exports. Under the circumstances, Hana Financial Group paved the way for generating synergies between Hana Bank and KEB: HFG integrated KEB into its subsidiary and changed Hana SK Card into KEB Hana Card in September 2014; and in December, Hana Bank (China) Co. Ltd. merged KEB Bank (China) Co. Ltd., a local corporation of KEB in China. As of the end of 2014, HFG achieved its total assets of KRW 390.5 trillion (including trusts), up 5.97% compared with the previous year. As a leading financial group in Korea, HFG also cemented its foothold in terms of performance.

In 2014, HFG achieved a consolidated net income of KRW 937.7 billion, up 0.4% for the previous year. Although the net interest margin was on the decline, the upturn was attributable to a rise in revenues from interest and commission fee. The return on equity (ROE) and return on assets (ROA) recorded 0.32% and 4.55%, respectively. The NPL ratio was 1.35%, down year-on-year, indicating that there was general improvement in asset soundness. Meanwhile, despite soaring assets, the NPL coverage ratio recorded 123.3%, up 2.6% p from 2013, driven by a decline in the NPL ratio. HFG puts effort into taking proactive risk management by bracing for a possible additional loss. The BIS ratio of HFG is 12.63% according to Basel III and stands at 9.67% based on Tier 1. The capital adequacy rate of HFG and its affiliates is in a stable position where the level exceeds the regulatory rate of the supervising agencies.



Overview of HFG's Financial Performance in 2014



Performance of Generated Distribution

(Unit: KRW billion)

Classification	Content	Amount
Employees	Wage & retirement wage	2,080.4
Government	Corporate tax, taxes and dues	408.5
Partner companies	Cost of suppliers	1,253.8
Local Community	Social contribution activities	70.8
CSR finance	Microcredit including the New Hope Seed Loan	492.0

Stakeholder Communication

In order to listen to the changing voice of stakeholders and combine it with management activities, HFG includes shareholders, investors, customers, local communities, partner companies and employees in the scope of stakeholders, and runs diverse stakeholder communication channels.

Through its website, business reports and public announcement, HFG discloses to stakeholders its management strategies, activities and performances in a transparent manner. HFG continues to communicate with various stakeholders by holding shareholders' meetings, presenting management performances, operating a CSR website and managing the foundation.

HFG's Operation of Communication Channels

HFG operates SNS channels, such as Facebook and blogs, to communicate with more stakeholders.

- Website: www.hanafn.com
- Newsletter: sabo.hanafn.com
- Facebook: www.facebook.com/hanafn
- Hana N Smart Blog: blog.hanabank.com

24 Special Section
25 1. Global Financial Market
28 2. Enjoyable Workplace
30 3. Support for SMEs and the Socially Vulnerable
32 Material Issues
33 1. Social contribution activities
40 2. Customer-Oriented Management
43 3. Compliance Management
46 4. Comprehensive Management
48 5. Human Resource Management

Hana Financial Group provides employees with an opportunity of achieving self-fulfillment, helps customers increase their assets and businesses. HFG makes constant efforts to become a financial company with the aim of contributing to the prosperity of society and improving the shareholder value.

02 Sharing Happiness

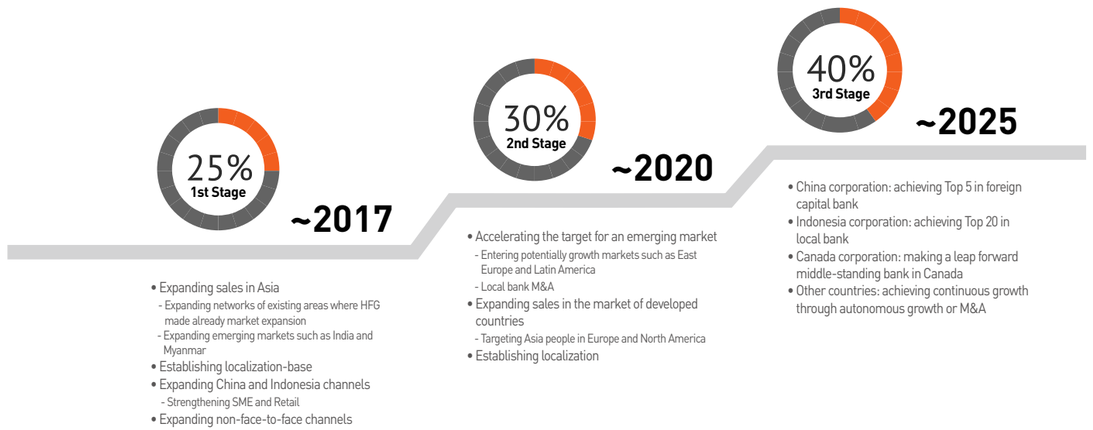
Special Section

Hana Financial Group Sustainability Report 2014 was prepared in accordance with the Global Reporting Initiative (GRI) G4, a revised version of sustainability management reporting guideline. In the report, a materiality analysis was conducted to determine the priority of internal and external stakeholders and select major reporting issues. Among major issues, Hana Financial Group also chose three ones and made special section to provide vivid and specific information through the current status and interviews with stakeholders.

Special Section

01 Global Financial Market

It has been seven years since the 2008 global financial crisis, yet the anxiety is still lingering about a global economy. The effects of the crisis still influence countries around the world, tightening lax financial regulation. As a global financial system is closely linked with each country, both developed and emerging economies suffer a sluggish growth, witnessing the second crisis. In 2014, Korea also experienced a slow recovery due to falling exports and shrinking global trades. A reduction in the benchmark rate prompts profitability to fall, leading to a stagnant recovery in the domestic market. Under the circumstances, Hana Financial Group is not confined to the domestic market in terms of the scope of the business and invests HFG's financial competencies in a region where there are high potentials for growth to expand global networks. In doing so, HFG provides products targeting local companies and people. With the use of the HFG's characteristics, HFG integrates each unit and creates synergies in an attempt to gain the satisfaction from customers around the world.



HFG's Global Expansion Strategies

HFG will set two strategies of localization and product diversification to achieve a pre-tax profit of about KRW 6 trillion by 2015, thus joining the ranks of the global financial group by ranking first in Korea, one of the top 5 in Asia and top 40 on the global stage. Accordingly, HFG is cementing its foothold in foreign countries: Hana Bank China and PT Bank KEB Hana Indonesia recruit local employees and perform sales activities targeting local companies and people. HFG also develops differentiated products and services that are immune from limitations on interest rate of the Chinese financial authorities in an attempt to provide a new value to customers. HFG is expected to expand more global networks through localization and product diversification targeting emerging markets, including the Middle East and Africa.

Global Network Expansion

In 2014, HFG has its135 global networks in 24 countries by expanding 3 networks in the Americas and 4 ones in Asia. With the largest global network scale in Korea, HFG will further grow as "The Trusted Premier Global Financial Group."

Global Network's Creation and Merger in 2014

Date	Bank	Country	Content
02.06	Hana Bank	Indonesia	Opened Lippo Mall Kemang branch
03.10	KEB	Australia	Opened Sydney branch
03.10	Hana Bank/KEB	Indonesia	Integrated Indonesia corporation
03.26	Hana Bank	China	Opened Hana Bank Xi'an branch
07.07	KEB	Russia	Established Russia corporation
08.07	Hana Bank	Myanmar	Established Hana Microfinance
08.18	KEB	Canada	Opened Richmond branch
12.15	Hana Bank/KEB	China	Merged Hana Bank China and KEB China
12.26	Hana Bank/KEB	Indonesia	Opened Cash Office in Sadang, Purwakarta

HFG's Global Expansion Cases

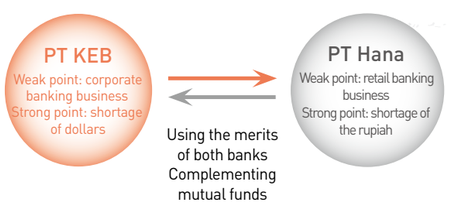
Based on its global expansion strategy, HFG develops products targeting local companies and people by using HFG's financial expertise and provides them in regions where there is a highly potential growth. HFG overcomes the limits of the existing financial services and broadens the field of its financial specialty through the Group's integration.

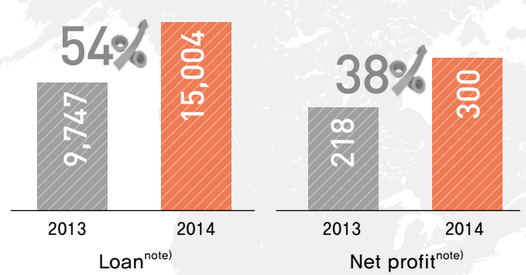
China

China is one of strategic markets where HFG is expanding its global networks. As of March 2015, HFG has a total of 30 branches and sub-branches in China. In 2014, HFG received permission for a merger of Hana Bank China and KEB China from the Chinese authorities in December to create synergies of both banks in China. HFG also works with the Bank of Jilin of which Hana Bank is a shareholder, to expand its sales by connecting Chinese local corporation and Hana Bank. In the short term, following a smooth integration of both local corporations, HFG plans to continuously expand bases for customers and sales based on such synergies. HFG also seeks ways to coexist by forging strategic partnerships with Chinese large banks. In the medium and long term, HFG will expand local retail business, including credit cards, the sale of funds and bancassurance, with the aim of achieving "Top 5 foreign capital bank in China." Along with such goal, HFG is expected to create synergies through the expansion of non-banking financial business.

Indonesia

Indonesia is a country where there is a great potential for growth and it has the fourth largest population in the world. In March 2014, HFG launched an integrated bank to provide advanced financial services in Indonesia. KEB Hana Bank has 39 sales networks and 722 employees. Among employees, except 15 Korean employees, it is composed of almost 707 Indonesian employees to offer customized local services. It is expected to create synergies by using the merits of the existing KEB and Hana Bank and complementing the status of funds. HFG plans to expand retail business needs using major customer bases of both banks in the future.



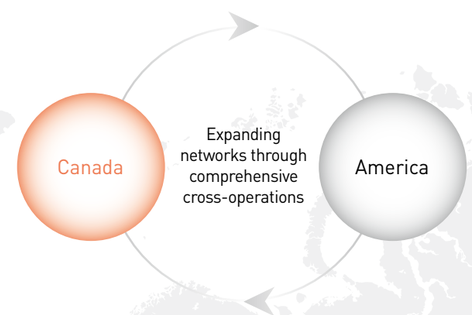


Note) rupiah

North America (Canada, USA)

In Canada, departing from sales only targeting Korean residents, HFG promotes a comprehensive sales expansion. To do this, HFG facilitates local sales, strengthens the competitiveness of credit card, works with the Bank of Jilin to expand the marketing and develop products for Chinese residents in densely populated regions with overseas Chinese, such as Toronto and Vancouver. In October 2014, HFG launched Richmond branch. Along with the expansion into the U.S.A., HFG initiates comprehensive cross-operations in the U.S.A. and Canada, consolidating its network in North America.

In the United States, based on the networks of Hana Bank, KEB and BNB Bank, HFG establishes the key bases for global strategies and embarks on the growth strategy. In particular, HFG plans to target a niche market in the northeastern United States centering on BNB Bank that HFG acquired last year. At the same time, HFG will start the growth strategy in the southwestern U.S., where there is a poor network base, thus pursuing the balanced growth in America. Most of all, HFG plans to put an emphasis on localization by linking various product portfolio that Hana Bank has in its core competency of retail sectors with BNB Bank, organizing top management of mostly local specialists and establishing a partnership for growth.



Other countries

Along with global strategic bases, HFG makes strenuous efforts to enter new regions and to expand the existing networks. In March 2014, KEB converted KEB Australia Ltd. to the Sydney Branch, allowing its head office to provide finance and facilitating local financing. Accordingly, KEB handles a wide range of individual and corporate banking businesses, including loans, export/import financing, foreign exchange and deposits. In August 2014, HFG also embarked on a microfinance project in Myanmar. Since the opening of its office in Yangon in November 2012, HFG has launched an overseas microfinance institution for the first time in Korea's financial institutions. As a specialized microfinance company targeting farmers, self-employed and small businesses in rural areas, HFG will take the lead in providing support for microcredit.

With new branches opening in Russia, the United Arab Emirates and Turkey, HFG obtains its bases for Asia's emerging markets, a highly potential for growth, in a bid to expand global networks and seek opportunities for growth.

▲ Opening ceremony of local corporation in Russia

HFS's global network expansion & mergers in 2014

Total 9 cases

Special Section

02 Enjoyable Workplace

Balancing work and life in a fiercely competitive society is a daunting task in modern times. For working moms who juggle work and family, especially, the road to the enhanced efficiency is for the company to create an environment where they could balance a career and a family. HFG prevents talented workers from discontinuing careers, ensuring the job security in the labor market. For employees, HFG strives to create a family friendly corporate culture by enhancing the satisfaction level for the company by employees.
This section presents the introduction to Puruni Childcare Center run by Hana Financial Group, as well as an interview with an employee who sends her children to the childcare center.

In an entrance to Euljiro where is crowded with tourists and workers and there are rows of high-rise buildings, the sound of children's laugh might sound strange. This place is where the headquarters of Hana Financial Group is located. On the way to the company, you can see children attend pleasantly with their moms and dads. With the growing number of dual-income families and a shortage of childcare centers where parents could confidently send their children, HFG's childcare centers are well received by its employees. In a sunny spring, the section had an interview with Lee Sam, a manager of KEB Gongdeok Station Branch, who raises three children, is in charge of Parents Operating Committee for Childcare Center and plays her role in the company.

In-house reporter: Good morning, Mrs. Lee! In this report, we try to include HFG's sustainability management activities, so we seek an activity for the topic "Enjoyable Workplace" that is considered as an important activity in the company. We find that employees are satisfied with childcare centers, so we ask for an interview with you for more details. Could you please introduce your current job briefly?

Lee Sam: Yes, I'm in charge of foreign currency exchange and investment products at KEB Gongdeok Station Branch. I joined KEB in 1997 and was married with my husband who is currently working for Hana Financial Group. I have two girls and one boy.

In-house reporter: It's so great for you to have three children in an age of low fertility. I'm envious of you. I heard that your three kids attend the company's childcare center, so please let us explain an atmosphere and the operating status of the center?

Lee Sam: Puruni Childcare Center was opened in September 2013. Child aged one to five years are admitted to the center. At the beginning, the center had poor facilities, but it has now facilities enough for children to spend their time. The center has a clean and transparent atmosphere like HFG's corporate culture. In the childcare center, teachers are very kind and never receive money and gifts. They only get books as a donation.

In-house reporter: Let me ask you the situation before the center was opened? How's your child care before?

Lee Sam: My home was near to the workplace, so I sent kids to a childcare center nearby. Apparently, it was my kids who were the last to leave. Picking them up late was of course a problem. But it was hard for me to prepare dinner as well. It was very regretful that I didn't take good care of them, even while they were growing.

> "I considered quitting my job due to child care of my three kids, but at the time, an in-house childcare center was opened. For me, it was like a lifesaver."

Status of In-house Childcare Centers

Name	HFG's Puruni Childcare Center
Date of Foundation	Sep. 2, 2013 (firstly founded)
No. of Operation	Euljiro, Anam-dong and Mok-dong in Seoul, Ojeong-dong in Daejeon (total 4 centers)
The Subject of Aged	One to Five years
No. of children to be Admitted	Euljiro (63), Anam-dong (49), Mok-dong (40), Ojeong-dong (49)

Considering the characteristics of bank, I had to work early in the morning so I ran every day to send my kids to the private childcare center. I took a tax every day. In such situation, I thought that I sought for a person who helped take care of children. But I was worried that my kids might feel uneasy. Moreover, I had three kids, so the cost was also a burden. So I considered quitting my job. At that desperate juncture, in-house childcare center was opened. For me, it was like a lifesaver.

In-house reporter: You seemed to have lots of troubles and difficulties before the center was opened. It's great for you to benefit from the center. Specifically, may I ask you the advantage of the in-house childcare center?

Lee Sam: Other moms might all agree with me. As the center has a fixed number of children by age, a teacher can take care of a relatively small number of kids in class. So I think the teacher can concentrate on such kids. At first, I was worried about the in-house childcare center because it was located in the center of a city. But it was my unnecessary worry. The center is surrounded by old palaces, Cheonngyecheon and other places, so children go out for various outside activities. So my kids boastfully said they went for outside activities. Whenever I hear that, I feel good.

In-house reporter: When the childcare center was firstly opened, except moms and dads, family members who take care of kids are also pleased to hear the news. How about that?

Lee Sam: Yes, my mother looked after my kids. I felt uneasy because I had three kids and my mother was sick. By the way, when she saw the center, she said "I'm relieved to have such a nice center." This eased the burden from me because I didn't need to send my kids to my parents for child care.

In-house reporter: Lastly, I would like to have your comments on improvements or anything.

Lee Sam: I was very proud of KEB when I firstly joined KEB and I still do. When we handle banking works, or say, foreign exchange, we cannot just rely on manuals.

> I believe the childcare center is a medium that connects the company and me, beyond a childcare facility that provides child care and protection.

For me, I have worked for this job for a long time, so I felt sorry to discontinue my career due to child care. At the time, I think it was the company that solved my difficulties. It's very thankful. I believe the childcare center is a medium that connects the company and me, beyond a childcare facility that provides child care and protection. Like me, I hope many parents will benefit from the in-house childcare center in the future.

02 Happy Finance

Special Section

03 Support for SMEs and the Socially Vulnerable

The essence of the banking business is not only to generate profits from operating clients' funds, but it is also to boost the market through finance and provide products and services so as to help companies and individuals achieve their goals and dreams. In this context, Hana Financial Group explores the needs of SMEs and small businesses that serve the backbone for Korea's economy, offers customized products and provides foreign exchange services for consulting needed at the growth stage, as well as for exports to enhance the competitiveness. HFG strives to meet the needs of various customers by providing preferential interests to SOHO customers and making installment savings products for fostering natural science or engineering. Such efforts are well reflected in public-linked products.

Hana Financial Group's Public-Linked Products

01. Support for SMEs Technology Finance

HFG newly creates Creative Finance Support Center and provides funds for start-ups and business operations to discover companies with outstanding technology and higher business value and to make creative ideas commercially viable.

Hana Bank's performance for Creative Finance

KRW 1.9715 trillion

(As of the end of March 2015)

02. Product for Supporting SMEs

In an attempt to depart from the practice of mainly providing mortgage to small business and SMEs, Hana Bank and KEB jointly launched "The Dream Loans for Korea's SMEs", which is a product that offers preferential loan limit.

Joint Launch of Hana Bank and KEB The Dream Loans for Korea's SMEs

Performance of Loans: KRW 11.9 billion

(As of the end of March 2015)

03. SOHO Customized Product

"SOHO Loan" for SOHO car owners and "Everyday Wealth Loan" are launched to provide higher loan limit and lower loan interest rate to individual businesses that have difficulty in securing liquidity.

Size of SOHO Loans in KEB Comparing with 2013

Increase of 53.8%

(As of the end of March 2014)

04. Support for Start-ups

HFG provides young founders who are under 39 years old and under with start-up funds of up to KRW 300 million by making contracts with the Korea Credit Guarantee Fund and the Banks Foundation for Young Entrepreneurs

Support up to KRW 300 million

05. Support for Growth-Stage Companies

Hana Bank provides support and counseling for SMEs to promote loans in policy fund in which SMEs are eligible to loans, but they have little easy access to the loans due to poor promotional activity and the procedural problems. With its contributions, Hana Bank also offers low interest rate by linking special contribution loans from the Korea Technology Credit Guarantee Fund and the Regional Credit Guarantee Foundation.

Loans for technology-based start-ups: KRW 588.3 billion

On-lending loans: KRW 1.8656 trillion

Interest make-up loans: KRW 1.1280 trillion

C2 fund loans: KRW 1.6818 trillion

06. Support for Individual Businesses

To meet the diverse needs in different sectors, HFG offers various specialized products by sector, including childcare center loan, franchise loan, Hana Master Auto, etc.

Childcare center loan | Franchise loan | Hana Master Auto

07. Mutual Growth Package

Hana Bank assists SMEs, which supply large companies, in borrowing funds based on the credit of large companies in the stages ranging from order placement to payment settlement after completing delivery.

Large company — 1st subcontractor — 2nd subcontractor — 3rd subcontractor

Loans based on large company's credit

08. Support for Exports

With specialized strengths in foreign currency exchanges, KEB provides export finance to SMEs through "Boosting Morale Program for Exporting Company" and "Special Fund for Exporting Company's Nego Support". KEB assists Korea's SMEs in going global by providing professional consulting from SMEs Global Consulting Center.

Support for Exports Finance and Consulting of Korea's SMEs

02 Happy Finance

Material Issues

HFG is striving constantly for sustainable growth while communicating with a wide array of stakeholders. We selected five issues through a materiality test for 2014. We composed this section to report the contents in detail. The five issues are social contribution customer-oriented management, compliance management, inclusive finance and human resource management. Each item consists of HFG's management approach, activities in 2014 and current states. Performance indicators were reported in the Appendix of this report in an integrated manner.

Material Issue

01 Social Contribution

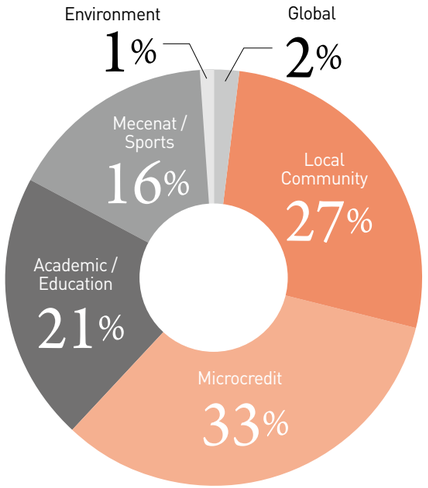
Management Approach

HFG which pursues happy finance has a mission for social contribution - Growing Together, Sharing Happiness. This is HFG's commitment to bring happiness to employees, customers and society and build a happy society by utilizing profits from customers and local communities along with the participation of employees. The group sets its sight on "education" in its social contribution activities. We selected educational programs and are carrying out various programs since support should be given to education for future social unity and a happy society. The 2014 report elaborates on HFG's social contribution activities conducted during the reporting period.

Social contribution expenses

HFG's Expenses in 2014

KRW 51,770 million



HFG's Major Social Contribution Sectors and Themes

Core Projects

Education
Investment in human resources, great saving for future

Multicultural families	North Korean defectors	Teenagers	Global
Hana Kids of Asia	Future Unification Leader Academy	Teenager financial education	Global teenager education
Darin Multicultural Center	Collaboration projects of Korea Hana Foundation	Teenager education via culture and art	Global HR development
Projects to support foreign laborers	Support projects such as Hana Center and alternative school	Hana Happy Class	Humanitarian international relief

Sectors which need supporting for unity and happiness in the future

Major sectors

Multicultural families

HFG helps multicultural families settle in Korea as citizens of Korea in a global multicultural era.

Hana Kids of Asia

HFG has been sponsoring the "Kids of Asia" program for the development of bilingualism of children of Vietnamese multicultural families and the establishment of sound identities since 2008. In 2014, HFG supported their visit to their mothers' homeland by visiting Vietnam from October 20 through 25 to learn about Vietnamese culture and language. They experienced local culture via a tour of Hanoi and learned about the economic and political situations through a briefing at the Korean Embassy in Vietnam. Besides, they had precious experiences to help them grow into excellent global human resources by way of a five-day experience program that included making traditional Korean masks.

Hana Darin Center

Darin is a multicultural Center, established to support and promote communication between Koreans and foreigners. The Center was opened in 2011 as a place to support migrant women and foreigners and promote exchanges among them. In 2014, about 16,000 people from 29 countries used the Center.

The Center is conducting cultural education including art classes, support for Korean and English education and community of migrant women in Seoul. Besides, the Center offers various cultural programs such as dance sports, guitar lessons and crafts. In October 2014, the Center expanded its space to deal with an increase in users and run more various programs. Spatial expansion led to program variation. The Center is changing into a space for employees' talent donation such as financial education and counterfeit discrimination lectures by employees. We are planning to run a wide array of programs about each country to help users of the Center become cosmopolitans in the global era.

Support for Multicultural Families and North Korea Defector Students

HFG is carrying out a mentoring project to help students of multicultural families and North Korean defector students settle in South Korea. College student mentors are mentoring for them in partnership with the Korean Student Aid Foundation. Every year we select 100 excellent college student mentors and give them scholarships. In addition to mentoring, we are developing and providing educational contents to change people's awareness of multicultural families.

Support for North Korean Defectors

North Korean defectors in South Korea stood at about 27,000 as of the end of 2014. The number is on the rise. As part of a preparation for the unification of Korea, HFG is conducting a variety of activities to help North Korean defectors settle and raise people's awareness of unification.

2014 North Korean Defectors Festival

The Korea Hana Foundation, established in 2011, is creating a peaceful unification environment by helping North Korean defectors settle. In 2014, the Korea Hana Foundation and HFG joined forces to hold a festival for North Korean defectors. This jubilee drew about 2,000 North Korean defectors, employees of related organizations and locals and featured colorful events such as art performances by North Korean defectors. They built a common bond about support for North Korean defectors in South Korea. Moreover, HFG offered financial consulting by posting financial consultants of Hana Bank and KEB to meet the financial needs of North Korean defectors by setting up a PR booth during this festival. Equally important, we publicized a project to nurture North Korean defector college students as talent for unification under the theme of "One Korea, Young Leaders." In the future, we will continue to help North Korean defectors in South Korea deal with their problems such as education, financial matters and settlement in South Korea.

The Future Unification Leader Academy

HFG is implementing the Future Unification Leader Academy project to promote exchanges of South and North Korean students and instill unification in them in partnership with the Korea Student Aid Foundation. 40 North Korean defectors-turned-college students and 60 South Korean college students engage in research on tasks for unification and voluntary activities to cultivate sharing and volunteer spirit. We are planning to nurture human resources for unification that will prepare opportunities for exchanges between South and North Korean students and national homogeneity via unification study meetings and unification leader camps and bridge for South and North Koreans in the future unification era.

Support for North Korean Defectors with Donations to Community Chest of Korea

HFG is going ahead with a donation support project in tandem with the Community Chest of Korea and the Korea Hana Foundation. In the project, the foundation uses KRW 300 million from the chest as scholarships and medical fees. The project gives a scholarship of two million won to each of 100 students of exemplary character among children of North Korean defectors and supports North Korean defectors who suffer from serious illness or need long-term care with KRW 100 million in medical expenses.

Sponsor for DMZ Documentary Film Festival

The DMZ Documentary Film Festival aims at delivering the value of peace, life and communications, internationally publicizing the DMA and raising people's awareness of the unification of Korea in the DMZ of the world's only divided region. The film jubilee features about 100 films from 40 countries every year. HFG sponsored the event, giving support to directors and writers who showcased various themes and works in 2014.

02 Happy Finance

Teenagers

HFG is holding educational programs and cultural events to help teenagers who will be leaders of Korea in the future cultivate useful and correct financial knowledge and design their future dreams.

Hana Children's Economic Musical "Jake's Magic Wallet"

With the goal of enabling children to learn economy easily and with interest, Hana Bank is implementing a musical-based financial education program by visiting elementary schools across the country. Unlike past economic education programs for children based mostly on lectures, the economic education helps children have fun while learning difficult economic concepts in the form of a musical made up of dances, songs and economic education. Hana Children's Economic Musical, which started in 2007, has staged performances at 40 elementary schools every year. Since 2014, the program has been expanding into marginalized areas such as Baekryeong Island and Hanawon where North Korean defectors reside.

Financial Education for Teenagers

We give financial education to teenagers to help them correctly understand economics and finance and form rational economic habits. This education is a kind of talent donation by employees. In 2014, employees visited 55 schools across the nation to give the education.

In addition, opened its branches to students for practical job training to offer more practical educational opportunities. In 2014, a total of 60 branches provided such opportunities to students.

Hana Classical Music Academy

Starting in October 2000, Hana Classical Music Academy is a concert-like lecture with performances and music directors' explanations for ordinary people as well as classical music aficionados. It is said that this program is reminiscent of a salon concert in Europe in the 17th century. The program is establishing itself as a representative cultural event of HFG. It is held at Hanmaeum Hall of Hana Daetoo Securities in Yoido every Thursday, and focuses on one theme in a five-month course, twice a year. The academy registers 150 students per class on a first-come-first-served basis. From 2000 through 2014, it was held a total of 29 times and produced about 4,000 graduates.

Hana Green Concert

Hana Bank has been holding Hana Green Concert every year for the purpose of publicizing the importance of environmental protection and letting more people enjoy art and performances. The representative event of Hana Bank put on its first performance at Central Park in Bundang in 1993, and since then it has taken place every year. The concert was held in Qingdao, China to contribute to the Korea-China economic cooperation in honor of the 10th anniversary of the establishment of Hana Bank China Co. Ltd. in 2006. Hana Green Concert with various repertoires such as classical, popular and fusion music is striving to inspire positive thoughts unity with the environment, culture and neighbors. In August 2014, Hana Green Concert began to put on performances at small regional companies and culturally marginalized regions as a touring concert.

Global

The expansion of global business leads to the expansion of social contribution activities. HFG wants to make our society better by solving social problems in the global community and sharing its profits with the underprivileged.

Happy Sharing

Happy Sharing is a CSR activity of Hana Bank employees to pay attention to neighbors and share what they have with others. They have steadily conducted the activity since 2011. Through this activity, they donate clothes, stationery and recycled PCs of the bank to the underprivileged in Asian countries.

Hana Happy Class

In January 2015, HFG dispatched its volunteer service corps to Myanmar to establish Hana Happy Class at schools in poor regions and donated 10,000 articles of clothing, recycled PCs and books to them. Hana Happy Class in Thanlyin , Yangon region of Myanmar is an educational welfare space with a PC classroom and a library. That is part of Hana Bank's global CSR project. We will steadily build these facilities at a rate of one or two per year with a view to giving dreams and hopes to children in marginalized areas.

Besides, we will continue to exert ourselves to grow with not only domestic but foreign neighbors.

International Humanitarian Aid

HFG is focusing on delivering Korea's warm heart to the world by making the most of the bank's overseas networks. HFG has donated to disaster relief funds for Haiti and China as an international humanitarian aid project. We directly delivered emergency relief funds to the typhoon-hit Philippines.

02 Happy Finance

HFG Voluntary Service Corps

HFG is implementing various social contribution activities by operating a voluntary service corps consisting of employees and their family members.

Hana Love Volunteering Corp

Hana Love Volunteering Corp is a volunteering group in the group level of HFG, launched in 2007 by integrating 100 in-house volunteering groups. Employees of HFG form teams consisting of five or more members, taking part in the corp. New volunteering activities are undertaken from planning activities to actual voluntary participation in the programs. In 2014, approximately 8,600 employees, their families, and customers, took part in acts of warm-hearted sharing with local communities and neighbors.

HFG Family Love Volunteering Corps

HFG regularly conducts local volunteering programs by launching the HFG Family Love Volunteering Corps for employees' spouses in February 2013. Its members are regularly participating in local voluntary service activities for those in need. The corps provides childcare by spouses of employees, care of the physically vulnerable, and mentoring of migrant women in multicultural families and activities of its own development. HFG held ceremonies to inaugurate branches of the corps in the central area of Seoul, Gyeonggi-do and Incheon in May 2014. As a consequence, 540 members of the corps are engaging in volunteering activities in 17 regions across the country.

Love Sharing Volunteering Corps

KEB Love Sharing Volunteering Corps consisting of employees and their families conducting volunteering activities to reach out to those in need in local communities. The corps was established by KEB Sharing Foundation, a non-profit charity organization, which had established for the first time in the domestic banking sector in December 2005, offering wide-ranging volunteering activities. The corps had 2,596 volunteers as of the end of 2014 to conduct various volunteering services. In 2014, its members conducted voluntary service 134 times (a total of 10,399 hours), a 40% increase from 2013.

Modu-Hana Day

HFG designated November 11 as "Modu-Hana Day" (a catchphrase in Korean, meaning "the day everyone becomes one") under the theme of "Hana" (meaning "1" in Korean). Large-scale volunteering activities and diverse campaigns take place with the intent "to become 'one' with neighbors, colleagues and the world through sharing and consideration." In 2014, the campaign ran for two months from November 11, 2014 to January 11, 2015. This year, the event was held for the fourth time and is a representative volunteering activity of HFG. During this period, about 25,000 employees intensively carried out voluntary service activities – "Hana Happiness Relay," where employees conduct volunteer activities or donate money, "My Happy Box," which gives support to the underprivileged across the nation, and "Happy Sharing," which deliver clothes and stationery to foreign children from low-income families.

Summary of Modu-Hana Day in 2014

Donation	15,059 employees	KRW 2.45 million
Volunteer Activities	3,866 employees	12,691 hours

My Happy Box

Delivered 1,111 boxes

Hana Happiness Relay

4,219 hours of volunteering activities

11,654 participants

Donated KRW 1.84 million

Happy Sharing

About 3,000 employees wrapped and donated 16,400 pieces of clothing to underdeveloped countries such as Myanmar.

Material Issue

02 Customer-Oriented Management

Management Approach

HFG thinks that finance works for happiness. We are offering more varied and convenient products and services to make customers happy since we think that customers save future happiness along with money.

Our more specialized services help people fulfill their dreams through finance and expand the service range of HFG. Therefore, global customers also enjoy the same benefits. HFG thinks that customers come first and will continue to strive to enjoy happiness with customers.

HFG's Customer Service Principles

Subject	Item	Content
Employees	Supreme	We seek to offer superior financial services
	Appreciation	We respect and show gratitude to our employees
	Training	We cherish individual skills
	Innovation	We innovate and improve customer experiences
	Strategy	We conduct tasks strategically
Customers	Fun	Customers are to be welcomed with joy and pleasure at all times
	Authority	Customers are the reason for HFG to exist
	Coverage	Customers have the right to demand top-notch financial services
	Trust	Customers choose us only when they trust us
	Interaction	Customers talk and process transactions with us with a genuine heart
	Ongoing	Customers are financial partners that grow together with us
	Nobility	Customers are to be treated with the highest levels of etiquette and manners

HFG's Products and Services

HFG wants to bring joy and happiness to customers by developing financial products and services that customers want, based on our accumulated capabilities and synergies in sectors such as banking, securities, cards and insurance. HFG supports customers for their success with useful products and services proportionate to its status.

Representative Products of Hana Bank and KEB

In March 2015, Hana Bank and KEB launched "Long live the Republic of Korea" Time Deposit and Installment Savings in honor of the 70th anniversary of Korea's liberation from Japan. These products give higher interest rates to those who wrote patriotic messages via Internet banking and Smart banking. When customers buy these products by Independence Day of Korea in 2015, the bank donates KRW 815 per account to organizations supporting independence fighters.

Representative Products of Hana Daetoo Securities

Hana Daetoo Securities launched pension products required in the era where low interest rates and fast aging continue. Happy Knowhow Pension Product, a new pension brand to prepare people for their retirement lives and save them tax, offer both the highest profit and stability to customers.

Representative Products of KEB Hana Card

In December 2014, Hana SK Card merged with KEB Card. With an eye toward giving more benefits to customers, KEB Hana Card launched Sync Card, the first card since the merger. Users of the card designed for customers' payment patterns can choose between the Together Service that offers high discount rates depending on the volume of card use and the Joy Service with flat discount rates. Looking ahead, KEB Hana Card will continue to offer products tailored for customers' lifestyles.

02 Happy Finance

Efforts to Enhance Customer Convenience

Tablet Branch Operation

On February 11, 2014, five branches of Hana Bank and five branches of KEB began the tentative operation of Tablet branches which are door-to-door sales systems based on Tablet PCs. In this service, bank employees offer consulting with Tablet PCs by visiting customers too busy to visit branches. In 2014, the bank pruned customers' waiting time and removed security glitches by adding the Secret Key function to the password registration function to decrease customers' waiting time. In May 2014, Hana Bank's tablet branch picked up the Grand Prize in the banking category of the financial sector at the Mobile Brand Awards for this excellent operation and services for customers.

Securing Loans without Visiting Branches - Hana Financial Group's Hope Financial Plaza

The bank began to operate the Hana Happiness Financial Plaza which enables customers to obtain loan consulting and loans without going to branches in March 2014. The operation of Hana Happiness Financial Plaza empowers Hana Bank to attract new customers and contribute to the generation of profit by translating loan marketing opportunities into product sales via online and offline channels. Moreover, all work can be done without visiting branches, expanding customer convenience and cutting the workload at branches. Hana Financial Group's Hope Financial Plaza consists of a total of 65 loan consultants. One of its strengths is to be able to sell all of online household credit loans including one-click mortgages, one-click Jeonse loans, e-credit loans and Korea National Housing Corporation's mortgage loans.

Post-Contract Internet and Smart Phone Banking Passwords Registration Service

Hana Bank launched a post-contract user password registration service which enables users to register their passwords via PC and smartphones which had been registered at branches when customers signed up for Internet and Smartphone banking. This service is expected not only to save branches workloads but to make electronic financial service registration in the outside of branches possible. In addition, the service minimizes customers' inconvenience by getting rid of redundant

procedures where customers set their passwords at branches first and later reset them via the Internet and smartphones.

KEB's Next-Generation Smart Phone Banking Service

KEB integrated a total of six financial apps by functions 'Foreign Currency Bank M,' 'KEB,' 'Mini Banking,' 'Global Banking,' 'Smart Currency Exchange,' and 'Find KEB' into one single app. This integration aimed to scale-down customers' inconvenience to download each of the six apps and reinforce a one-stop service for products and services. We focus on preventing financial fraud and protecting personal information by beefing up security functions. In addition, we enhanced convenience in smartphone banking for customers including the disabled by securing access to the mobile app.

Service for Global Customers

Smartphone Payment System for Chinese Tourists – Alipay Wallet

Hana Bank launched Alipay Service in partnership with Alipay for simple payment by Chinese tourists. Thanks to this service, Chinese tourists are now able to pay at stores in Korea with disposable bar codes by executing Alipay Wallet with smartphones. Alipay is a payment service popular among Chinese people. The service came to Korea for Chinese tourists through a partnership with Hana Bank. The payment service is expected to steadily expand its member stores as it enables Chinese tourists to pay more conveniently in Korea only with smartphones.

Material Issue

03 Compliance Management

Management Approach

Since the global financial crisis, ethical management in the financial industry has been more emphasized due to a fall in credibility about financial companies and the rapidly changing internal and external business environment. In this environment, HFG is making multifaceted efforts to establish ethical management to fulfill its ethical responsibilities and help employees practice it. Not simply shouting slogans about the importance of ethical management, we support the ethical management program to reflect it in actual work. In addition, customers have higher anxiety due to personal information leakage at domestic financial institutions. Therefore, HFG builds a thorough and strict personal information management system and is overhauling itself and conducting education to raise awareness about personal information protection at all of its affiliates. HFG will do its best to become a reliable financial group for stakeholders such as customers, investors and local communities.

HFG's Code of Ethics

Chapter 1 General Provisions

1. Basic Principles
   - Putting the top priority on customer satisfaction
   - Enhancing ethical awareness
   - Focusing on customer satisfaction
   - Fulfilling CSR
   - Maximizing the shareholder value
2. Target of Application and Interpretation

Chapter 2 Obligations for Customers

3. Honesty and Fairness
4. Asset Management
5. Important Reminders in Business Operations

Chapter 3 Obligations of Employees

6. Focus on Work
7. Sound Leisure Activities and Modest Lifestyle
8. Prohibition of Making Unreasonable Orders
9. Reporting on Violations and Protecting Employees that Report/Whistle-blow
10. Protecting Internal Information and Prohibition Insider Trading
11. Prohibiting Conflicts of Mutual Interest
12. External Activities
13. Limiting Political Activities and Donations
14. Restricting Gift Exchanges
15. Administering Fees
16. Preventing Money Laundering
17. Personal Cash Loans, etc
18. Conducting Mutual Trust
19. Ensuring Transparency in Transaction Relationships
20. Prohibiting Sexual Harassment
21. Ensuring Fair Competitions
22. Forging Cooperation among Members of the Group

Chapter 4 Obligations for Employees

23. Respecting Individual Creativity
24. Protecting Employees' Information
25. Prohibiting Discrimination and Granting Compensation Based on Performance and Capabilities
26. Providing Opportunities for Education and Training

Chapter 5 Obligations for the Society

27. Exemplary Corporate Activities
28. Roles as a Social Member
29. Obligations as a Social Member

Chapter 6 Obligations for the Company and Shareholders

30. Conservation of Corporate Assets
31. Corporate Recording and Management

Hana Bank

Group training on ethical compliance management	Group training on internal control	Cyber training on money laundering
1,984 hours (992 employees X 2 hours)	5,104 hours (638 employees X 8 hours)	27,513 hours (9,171 employees X 3 hours)

KEB Korea Exchange Bank

Ethical training
15,783 hours

02 Happy Finance

HFG's Ethical Management Principles

HFG's Ethical Management implies that HFG's employees are to fulfill given roles with honesty and integrity and practice transparent management based on due ethics to be acted out in the financial industry.

Ethical Management Programs

Hana Bank's core values passion, open-mindedness, customer value, professionalism, respect and consideration are based on integrity which means its employees' honesty, sincerity and transparency. HFG operates a variety of ethical management programs to practice ethical management to uphold values of honesty to receive love and trust from customers.

Hana Bank	
Group Training on Ethics & Job Compliance	Training on ethics and job compliance for new employees, employees returning after long leave, employees who were promoted, and compliance officers
Cyber Training on Ethics & Compliance	Cyber training on ethics & compliance for all employees, and reflecting the participation level in the management evaluation
Contest on Ethical Decision-Making Cases	Providing opportunities to study abroad for winners of the Contest on Ethical Decision-Making Cases
Self-Diagnosis on Ethics & Compliance	Preventing tangible and intangible losses for Hana Bank and employees and reducing their risk burden
Posting Pop-ups on Ethical Management	Encouraging employees to practice ethical management and raising the awareness of legal compliance
News Letter Posting Pop-ups on Ethical Management	Posting Hana Bank's major issues on Hana Portal as a news letter and using its educational materials
Making calls about integrity	Checking integrity levels by making calls to employees of companies doing business with Hana Bank

KEB	
Sending the Compliance Letter	Sending a Compliance Letter formulated by compliance officers on ethical management to all employees
Events to Reaffirm Commitment for Ethics & Compliance	Reaffirming the ethical awareness of all employees and reviewing their willingness to practice the code of ethics on the first business day of each year
Compliance CSA	Enhancing the awareness of ethics & compliance through self-diagnosis of legal compliance on the first business day of each year
Publication of the Guidebook on Ethics & Compliance	Containing the Code of Ethics compliance targets and major regulations
Cyber Training on Ethics & Compliance	Enhancing ethical awareness for all employees once a year

HFG's Major Ethical Management Activities

01 System of Reporting Securities Accounts and Transaction Records

Protecting customers and employees by complying with laws on securities transactions and maintaining sound practices in assets and loan management

02 Whistle-blowing of Employees and Protection of Whistleblowers

Practicing ethical management by managing the whistle-blowing system on violations and unfair acts of employees, etc

03 Anti-Money Laundering

Having a Code of Ethics indicating prohibition against direct and indirect intervention in employees' money laundering to establish transparent financial transaction practices

04 Integrity Call

System to prevent accidents by making calls to partners about Hana Bank employees' ethical levels and wrongdoings.

Stringent Internal Accounting Management

HFG operates its internal accounting management system according to the Act on External Audit of Stock Companies. HFG stringently operates the internal control council, securing reliability in financial statements.

Moreover, to build a proper system for internal control, Hana Bank established the Internal Control Innovation Committee in 2014. KEB also has launched the internal control check TFT. Internal Control Innovation Committee deal with awareness and accident prevention, risk management, human resources development, internal control at overseas branches, financial consumer protection, the protection of customer information as agendas. The first meeting held in May adopted five innovative proposals. Based on this establishment of the Internal Control Innovation Committee, Hana Bank will further strengthen internal control by drawing up and executing innovative agendas such as the strengthening of employees' ethical awareness and the overhaul of the internal control system.

Major Tasks of the Internal Control Council

- Perfect sale checks at all branches
- Share and spread best practices of customer satisfaction
- Developing improvement measures about major consumer protection issues
- Reinforcing financial consumer protecting culture

Financial Consumer Protection

HFG strives to reinforce financial consumer protection at the group level. To this end, HFG appointed an executive as a highest officer in charge of financial consumer protection for the first time in the financial industry and created the Consumer Protection Team under the Committee for Sharing Happiness to realize socially responsible CSR management. We are building an organization and overhauling related systems with the goal of spreading group-level efforts.

Hana Bank and KEB launched the Customer Information Protection Divisions overseeing the protection of customer protection and IT security in February. Hana Bank expanded the existing Personal Information Management Team into the Customer Information Protection Division. KEB transferred the Information Protection Team and IT Information Security Office to the Information Protection Division. The two had previously fallen under the Compliance Support Division and IT Division. Hana Daetoo Securities also established the Customer Information Protection Division in February. KEB Hana Card opened the Customer Service Center with professional consultants in January. Hana I&S conducts campaigns and monitoring related to privacy by establishing a personal information protection TFT.

In addition, the company also conducts in-house education to raise employees' awareness of financial consumer protection. HFG will do its best for financial consumer protection through continuous customer information protection activities.

02 Happy Finance

Material Issue

04 Inclusive Finance

Management Approach

HFG is promoting a variety of activities not only for profit but for inclusive finance which takes into account win-win growth with stakeholders. We improve customer satisfaction by developing financial products for public good and support the promotion of economy through activities with local communities. We are also conducting communication activities to listen to the voices of SMEs and develop products that match customer needs.

Promotion of Traditional Markets

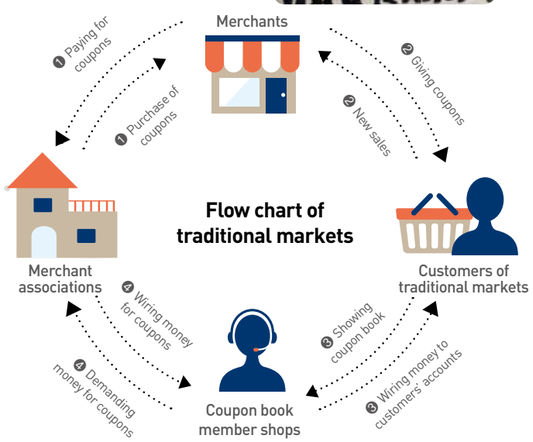
A better economy for the underprivileged is able to accomplish a stronger national economy. HFG encourages more people to use traditional markets by launching linked products and issuing coupon books to promote traditional markets catering to the lives of ordinary people without changing their same old appearance. At the same time, we help merchants enjoy the benefits of customized financial products.

Check Card for Traditional Markets

In May 2014, Hana Bank launched Mega Market Check Card which offers a cashback benefit of up to 2% at traditional markets and small stores. Hana Bank and KEB Hana Card jointly developed the card with a view to promoting traditional markets and supporting and easing the economic pains of working class families. We quadrupled a cashback of KRW 100 per KRW 20,000 paid with the card in an effort to promote its use at traditional markets. The card was developed to give customers additional tax deduction of KRW 1 million for card use at traditional markets in year-end settlement.

Coupon Book for Traditional Market

Hana Bank launched the "traditional markets coupon book services" as part of its measures to support traditional markets. Merchants purchase coupons via merchant associations to increase sales and give coupons to customers for sales. If a customer collects 20 coupons, he or she can use them by KRW 2,000. The service first began at Shinki Market in Incheon. On the day of coupon book launch, about 50 employees including Soo-Jin Jung, vice president of the Retail Business Group and heads of branches in Incheon visited the market with lawmaker Il-Pyo Hong and carried out marketing activities about the coupon book at the market. Merchant associations are able to promote and publicize their markets by way of the coupon book service. Merchants are planning to expand the service since it helps them secure regular customers and increase sales.



Visits to Small and Medium-Sized Enterprises (SMEs)

HFG is running the Win-Win Growth Program through which the president of Hana Bank visits and communicates with excellent SMEs. This worksite-oriented activity aims at building healthy win-win growth relationships by visiting industrial worksites, conversing with the heads of companies and providing the most suitable solutions to SMEs. In addition, this program allows HFG to build common bonds and trust by consolidating relationships with major corporate customers. Hana Bank offers practical assistance to SMEs such as communication under the name of 'Happy Finance' and the president's direct order to help them.

KEB held a symposium by inviting customers in order to strengthen bonds with customers while making various efforts to expand the customer base and boost sales. The bank listened to complaints about banks and financial services and sought practical support measures in the customer discussion in March 2014.

With this move, at the end of 2014, KEB recorded a small business loan ratio of 18.2% which was significantly higher compared to other companies in the same industry. In addition, KEB launched various financial products such as exporter support products and products to support the mutual growth of SMEs and established the Small Business Advisory Center for financial support for them and their globalization. These activities earned the bank the Presidential Award, the highest honor in the small business supporting organization sector.

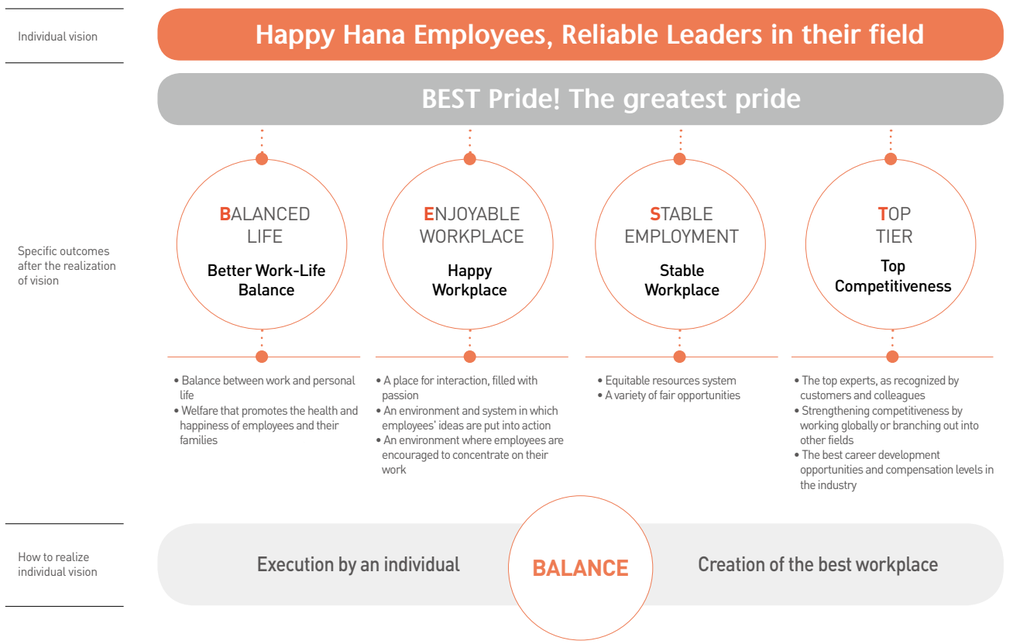
02 Happy Finance

Material Issue

05 Human Resource Management

Management Approach

HFG is not sparing a variety of support to respect the value of employees to enhance their capabilities. In addition, with the aim of achieving its vision, HFG has set 'Trusted and Leading HFG Employees' as an individual vision associated with the group's vision. We are promoting career development programs to train leaders that combine expertise and global leadership. We are also boosting communication to prepare employee communication channels for welfare support for work-life balance and creating a fair and open organization.



No. of employees	No. of locally recruited workers	Proportion of female workers	Employment retention rate after maternity leave	Per-capital education hours
20,682 (HFG)	1,185 (Hana Bank and KEB)	52.5% (HFG)	93.8% (HFG)	Hana Bank: 118 hours KEB: 144 hours

Enjoyable Workplace

HFG conducts the screening of documents in a specification-free and open manner under the principle of "We recruit not just people with good academic performances and specifications, but mainly upright people. Moreover, the group is conducting BEIs or behavior Behavior Event interviews Interviews (BEIs) which focus on behaviors in specific situations on capabilities for each task. Interviews in lodging facilities involve a comprehensive aptitude test, PT interviews, group discussions and teamwork assignments to verify individuals' competence. HFG operates an internship program linked to recruitment as well. Participants can receive full-time apprentice-level on-site training. Some are directly employed in the field which contributes to resolving youth unemployment.

Best Competitiveness

The image of ideal employees closely linked to the core values of HFG employees is what is needed to achieve organizational missions and future visions. Based on the image, we want to ensure the best competitiveness in the banking industry by nurturing talented people with performance leadership, organizational leadership and innovation leadership.

Ideal HFG Employees

Career Development Program (CDP)

All talent development strategies devised by HFG are based on its exclusive career development programs (CDP). The program focuses on core human resources, specialized personnel and global workforces. In the case of core human resources, the group trains core talented employees as next-generation leaders through evaluations by the image of ideal Hana employees. They are managed after being classified into executives, team leaders and managers. The specialized personnel program is operated for people with professional capabilities in important sectors due to the group's strategies. The global workforce program is being operated for the development of domestic and foreign workforces enabling the expansion of the global network of HFG. They are fostered after being divided into personnel for local corporations, Korea-educated employees and local staff members. People of talent for each pool are trained to lead future business performances through specialized professional training and domestic and foreign MBA programs.

02 Happy Finance

Building an Innovative Corporate Culture

Establishing Innovation Committee

In April 2015, Hana Bank established the Innovation Committee in order to proactively respond to changes in internal and external business environments through active communication and improve execution power and competitiveness with systematic innovation management strategies. The committee is composed of five innovation divisions organizational culture, income structure, marketing, growth engines and internal control. It comprises 24 employees including executives and department heads with the chairman who is the president of the bank as the center. Each division carries out innovation tasks through individual councils. The Innovation Committee held once a month discusses the tasks in more detail. Committee members may express their opinions freely and sharply and must draw conclusions by topics. They stick to one-stop decision-making that leads to faster execution through closer cooperation among departments. The committee will try to establish a culture of innovation and improve execution power.

Hana "Crenovation" Program

HFG adopted the "Hana 'Crenovation' Program" in November 2013. In the program, teams of Hana Bank, KEB, Hana Daetoo Securities, KEB Hana Card select the pending issues of HFG and find innovative ways through action learning. After a four-month implementation process, the results were presented during a presentation session in April 2014. This session presented innovative and highly applicable ideas such as plans for a wide range of services for potential customers and the promotion of mobile financial plans. HFG plans to select and apply highly applicable items that can be utilized in the financial sector.

Transparent Performance Evaluation

The performance evaluation takes place biannually to offer appropriate compensation for performance, thus boosting morale among employees. The performance evaluation targets all employees, and additional training is performed for evaluators for more transparent and fairer evaluation.

Handling of Employees' Grievances

HFG operates a system to handle employees' grievances. Hana Bank operates the Voice of Employees website for employees to submit various types of grievances. Three in-house counselors are available to provide counseling services to employees. KEB also runs the "KEB Ombudsman" for employees to report on internal grievances.

Establishment of the Labor-Management Culture of Mutual Growth

HFG makes efforts to create a labor-management culture of mutual growth. Hana Bank runs the Committee for Collective Bargaining with members from both management and labor. In the committee, a total of six, comprising the CEO and leaders of business units including the Corporate Center, Personal and Commercial Banking and Corporate and Investment Banking, Management Support Division and Human Resource Support Team represent management. It also has six people from the labor side one union leader, three deputy union leaders and two heads of the policy department. This contributes to broadening the scope of mutual understanding and forging bilateral trust as they discuss wage negotiations and various collective agreements.

Employee Education Hours and Costs in 2014

Category		Unit	2012	2013	2014
Hana Bank	Total education costs	KRW 10,000	1,068,597	1,162,805	1,254,200
	Per-capita education costs	KRW 10,000	113	119	131
	Per-capita education hours	KRW 10,000	212	103	118
KEB	Total education costs	KRW 10,000	1,426,865	1,169,000	1,258,027
	Per-capita education costs	Hour	182	142	157
	Per-capita education hours	Hour	128	118	144

Operation of Labor-Management Channels

HFG touts diverse labor-management communication channels. Hana Bank holds both quarterly and ad-hoc labor council meetings to discuss performance distribution, recruitment, training and more. Other events include the "Family Invitation Day" to collect feedback from families of employees, and "Hanmaeum Festival with the Labor and the Management." Employees renewed the organizational culture and enjoyed opportunities to strengthen a bond Hanmaeum Festival held at Everland in Yongin in October 2014. A variety of events including talent shows and raffle prizes took place and employees flew kites carrying their messages in order to remind themselves of the importance of families.

Happy Workplace

Sound Group Dining Campaign

To foster a healthy dinning culture, HFG is conducting a group-wide campaign. The campaign has its slogan not pressing a drink on other employees; not drinking after 9 p.m.; and friendship without drinking. HFG's employees are creating a dining culture that respects and considers each other.

Communication Culture

What's up meeting

HFG is conducting a communication program through which the CEO and employees meet and exchange opinions with each other. As part of communication activities, in 2015, Hana Bank had an event to talk with the CEO in a liberal manner without rules and subjects by holding a "What's up" meeting. In the meeting day, 26 randomly selected employees frankly talked about difficulties in the field and presented ideas for organizational innovation. The CEO listened to the grievances of employees and honestly answered employees' questions including those about information on management. Starting with this meeting, "What's up" meetings will be held on a regular basis. Ideas submitted will be immediately considered and reflected.

02 Happy Finance

54 Hana Financial Group Inc.
55 Hana Bank
56 KEB
57 Hana Daetoo Securities
58 KEB Hana Card
59 Hana Life
60 Hana Capital
61 Hana Institute of Finance
62 Hana I&S
63 Hana Asset Trust
64 Hana Savings Bank
65 Hana Asset Management
66 KEB F&I
67 KEB Futures
67 KEB Investors Services

03 Hana Network

HFG carries out activities through which all stakeholders are able to grow in order to create a better society but pursue "healthy growth" to realize a basic corporate purpose of pursuing balanced growth and social responsibility.

Hana Financial Group Inc.

Chairman of HFG
Jung-Tai Kim

We are Building a Happy Society with Happy Finance!

HFG is fulfilling basic roles of finance for the happiness of everyone like its mission, "Growing Together, Sharing Happiness ." With happy employees, HFG will continue to grow and spread sharing culture for the happiness of customers and society through finance.

Company Overview

Date of Foundation	Dec. 1, 2005
No. of Employees	111 (Dec. 2014)
HQ Address	55, Eulji-ro, Jung-gu, Seoul
Tel.	+82-2-2002-1110
Website	www.hanafn.com

Major Sustainability Management Achievements

2500 employees took part in Hana Day	Planting **700** trees for Hana Forest

HFG's Sustainability Management Activities in 2014

HFG's PB Collabo-N-Sharing Expo

In May 2014, about 350 employees of Hana Bank, KEB, Hana Daetoo Securities gathered in Hanmaeum Hall of Hana Daetoo Securities. They shared sales strategies and best practices about an increase in new customers and collaboration among PB, RM and securities with one another. They made presentations on cases to provide essential goods and services through close collaboration among sectors including a case to maximize synergies through collaboration practices such as tax, real estate and will trusts at the Inheritance and Donation Center. The event also featured participants' own creative sales strategies or ideas, too. They discussed practical measures for cooperation through win-win growth in each sector while sharing meaningful experiences.

1. Making Kimchi of love
2. Creating Hana Forest
3. Winning Grand Prize at the Financial Innovation Awards

2014 Modu-Hana Day

November 11 was designated by HFG as "Modu-Hana Day" (a catch phrase in Korea meaning "the day everyone becomes one) under the theme of "Hana"(meaning "1" in Korean) in 2014. Massive volunteering activities and diverse campaigns take place with the intent "to become 'one' with neighbors, colleagues and the world through sharing and consideration." About 25,000 employees engaged in voluntary service activities and events. Major events were the "Hana Happiness Relay," where employees conduct volunteer activities or donate money, "My Happy Box," which gives support to the underprivileged across the country and "Happy Sharing" to deliver clothes and stationery to foreign children from low income families.

Creating Hana Forest

As many as 250 employees of Hana Bank and KEB and HFG's affiliates and their family members participated in tree planting activities at Sky Park in Sangam-dong, Seoul. The activities were carried out to unite employees of Hana Bank and KEB by way of environmental protection. This activity is creating a forest in Sky Park which was built by covering dirt on a garbage heap. But for trees, the soil will be washed away and the garbage will be exposed again. Voluntary service organizations and citizens are committed to turning Sky Park into an ecological park. They created the "Sharing Happiness Hana Forest" by planting a total of 700 trees in an event held in April 2015.

2014 Financial Innovation Award

HFG was awarded the grand prize in the 2014 Financial Innovation Award in Taepyeongro's Press Center on October 29, 2014.

Hana Bank

President of Hana Bank
Byung-Ho Kim

Bank for Customers' Joy

Hana Bank strives to contribute to the happiness of customers by securing diverse revenue and growth bases via change and innovation that create new value in a rapidly changing financial environment. Moreover, as a constructive member of society, the bank will faithfully fulfill its role as a corporate citizen that fulfills its CSR while clinging to fair play.

Company Overview

Date of Foundation	Dec. 1, 1959
No. of Employees	8,929 (Dec. 2014)
HQ Address	35, Eulji-ro, Jung-gu, Seoul
Tel.	+82-2-2002-1111
Website	www.hanabank.com

Major Sustainability Management Achievements

Launch of **Happiness Knowhow**, a retirement planning brand	**39** managers of consumer protection

Hana Bank's Sustainability Management Activities in 2014

Happy Future Planning Via Happiness Know-how

Hana Bank is creating a happy life together with customers by taking the lead in making retirement planning come across as positive and future-oriented through the "Happiness Knowhow" program and running a variety of nonfinancial programs such as hobby and leisure activities, healthcare and talent donation of retirees . The Happiness Know-how Bankbook launched in October 2014 is for all customers such as pensioners, people who receive their pays to their bank accounts, people who pay utility bills through their bank accounts. The passbook gives preferential interest rates and fees to those who receive four major pensions, basic pensions and pensions for military veterans and those who receive Hana Bank pensions, individual pensions and housing pensions. In addition, happiness partners who are retirement planning experts offer consulting on retirement planning at branches. We are publishing and distributing the monthly "Happiness Knowhow" containing a variety of information about a happy future.

1. Happiness Know-how, brand for retirement planning
2. Going-Home poster

Building Systems for Financial Consumer Protection

Hana Bank implements management to give priority to consumer protection. The bank has greatly enhanced the number of the personnel from 18 to 39 people since 2013 when the Consumer Protection Department was promoted to Consumer Protection Headquarters. In addition, in October 2014, the bank became consistently able to integrate all of the features that were scattered at affiliates and handle product development, sales and complaints by starting a new consumer protection system. Consumers can know complaint handling in real time and the detailed descriptions of the progress via text messages. In this manner, not just simply shouting consumer protection as a slogan, Hana Bank actually reflected the will of consumer protection in the company's operations. Its activities were duly recognized. Therefore, the bank was awarded the Grand Prize at the Third Financial Consumer Protection Awards Sponsored by the Korea Economic Daily in 2014. In the future, Hana Bank is planning to scale down a possibility that consumers suffer from damage through prevention activities, not simply paying attention to dealing with situations after damage is done.

Going-Home Taxi for Family Day

Hana Bank selected every Wednesday as 'Family Day' and encourages employees to go home earlier from work than usual. The event started in April 2013 gives free taxi rides to employees through recommendations from one's own or coworkers with stories. The event was conducted 41times by the end of April 2015. The event's various stories are told and shared in telephone interviews by the bank's broadcasting team every week.

KEB

President & CEO of KEB
Han-Jo Kim

Financial Partner for Customers' Satisfaction and Success

Customer value is prioritized in all of KEB's financial services. The bank creates change and innovation with open-mindedness. By doing so, the bank is doing everything it can do to bring more happiness to customers. All employees of KEB promise to serve customers as a truly reliable financial partner to ensure that they are satisfied and become successful and return love and trust to customers by always setting higher standards.

Company Overview

Date of Foundation	Jan. 30, 1967
No. of Employees	7,395 (Dec. 2014)
HQ Address	66 Euljiro, Jung-gu, Seoul
Tel.	+82-2-1544-3000
Website	www.keb.co.kr

Major Sustainability Management Achievements

Loans by merged corporation in Indonesia	**Increase of 54%**	Total sales of eco-friendly financial products	**72.9 billion**

KEB's Sustainability Management Activities in 2014

Establishment and Integration of Global Networks

As Korea's top global bank, KEB holds the highest competitiveness in Korea and declared 2014 the first year of global financial innovation to transform the paradigms of business. In order to achieve its goals, the bank is putting forth exertions to expand its overseas markets, promote localization and maximize integration synergies. KEB established each branch in Russia and Canada in 2014. At the end of February 2015, KEB expanded its global sales forces by building two branches in Canada, one each in Mexico and India.In addition, with the aim of creating synergies, KEB and Hana Bank established merged corporations in Indonesia and China in 2014. PT Bank KEB Hana, an integrated corporation in Indonesia established in March 2014, expanded synergies by utilizing the strengths of corporate and retail banking of both banks and complementing each other in coping with lack of dollar and rupiah. As a consequence, loans and net profit rose 54% and 38%, respectively from before the merger. KEB is planning to raise the percentage of overseas profit to 40% by 2025 by expanding localization and new advancements in accordance with global advancement strategies.

1. Opening of a corporation in Russia
2. Opening of Myeongrang Market

Eco-Friendly Financial Products

KEB is managing eco-friendly financial products that fit the characteristics in the financial sector.
'"My partner Solar Loan'" gives loans for the construction of photovoltaic power generation facilities. As of the end of 2014, these loans added up to 11.4 billion won despite a photovoltaic market downturn. Furthermore, "New Growth Theory Partner Loan" is for SMEs in the eco-friendly and alternative energy industries. These loans reached KRW 37.6 billion at the end of 2014. The Korea Energy Management Corporation and the Seoul metropolitan government jointly manages 'ESCO Accounts Receivable Factoring' and 'climate Change Fund Loan' in order to encourage the installation of energy saving facilities. Sales of the two products hit KRW23.4 billion and KRW 500 million, respectively at the end of 2014.

Community Engagement Program

KEB opened the "Romantic Myeongrang" Outdoor Market in Myeongdong", offering abundant eye-pleasers to foreign tourists and domestic citizens, and recreating Myeongdong as a cultural space. The outdoor market held in the KEB Plaza located in the head office of KEB is an event co-organized by the "Living & Art Creative Center", a social enterprise. It is held every Sunday for about five months, unfolding diverse exhibitions, experiences and performances. The "3rd Romantic Myeongrang" Outdoor Market in Myeongdong" which was opened in 2014 drew the participation of about 100 artists who exhibited and sold their creative works. Diverse hands-on experience programs and indie music band performances were presented to build close bonds among participants, tourists and citizens.

Hana Daetoo Securities

CEO of Hana Daetoo Securities
Seung-Chul Chang

A Financial Partner Trusted by Customers

Last year, with the aim of building a new growth-base, Hana Daetoo Securities laid the foundation for growing into the best major general securities company by integrating AM and IB units . The company will make more efforts to be a partner for customers' success through collaboration with affiliates of HFG in areas such as a new PIB model that includes existing PB, WM and IB, general asset management for retail customers and funding, acquisition finance, structured finance, M&A and real estate for corporate customers.

Company Overview

Date of Foundation	Jan. 18, 1977
No. of Employees	1,671 (Feb. 2014)
HQ Address	82, Euisadang-dae-ro, Yeongdeungpo-gu, Seoul
Tel.	+82-2-1588-3111
Website	www.hanaw.com

Major Sustainability Management Achievements

Hana Daetoo's donation service	**Delivered KRW 260 million in donations (Dec. 2014)**	Sales of tickets to Love Sharing Concert and donations from the company	**Year-on-year increase of 20%**

Hana Daetoo Securities' Sustainability Management Activities in 2014

Financial Check-up Day for Financial Consumer Protection

Hana Daetoo Securities conducts Financial Check-up Day in an effort to implement Happy Finance, a mission of HFG, and take the initiative in protecting financial consumers. The company selects consumer protection themes on every third Tuesday of the month designated as Financial Check-up Day and educates employees by producing educational materials.

1. Ceremony for business ties for donation
2. 2014 Healthy Financial Checkup Day
3. Love-Sharing Concert

Hana Daetoo Securities also protects customers from sales to post-sales management, while checking core matters for perfect sale, checking and diagnosing poorly performing financial products and monitoring compliance with consumer protection regulations.

Spreading Donation Culture via Finance

Hana Daetoo Securities is promoting the donation culture through Hana Daetoo Donation Service which empowers customers to easily donate by way of finance. Daetoo Donation Service donates 20~30% of sales fees and commissions from customers' financial products to public organizations in the name of the customers. The company donated a total of KRW 260 million to 16 facilities by December 2014.

Love and Sharing Concert

Hana Daetoo Securities is an economic entity that creates more economic value with leading services and products. At the same time, the company holds events to help the underprivileged to fulfill its role as an important member of civil society every year. Since 2010, a bazaar has been held with the voluntary participation of employees and has sponsored a sisterhood facility. Since 2013, 'Love and Sharing Concert' has promoted a fundraiser through employees' talent donation. It is a heartwarming event to raise donations through talent donation by an amateur rock band consisting of employees. E-BAND held 'Love Sharing Concert Season2' in December 2014. The band delivered a total of KRW 24 million by combining ticket sales and the donation of the same amount from the company to the sisterhood organizations as contributions.

KEB Hana Card

President and CEO of KEB Hana Card
Hae-Bong Jeong

Hana Card Bigger than Two Combined

KEB Card and Hana SK Card were merged into KEB Hana Card after finalizing an official merger procedure on December 1, 2014. KEB Card has long tradition and has an advantage in the global payment market while Hana SK Card is developing a mobile payment market via the convergence of telecommunication and finance. The integrated company will go global while creating a full-scaled mobile era. The merger will breed a new-concept service and new market. KEB Hana Card will become a company that fulfills social responsibility as a member of HFG which implements happy finance to share happiness with others while growing with customers.

Company Overview

Date of Foundation	Sep. 1, 2014
No. of Employees	891 (Dec. 2014)
HQ Address	24, 9-gil, Namdaemun-ro, Junggu, Seoul
Tel.	1800-1111
Website	www.hanacard.co.kr

Major Sustainability Management Achievements

Financial Consumer Protection System **Opening of VOM**

KEB Hana Card's Sustainability Management Activities in 2014

KEB Hana Card's Sustainability Management Activities in 2014

KEB Hana Card launched the "Voice of Customer (VOC) Experience Zone" in order to deliver the voices of customers to all employees and provide an opportunity to draw and improve for customer complaints. Anyone can listen to customer complaints directly with earphones in the zone located on the third floor headquarters, although they are not the staff of customer complaint-related departments. In addition, a process is also in place to reflect such complaints in customer service improvements. For example, after understanding the fact that financial terminology is difficult for customers to understand, we worked to make it easier to understand.

1. Launch of financial consumer protection system VOM
2. VOC Experience Zone for employees
3. Hana Love Volunteer Corps' regular activities

Launch of Financial Consumer Protection System VOM

In 2014, information leaks from some financial companies fueled people's interest in financial consumer protection more than ever. KEB Hana Card launched the financial consumer protection system VOM to carefully protect customers' information and reflect their feedback. This system automated not only process to deal with simple and basic complaints but also overall card business such as the development of new products with consumer opinions reflected in, promotions and improvements in systems and work processes.

Higher Energy Efficiency through Cool Biz

The implementation of the Cool Biz System to wear short-sleeved shirts and not to wear neck ties in summer lowers body temperatures and reduces the consumption of cooling power, resulting in higher energy efficiency.

Hana Love Volunteer Corps' Regular Activities

KEB Hana Card is conducting quarterly employee volunteer activities at Namsanwon, a childcare facility in Jung-gu, Seoul. We volunteer for various CSR activities at Namsanwon such as facility maintenance and talent donations.

Hana Life

President and CEO of Hana Life
In-Hwan Kim

A Company that Always Stands by its Customers

Hana Life always strives for greater happiness of our customers based on its differentiated products and specialized support organization. We will become a life companion who protects customers' valuable families, dreams and financial stability by pursuing continuous change and growth and implementing human love and the spirit of mutual aid.

Company Overview

Date of Foundation	Nov. 25, 1991
No. of Employees	153 (Dec. 2014)
HQ Address	89-31, Seosomun-ro, Jung-gu, Seoul
Tel.	+82-2-3709-7300
Website	www.hanalife.co.kr

Major Sustainability Management Achievements

Online insurance brand of Hana Life **Launch of Hana i Life**

Woolen Hat of Love Campaign **Conducted for fourth year**

Hana Life's Sustainability Management Activities in 2014

Hana Life 's Launch of Online Insurance Brand, "Hana i Life"

Direct (direct purchase-type) consumption to buy after comparing products has become a typical form of modern consumption-oriented modern people. Online insurance products of Hana i Life are about 20-30% cheaper compared to offline insurance as customers sign up after directly confirming necessary guarantees. Their sales are growing rapidly among those in their 20s to 40s who seek reasonable consumption and are accustomed to online shopping.

1. Crayon recycling campaign
2. Installation of facilities on playgrounds
3. Woolen Hat of Love Campaign

Crayon Recycling Campaign for Sharing Hopes and Dreams

Hana Life participated in the campaign to share hopes and dreams with recycled crayons along with employees and their families. The event aims to share recycled crayons with children who need them at their art classes at home and abroad. The event was held to share the value of sustainable development and sharing with all people around the world through the recycling of resources.

Introducing Playground Culture for Employees

On January 28, 2014, Hana Life built an enjoyable working environment for employees by introducing a dreaming playground at its new headquarters building. This project based on an EBS DocuPrime project aims to introduce a playground culture to busy workplaces with few opportunities to laugh. Hana Life conducted a survey of employees in order to build a playground that employees want. As a consequence, six facilities including health stairways and mini basketball goal posts were built inside the building and employees are striving to make their workplaces happier and more enjoyable. In this manner, employees become happier and customers will become happier too as they can buy insurance policies developed by the happy employees.

Woolen Hat of Love Campaign

Hana Life's "Woolen Hat of Love" campaign has been held by the Voluntary Service Club 'Plus Hana' for the fourth year. The activity is conducted to save newborn babies in underdeveloped countries in Africa and Asia. More employees join the campaign every year.

Hana Capital

CEO and president of Hana Capital Jin-Ho Chu

The Best Financial Partner for the Future

Since its incorporation into HFG in 2005, Hana Capital has seen continued growth, establishing itself as a solid leader in the loan business. The feat we have achieved is the outcome of the efforts of all our employees under the slogan of "health and happiness" and, at the same time, our customers' unwavering support for us. Without resting on our laurels, we are pushing ourselves further to become "The Trusted Premier Global Financial Group ", taking one step at time for the future. Armed with integrity and trust, we will fulfill our moral duties as a sincere partner, providing our customers with financial benefits.

Company Overview

Date of Foundation	February 13, 1987
No. of Employees	298 (Dec. 2014)
HQ Address	126 Teheran-ro, Gangnam-gu, Seoul, Korea
Tel.	+82-2-2037–1111
Website	www.hanacapital.co.kr

Major Sustainability Management Achievements

in Hana Capital Indonesia	Joint Corporation in the works	1st/2nd half in 2014	Volunteering activities

Hana Capital's Sustainability Management Activities in 2014

Global Market Entry

Hana Capital has pushed the establishment of a joint corporation with PT KEB Hana and Sinarmas Multiartha to enter the auto installment loan market in Indonesia with the aim of launching it fully in the second half of 2015. The joint venture company will be 55 percent owned by the Hana Financial Group, including 55 percent by Hana Capital and 30 percent by PT KEB Hana, and 15 percent by Sinarmas. The total investment is expected to add up to IDR 150 billion (roughly KRW 14.3 billion). Armed with its expertise and experience in the used-case installment loan business, Hana Capital will be able to lead the

1. Sneakers donation by Hana Capital Gwangju Branch
2. Traditional Korean food-making in Daegu

Hana Capital's know-how in installment loans | PT KEB Hana's competitiveness | Sinarmas' local sales expertise

Synergistic effect

PT Sinarmas Hana Finance Indonesia

Indonesian auto installment loan market by combining PT KEB Hana's competitive interest rates with Sinamas' marketing and sales capacity.

Enjoyable Workplace

Hana Capital houses a café in the lounge in the headquarter building to offer food and beverage at affordable prices in order to provide employees with a creative space and a better work environment. The idea of installing a café was suggested by employees at the Hana-Cap Creative Contest," an in- house event for Hana employees, which makes it even more meaningful. In addition, Hana Capital carries out various activities, including the Hana-Cap Unification Activity, which was held twice a year in 2014, and the "lunch gathering" program for communication between executives and employees, as part of its effort to shape the company into a workable place.

CSR Activity

Hana Capital is committed to helping the underprivileged in local community on a regular basis. In 2014, for instance, we undertook diverse CSR activities, including visiting needy seniors living alone with daily necessities and food, volunteer work at childcare centers and nursing homes, meal serving, and support for the experience of traditional cultures of diverse nations, twice a year. We also ran the "Hana Cap Give Market," a donation program designed to sell various donations collected from employees and donate the profit to charities, for two months from November to December in 2014. In addition, we engage in diverse charity events under the theme of "support for multicultural families" in cooperation of the multicultural family support centers in areas near Hana Capital branches four times a year on a regular basis. We have supported multicultural families by holding traditional food making events in which participants can make traditional food of various nations, providing support for the basic education of children of multicultural families, and donating sneakers. We will continue to expand our CSR activities by taking various measures to vitalize the in-house volunteer work club "Smile Multi-Culture Supporters."

Hana Institute of Finance

CEO of the Hana Institute of Finance Hyeon-Kee Bae

A Strategic Innovator of the Global Financial Group

Hana Institute of Finance has laid the foundation for HFG to become Korea's leading financial player through its preemptive and in-depth research based on the knowledge and research experience it has accumulated for 30. We will continue to play a major role in promoting HFG to become a leader in the Asian as well as Korean financial industry as a think tank and knowledge center for HFG.

Company Overview

Date of Foundation	June 25, 1987
No. of Employees	59 (Dec. 2014)
HQ Address	12th Floor, 82 Uisadang-daero, Yeongdeungpo-gu, Seoul, Korea
Tel.	02-2002-2200
Website	www.hanaif.re.kr

Major Sustainability Management Achievements

Development of new channels	for the improvement of accessibility to reports	Employees' participation in volunteer work	once a month

Hana Institute of Finance's Sustainability Management Activities in 2014

Research Activities in 2014

Hana Institute of Finance conducts research in diverse areas related to the financial industry. It publishes an in-depth research report on the financial market and industry on a regular basis, takes part in formulating HFG's mid- and long-term strategies, and supplies information on local and international trends in the financial market.
In 2014, we undertook a slew of research projects related to the financial market, including a study on mobile banking and measures for the vitalization of tablet banking, a report on global trends with suggestions for the enhancement of global competitiveness, a report

Realms of research conducted by Hana Institute of Finance in 2014

Future banking	Global trends	Brand management	CSR
Financial consumer protection	Management profit increase	Compliance management	

on laws on financial consumer protection, an analysis of brand value assessment methodology, case studies about incomplete sales of financial products and measures for solution, and a report on the prevention of the leakage of consumers' personal information, We also engaged in research projects on the development of local communities for sustainable growth, importance of CSR activities by major players at home and abroad for the growth of SMEs, and the present status of financial policy on SMEs and implications.

Expansion of Accessibility to Research Reports

Hana Institute of Finance sends daily market reports and information on major overseas financial markets, and important related reports to all employees through SMS messages and Hana Financial Hub mobile app, expanding accessibility to the latest financial information.

Expansion of Compliance Management

An organization consisting of financial experts of integrity on the basis of trust, Hana Institute of Finance stresses compliance management to create a transparent organizational culture. We utilize a checklist for the monthly evaluation of our law-abiding performance in the research and administrative areas and training and supervision of the personal information providers. In addition, we manage the employees' consent to collect personal information of Hana affiliates and carry out various activities in terms of information security, laws and regulations and finance-related incidents to consolidate internal control . Moreover, we stage various campaigns to tighten up discipline at work and enhance moral consciousness by prohibiting solicitation and formation of private groups within the company, giving training for the prevention of sexual harassment and promotion of business ethics, and creating a healthy drinking culture (a drinking culture that promotes drinking a small amount of alcohol slowly and in a pleasant environment).

Energy Awareness Campaign

Despite the limited impact of the environment on its business, Hana Institute of Finance takes the initiative in protecting the environment and saving energy. We formulate various rules for energy conservation, run a carpool commuting program, and limit the use of paper cups. Also, we encourage the use of scrap computer paper for printing draft and cut paper consumption by converting reports into PDF documents and sending them by email instead of printing them.

Employees' CSR Activity

Groups of ten employees at Hana Institute of Finance visit the Yeongdeungpo Senior Welfare Center to do various volunteer work for underprivileged seniors without family once a month.

Hana I&S

CEO of Hana I&S
Oh-Dae Kwon

IT Partner that Drives a Fresh Leap Forward and Innovation

IT in recent years has been leading rapid changes in all business areas, including banking, distribution, and manufacturing, accelerating value destruction and convergence. Under the rapidly changing circumstances as a value creator that drives a fresh leap forward and innovation, Hana I&S has made efforts to provide stable and high quality banking IT services, create customer value using open source framework, smart banking service and big data and make substantial investment in such sectors as CRM, SEM and Embedded Solution. Hana I&S will continue to do its best to prepare for the future with its value-creating management as the basis and take a step further as a world-class IT company.

Company Overview

Date of Foundation	August 30, 1990
No. of Employees	592 (Dec. 2014)
HQ Address	416 Hangang-daero, Jung-gu, Seoul, Korea
Tel.	+82-2-2151-6400
Website	www.hanains.com

Major Sustainability Management Achievements

Use of electronic documents equivalent to	The total number of employees and their families who participated in CSR activities
saving **10,000** trees	**1,932** (cumulated number)

Hana I&S's Sustainability Management Activity in 2014

Consolidation of its Role as HFG's Security Control Tower and Cultivation of Talented Workforce

Hana I&S is committed to fulfill its duties as a financial security control tower and producing talented experts in financial security for financial consumer protection.

1. Signing ceremony between Hana I&S and the Korea Information Technology Research Institute for business agreement
2. Bringing happiness to a mountain village

Hana I&S Financial Consumer Protection System

Hana I&S established the IT Security Center and recruited competent "white hat hackers" as chief scientific advisors (CSA) for training and consulting. Also, we signed a business agreement with the Korea Information Technology Research Institute (KITRI) for mutual cooperation and the joint production of financial security experts as part of its effort to enhance its capacity to protect information. In addition, we continue to make an effort to protect financial consumers through the inspection of security vulnerability and advanced security management system certification consulting.

Embodiment of Green IT through Authorized Electronic Documents

Hana I&S runs an authorized electronic document center designed to convert paper documents into electronic format not only to store safely, protect information, and cut document management costs (storage, distribution, and discarding) but embody "green IT." Hana I&S has discarded 120 million-page paper documents as electronic documents have legal force and produced recyclable paper, which is equivalent to saving 10,000 trees.

CSR Activity

Hana I&S plays the most prominent role in practicing CSR activities in HFG thanks to the active participation of its employees. We run a variety of volunteer work programs, such as support of people with physical disabilities for their self-support activities, charity bazaars through donations, blood donation, wall painting in remote villages, briquette donation, and support of people with physical disabilities for their vocational rehabilitation. In 2014 alone, a total of 1,932 Hana I&S employees and their families actively participated in diverse CSR activities.

Hana Asset Trust

CEO of Hana Asset Trust
Chang-Hee Lee

Comprehensive Real Estate Company Specializing in Total Real Estate Services

Hana Asset Trust is geared to take a leap forward to become Korea's leading real estate enterprise that provides customers with real estate-related total services on the basis of professional expertise in the real estate business and customer trust. We are committed to creating a healthy corporate culture through fair management practices based on principle and bringing HFG's managerial vision "happiness sharing" into reality through the supply of quality rental housing for middle-class people.

Company Overview

Date of Foundation	June 15, 1999
No. of Employees	101 (Dec. 2014)
HQ Address	512 Teheran-ro, Gangnam-gu, Seoul, Korea
Tel.	+82-2-3287-4600
Website	www.hanatrust.com

Major Sustainability Management Achievements

Education on the code of ethics held		Regular volunteer work performed
three times (3hrs/session)	**730kwh** of electricity conserved through light bulb replacement	once a month

Sustainability Management Activity in 2014

Efforts to Enhance Ethnical Management and Customer Satisfaction

Hana Asset Trust conducts a quarterly customer satisfaction survey in order to enhance customer satisfaction and ethical management. We take customer feedback seriously when addressing major issues and problems, and run training programs on the code of ethics for all employees every year. We also operate an internal whistle-blowing channel in order to fulfill our tasks in a transparent and rational way, and consolidate Hana Asset Trust's integrity.

Ethical management training	Education on law obedience	Customer satisfaction survey
Three times per year (3hours in total)	Seven times per year (7 hours in total)	Four times per year

1. Regular Volunteer Work
2. Kimchi sharing with the underprivileged

Energy Awareness Campaign

Hana Asset Trust's employees conduct a campaign to promote company-wide participation in energy conservation and responsible use of consumables. The computers in the offices of Hana Asset Trust are set to be turned off automatically at 9 pm and incandescent light bulbs are replaced with LED light bulbs, saving 730kwh of electricity on average every month. Also, Hana Asset Trust takes the initiative in reducing the use of consumables by cutting the use of paper cups and color printers and recycling scrap paper for printing drafts. We also designate every second Friday as "Family Day" and to clean the offices and collect unused office supplies.

Regular Volunteer Work

The Love Sharing Volunteer Corps was organized by Hana Asset Trust employees in 2013 based on the Hana Asset Trust Funeral Service. A group of up to ten Hana Asset Trust employees visits the Myeonghwa Community Welfare Center in Suseo-dong, Gangnam-gu, Seoul, once a month to serve lunch and clean the kitchen for seniors and deliver lunch to seniors with limited mobility.

A staffer in charge of the welfare center

I just cannot thank Hana Asset Trust workers enough for their unfailing commitment at the same time at the same place in every month.

Hana Asset Trust received an appreciation plaque from the welfare center in 2014 for its sincere CSR activity. We also held the "Gimchi and Bread Sharing" event in December 2014 to deliver the Kimchi and bread they made to seniors living-alone in Seocho-gu and Gangnam-gu, Seoul.

Hana Savings Bank

CEO of Hana Savings Bank
Su-Jin Jeong

Happy Finance through Happy Growth, Happy Competition, and Happy Sharing!

Armed with its advanced financial know-how and competitiveness at home and abroad, Hana Savings Bank offers quality services and differentiated financial products. We put emphasis on healthy management and rigorous risk management, and strive to fulfill our role as a bank that brings happiness to all with HFG's mission of "Growing Together, Sharing Happiness" We will take the initiative in maintaining credit order and maximize synergistic effects through joint marketing with HFG affiliates to secure sustainable growth engines, promoting financial accommodation for people and and fulfilling its role as a savings bank.

Company Overview

Date of Foundation	February 8, 2012
No. of Employees	165 (Dec. 2014)
HQ Address	293 Jong-ro Jongno-gu, Seoul, Korea
Tel.	+82-2-1899-1122
Website	www.hanasavings.com

Major Sustainability Management Achievements

Customer complaints for the previous year due to the implementation of complaints feedback system	**A reduction of 30%**	The balance of Rental Housing Loans for low-income families	**KRW 86.8 billion**

Hana Savings Bank's Sustainability Management Activities in 2014

Systematic Risk Management

Hana Saving Bank systematically manages general risks in order to respond to an external economic environment while fulfilling its principles and duties on the basis of trust and sincerity as a financial expert. We carry out diverse activities, including product risk analysis, tighter supervision, and operational risk management, and monitor the feasibility of follow-up management through the early risk warning system.

1. The 2014 Family-friendly Company Certification Award Ceremony

Product Risk Analysis	Inspection of risk factors of new personal loan products that have already launched
	Analysis of risk factors before the launch of new products
Tighter Supervision	Improvement in the work process through the supervision of the launch of branch and inspection of marketability loan risk factors
	Tight loan supervision on a regular basis
	Supervision of loan balance of over KRW 300 million and conducting total review of newly approved loans
Operational Risk Management	Improvement of the items in the risk management system that need to be improved
	Interviews and inspection of loan agents on a regular basis
	Completion of the development of credit scoring system (CSS) and behavior scoring (BS) models

Protection of Financial Consumers' Rights and Interests

Hana Savings Bank cut customer complaints by 30 percent from the previous year by taking the initiative in protecting the rights and interests of financial consumers through the launch of the financial consumer protection system and collecting feedback from employees in relation to major topics of customer complaints for the prevention of consumer complaints. We also held the role-playing contest for the protection of financial consumers in order to raise awareness of financial consumers and utilize relevant video clips as training materials, preventing incidents of incomplete sales of financial products. In an effort to reinforce our activity to protect financial consumers, we identify problems that may cause customer inconvenience by conducting customer and employee surveys on a regular basis and inspect consumer protection activities by monitoring all business departments

Launch of the Rental Apartment Loan for Happiness Plan

With an increase in the supply of rental apartments for low-income people, the demand for microcredit loan products is on the rise. In order to keep up with such trends, Hana Savings Bank launched the Rental Apartment Loan for Happiness Plan to vitalize the loan market.

Family-friendly Business Certification in 2014

Hana Savings Bank runs diverse programs designed to help its employees to maintain a balance between work and family. We assign female managers to major departments, hold meetings to listen to the feedback from management-level female workers, and offer training programs to promote company-wide support for female employees and their families as part of our efforts to create and spread comfortable workplaces for women. As a result, we were certified as the "2014 Family-friendly Business" and won the Ministry of the Gender Equality & Family Award given by the Ministry of the Gender Equality and Family in December 2014.

Hana Asset Management

CEO of Hana Asset Management
Kuk-Hyung, Lee

Reliable Investment Partner for the Optimal Outcomes

Since its launch in 2006 as Korea's first asset management company that specializes in real estate, Hana Asset Management continues to grow thanks to customers' consistent interest and support. In March 2010, we joined HFG, adopting advanced financial techniques and building diverse networks. We then launched various financial products, including public offering funds and blind funds. With change and innovation, we are committed to growing as Korea's No.1 alternative investment asset management company. We will always be your reliable investment partner for the optimal outcomes.

Company Overview

Date of Foundation	April 14, 2006
No. of Employees	38 (Dec. 2014)
HQ Address	512 Teheran-ro (10th Fl, Sinan Bldg., Daechi-dong), Gangnam-gu, Seoul, Korea
Tel.	+82-2-2190-6514
Website	www.hanaassetmanagement.com

Major Sustainability Management Achievements

Houston, Texas, USA	**Investments in commercial buildings and launch of aircraft funds**	The number of employees participating in CRS activities	**40 employees**

Hana Asset Management's Sustainability Management Activities in 2014

Global Market Entry

In the midst of the recent economic conditions characterized by slow growth and low interest rates, Hana Asset Management has actively promoted overseas investments in commercial real estate and special assets in order to supply profitable products to its customers. We have invested in commercial offices in Houston, Texas, a region that has seen rapid growth thanks to the oil gas industry, and launched aircraft funds based on consistent partnership with overseas aircraft agencies.

As an expert asset manager in alternative investment, we will continue to set our sights on investment markets around the world to provide customers with lucrative products.

1. Houston office,
2. Junior Board Happy Workplace Making event
3. Visit to seniors living alone as part of CSR activity

Activities forEnjoyable Workplace

In April and May 2014, Hana Asset Management held the Junior Board jointly with Hana Asset Trust. Employees at the section chief and assistant chief level attended the meeting with the CEO to share various innovative ideas related to work and offer young employees the opportunity to participate in management. The participants also exchanged opinions on the newly formulated "Vision 2025."

CSR Activities in local communities

In December 2014, employees at Hana Asset Management and Hana Asset Trust attended a "Bread Sharing, Kimchi Sharing" event, a volunteer activity for the underprivileged. Over 40 employees made Kimchi with 500 cabbages and 50 boxes of bread to deliver them to seniors living alone in the Seocho-gu and Gangnam-gu areas.

KEB F&I

CEO of KEB F&I
Sang-Sik Lee

Top-notch Investment Manager that Leads the NPL Market

KEB F&I successfully changed its business field from loan business to non-performing loan (NPL) investment and management in December 2013. Since then, we have invested in diverse nonperforming loans, worth KRW 350 billion, including portfolio bonds, collateralized portfolio bonds, unsecured bonds, single collateralized bonds and other NPLs, establishing itself as a company with diverse portfolios of NPL investment in a short time. KEB F&I will continue to grow as Korea's No. 1 NPL investor with change and innovation.

Company Overview

Date of Foundation	September 11, 1989
No. of Employees	21 (Dec. 2014)
HQ Address	43 Dadong-gil, Jung-gu, Seoul, Korea
Tel.	+82-2-3708-2114
Website	www.kebfni.co.kr

Major Sustainability Management Achievements

KRW 306.6 billion	Donations presented
in NPL investment	to Raphael House

KEB F&I's Sustainability Management Activities in 2014

Stabilization of the New NPL Business

After the change of its business field from loan business to NPL investment and management in December 2013, KEB F&I undertook an organizational reshuffle and recruited NPL experts. In March 2014, the company changed its name to KEB F&I, gearing itself up for new business activities. With the launch of the KEB-W-1st Securitization Specialty Co. in March 2014 as the beginning, KEB F&I hit KRW 306.6 billion in investment in NPLs, entering into the NPL investment market in full swing.

1. KEB Capital renamed KEB F&I
2. The workshop "Outlook for the 2014 NPL Market and Counterstrategy" held for KEB F&I employees
3. Donations presented to Raphael House

KEB F&I will continue to do its best to become Korea's No. 1 NPL investment and management company that leads the NPL market, creating synergistic effect for HFG and discovering diverse sources of profit through NPL investment as a nonbank affiliate of HFG.

Donations Presented to Raphael House

KEB F&I employees visited Raphael House for severely disabled children to present donations in an effort to help the organization in financial difficulties. Raphael House is funded by governmental subsidy (10 percent) and private parties (90 percent). KEB F&I plans to provide consistent financial support for Raphael House and perform employees' volunteer works.

Campaigns for Cost Cut and Energy Conservation

KEB F&I came up with measures to cut cost in 2014 and conducted a company-wide campaign that all employees join. We encourage employees cut cost by printing drafts on the unused side of paper, avoiding color printing, recycling office supplies, and replacing paper cups with personal cups. We also take the lead in saving energy and cutting cost through diverse activities, such as turning off electronic office equipment when not in use, avoiding using electric heaters, practicing eco-driving, and unplugging when leaving the office.

KEB Futures

CEO of KEB Futures
Dong-Hoon Shin

Grand slam Investment Is Waiting for You.

KEB Future aims to provide customers with "the best customer service" through its one-stop service system that allows customers to trade both domestic and overseas futures. It boasts world-class infrastructure, including the efficient management system and up-to-date investment information system. We do our best to become the best futures company customers trust and love most.

Company Overview

Date of Foundation	September 24, 1997
No. of Employees	77 (Dec. 2014)
HQ Address	17th Floor (FKI Tower), 24 Yeoui-daero, Yeongdeungpo-gu, Seoul, Korea
Tel.	+82-2-3770-4100
Website	www.kebf.com

Major Sustainability Management Achievements

1, 111 briquettes
and rice delivered to the underprivileged living in the Singil-dong area

KEB Futures' Sustainability Management Activities in 2014

CSR Activity for the Underprivileged

On December 6, 2014, KEB Futures employees delivered 1,111 briquettes and rice to the needy in the Singil-dong area as part of the "Modu-Hana Day" campaign. Over 30 employees led by the CEO and comedian Gyeong-Jin Kim joined the effort. All participants agreed to participate in the volunteer work on a regular basis.

KEB Investor Services

CEO of KEB Investor Services
Byeong-Hyeon Ahn

We Promise More Advanced Services with Over Ten Years of Experience

Since its spinoff from KEB in 2003, KEB Investor Service has continued to grow into a market leader in the general office management business with customer trust. In 2012, we joined HFG, a global player in the financial industry, taking a leap forward to expand and improve its services through cooperation and support among HFG affiliates. We will continue to provide our customers with world-class services through consistent investment and system development. We are vowed to deliver utmost customer happiness as the core of our values by meeting customer demand and achieving customer satisfaction.

Company Overview

Date of Foundation	April 1, 2003
No. of Employees	124 (Dec. 2014)
HQ Address	6th Floor, 43 Dadong-gil (Hanoi Bldg., Da-dong), Jung-gu, Seoul, Korea
Tel.	+82-2-6714-4614
Website	www.kebis.co.kr

Major Sustainability Management Achievements

Presentation Held on the Launch of
the Next-generation System Development Project

KEB Investor Services' Sustainability Management Activities in 2014

Presentation Held on the Launch of the Next-generation System Development Project

KEB Investor Services held a presentation on the Next-generation System Development Project on April 30, 2014. As the customer demand for sophisticated services is increasing and the existing IT system is worn out, making program re-use difficult, the Next-generation system project aims to build a system designed to improve IT flexibility and dexterity. Aiming to improve the transaction of fiduciary assets and improve complicated system, the Next-generation System Development Project is slated to kick off on July 1, 2016. The presentation covered the direction of the project and discussion on the development of a stable and seamless advanced system.

03 Hana Network

HFG is committed to sharing profits with all its stakeholders and bringing happiness to all members of the society through the generation of shared value and faithful fulfillment of its duties.

04 Appendix

70 General Standard Disclosures
74 Economic
75 Environment
77 Labor Practices and Decent Work
79 Human Rights
80 Society
81 Product Responsibility
82 GRI G4 Index
86 Independent Assurance Report
88 2014 Awards
89 History of Sustainability Report Publication

General Standard Disclosures

Strategy and analysis

G4.1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organiza¬tion and its strategy.	Page 4~5

Organizational Profile

G4.3	Name of the organization	Hana Financial Group
G4.4	Primary brands, products, and services	Page 9
G4.5	Location of the organization's headquarters	55 Eulji-ro (Eulji-ro 2-ga), Jung-gu, Seoul, Korea
G4.6	The number of countries where the organization operates and names of countries where either the organization has operations	Page 6~7
G4.7	Nature of ownership and legal form	Page 6~7
G4.8	The markets served (service sectors and types of customers, etc.)	Page 9
G4.9	The scale of the organization	Page 6~7
G4.10	Number of employees (total workforce and by employment contract, gender, and employment type)	

The total number of employees of HFG is 20,682.

Classification		Unit	2012	2013	2014
Total Employees		person	21,313	21,148	**20,682**
Position	Executives	person	146	141	**138**
	Managers	person	2,279	2,314	**2,349**
	Assistant Team Manager-level	person	7,200	7,316	**7,273**
	Rank-and-file(clerks)	person	11,688	11,377	**10,922**
Social Minority	Women	person	11,219	10,991	**10,850**
	People with Physical Disabilities	person	150	147	**142**
Employment Type (Executives excluded)	Regular	person	16,111	16,099	**15,689**
	Unlimited Contract Workers	person	2,399	3,551	**3,626**
	Non-regular-①1)	person	2,178	868	**754**
	Non-regular-②1)	person	568	595	**536**

1) Employees to whom the Act on the protection, etc. of fixed-term part-time workers is applied
2) Non-regular employees to whom the Act on the protection, etc. of fixed-term part-time workers is not applied (contract-based professionals, etc.)

G4.12	Supply chain	Page 46~47
G4.13	Any significant changes in the organization during the reporting period	None
G4.14	Precautionary approach or principle addressed	
G4.15	A list of externally developed economic, environmental, and social charters principles, or other initiatives	

Hana Bank joined the UNGC (UN Global Compact) and UNEP Finance Initiative (UNEP FI) in 2007 for the improvement of ethics and the environment worldwide.

G4.16	A list of memberships of associations	
G4.17	A list of all entities included (or not included) in the organization's consolidated financial statements or equivalent document	None

General Standard Disclosures

Identified material aspects and boundaries

G4.18	The process for defining the report content and the boundaries, the applicable methods of the reporting principles	
G4.19	A list of materiality analysis identified in the process for defining report content	Page 36~37
G4.20	The reporting boundary within the organization for each material issue	
G4.21	The reporting boundary outside the organization for each material issue	

Materiality Analysis Process

HFG conducted a materiality Analysis in order to identify the issues that our stakeholders were most concerned for and that had most impact on our business. We then report our sustainability management performance based on the material analysis results. The key issues are identified through the process of four steps, including the creation of issue pool, analysis of internal/external issues, prioritization, and selection of key issues. We plan to utilize the final results for HFG's sustainability management in general.

Creation of issue pool

Collection of issues related to sustainability management in HFG including all affiliates

Analysis of internal/external issues

1. Analysis of internal issues
Analysis of issues discussed at major business meetings, CEO message, and agenda of HFG's Committee for Sharing Happiness
2. Analysis of external issues
Media analysis: Collection and classification of all media coverage of HFG's sustainability management activities through media research in 2014
Benchmarking of competitors: Analysis of advanced global players in the financial industry in terms of their sustainability management activities
Analysis of the global guidelines: Global standards for sustainability management, including GRI G4 and ISO 26000 and analysis of the Dow Jones Sustainability Index (DJSI)

Prioritization

Prioritization through comprehensive analysis of the stakeholders' level of interests in the 30 issues identified through the analysis of internal/external issues and their impact on HFG's business

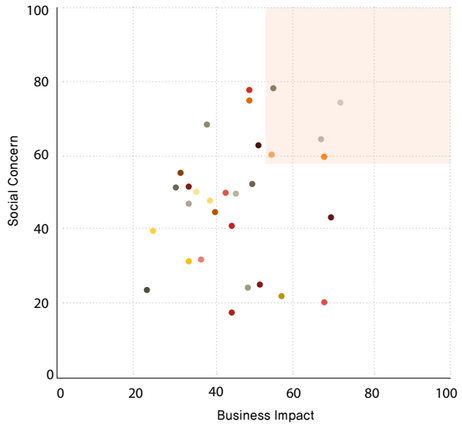
Selection of key issues

Selection of 8 key issues that stakeholders are concerned for most and that had most impact on HFG's business

Materiality Test Analysis Results

The 2014 Sustainability Management Report selected five issues through the materiality test analysis and included this section in order to report the issues in depth in-depth issues. The five issues consist of CSR activity, customer-oriented management, compliance management, comprehensive management, human resource management and each issue includes the HFG's management approach and its activity in 2014.

- Fair distribution of economic benefits
- Soundness of corporate governance
- Disclosure of the compensation of BOD and executives
- Integrated risk management
- Vitalization of online banking
- Compliance management
- Global financial market entry
- Strategic brand management
- Reinforcement of market dominance through management revenue increase and innovation
- Development of products for climate change response and green culture promotion
- Establishment of a system for environmental performance management
- Increase in spending for environmental protection and investment
- Reinforcement of the environment management system specialized in financial services
- Scale-up of accessibility to financial services
- Effort to prevent money laundering and eradicate unfair training
- Recruitment of core talents and scale-up of employee competence
- Enhancement of customer satisfaction
- Provision of services for secure financial transactions
- Protection of financial consumer information
- Provision of accurate marketing information
- Investment with human rights and labor practices under consideration
- Creation of a stable employment environment
- Higher trust and cooperation among the labor and management
- Development of customized products and services
- Creation of a corporate culture of work-life balance
- Fair performance evaluation and compensation
- No discrimination and fair opportunities
- Expansion of financial support for SMEs
- CSR activities that leverage the nature of the financial industry
- Expansion of support for local communities



G4.22	The effect of any restatements of information provided in previous reports and the reasons for such restatements	N/A
G4.23	Significant changes from previous reporting periods in the scope and aspect boundaries	N/A

General Standard Disclosures

Strategy and analysis

G4.24	A list of stakeholder groups
G4.25	The basis for identification and selection of stakeholders
G4.26	The organization's approach to stakeholder engagement
G4.27	Key topics and concerns by each stakeholder group

HFG operates diverse channels of communication with stakeholder groups in order to listen to the constantly evolving voices of its stakeholders and incorporate them in management activities. We disclose HFG's management strategy, activity, and performance in a transparent manner, and continue to communicate with stakeholder groups consistently through diverse activities, including general stakeholder meetings, business performance announcement, and operation of CSR website, corps, and foundation.

Communication Channel

Customers	■ Website ■ Customer Center ■ Customer satisfaction survey ■ SNS
Local Communities	■ CSR website: "Moduda-Hana (All in One)" (See the website.) , CSR activity on Hana Bank website ■ HFG website: Hana Foundation, KEB Foundation (See the website) ■ Support for sports/cultural activities: basketball teams, LPGA golf (See the website.) , national soccer team, national luge team
Shareholders/ Investors	■ Business report ■ General shareholder meetings ■ Business performance announcement ■ Corporate disclosure/management disclosure
Employees	■ Employee portal: Hana's World (www.hanasesang.com) ■ Labor-management council: labor union ■ Communication with management: communication with the president of the bank
Suppliers	■ Meetings with suppliers ■ Website ■ Surveys

HFG conducted the "2014 HFG Sustainability Management Stakeholder Survey" in order to identify the issues on sustainability management each stakeholder group considers important. The survey, which consisted of 30 sustainability management issues, was conducted among various stakeholder groups, including customers, shareholders, investors, employees, suppliers, NGOs, and academic research organizations for four weeks. The results of the survey were used to identify the level of sustainability management of HFG and core issues.

General Standard Disclosures

Report profile

G4.28	Reporting period	Page1

The reporting of this report spans from January 1, 2014 to December 31, 2014. In this report, information on performance indicator for three years is disclosed. The report partially contains achievements in 2015, if HFG's significant activities and timeless are required.

G4.29	Date of the recent published report

2013 HFG Sustainability Report published in: September 2014

G4.30	Reporting cycle

The HFG publishes the sustainability report every year.

G4.31	Inquiries on the report

Hana Financial Group Communications Team (02-2002-1760)

G4.32	GRI Index, External Independent Assurance Report	Page 82–87
G4.33	The organization's policy and current practice with regard to seeking external assurance for the report, the scope of and basis standard of for the external independent assurance report, relationship between the organization and the assurance providers, and the involvement of the highest governance body or senior executives in the assurance of the organization's sustainability report	

To ensure reliability, objectivity, and fairness of this report, the third-party assurance has been conducted on the process of assurance upon all the content and data by an assurer that has no affiliation with HFG. The assurance statement is available on pages 86–87.

Governance structure and composition

G4.34	The governance structure of the organization and committees responsible for decision-making on economic, environmental and social impacts

HFG operates the Committee for Sharing Happiness, the most senior decision maker in relation to sustainability management activity, in an effort to enhance its capacity to fulfill the mission, "Growing Together, Sharing Sappiness," and practice socially responsible management through support for microcredit, SMEs and youth start-ups, consumer protection, and vitalization of CSR activities.

G4.35	The organization's values, principles, standards and norms	Page 4

Economic

Economic performance

EC1 The creation and distribution of economic value

The year 2014 was marked by various problems the financial industry faced, such as consistent trends in low interest rates, tightened banking-related regulations, and a general slowdown in the real estate and stock markets, along with concerns about global economic recessions in developing nations, despite the relatively smooth economic recovery in advanced nations. Despite such circumstances, Hana Bank won "the Best Bank in Korea" awards, the most prestigious awards given to a bank in each nation by Euromoney, for two consecutive years and KEB (Korea Exchange Bank). Also, KEB won the Presidential Prize at the "2014 Small and Medium BusinessEnterprise of National Merit Support Group" Award, gaining public recognition as Korea's leading financial group at home and abroad. In addition, the HFG reached KRW 309.5 trillion in the assets, firmly establishing itself as a powerhouse in Korea's financial industry. In 2014, the HFG saw KRW 937.7 billion in consolidated net profit and 4.55 percent in return on equity (ROE). It also reached 1.35 percent in non-performing loans (NPL) ratio, a 0.13 percent point decrease from the previous year.

Distributed conomic Value (Unit: KRW billion)

	2013	2014
Employees' wage & retirement wage	1,992.9	2,080.4
Corporate tax, taxes, and duties by government	400.7	408.5
Cost of suppliers by partner companies	1,244.5	1,253.8
CSR activities for local communities	71.5	70.8
CSR-related financing (New Hope Seed Loan, etc.)	622.1	492.0

EC2 Financial effects of climate change on the organization's activities, other risks and opportunities

HFG has consistently monitored the direct and indirect impact of climate change on the financial industry and formulated environmental management strategies suitable for financial businesses. Also, we joined the UNEP Financial Initiative as part of the activities it carries out in relation to risks and opportunities resulting from climate change.

EC3 Coverage of the organization's defined benefit plan obligations

HFG runs a retirement pension system for its employees' stable livelihood after retirement. For pension management, HFG selects business operated with high credit ratings and payment competencies, seeking stability, profitability, and soundness.

EC4 Government's financial assistance

HFG does not receive any financial assistance from the Korean government as of late 2014.

Market presence

EC5 Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation

Employees at HFG receive wages three times higher than the statutory minimum wage without a gender wage gap.
*The statutory minimum wage as of 2014 stands at KRW 1,088,890 (for 209 hours of work/month or 40 hours/week)

EC6 Proportion of senior management hired from local communities

HFG recruits overseas employees for localization local communities, contributing to job creation for the country in question.

		Unit	2012	2013	2014
The number of home-based workers	Hana Bank	person	873	7	43
	KEB	person	727	742	1,142
The ratio of home-based workers	Hana Bank	%	94	72	72
	KEB	%	27	85	90
The number of home-based managers	Hana Bank	person	43	-	-
	KEB	person	134	24	29
The ratio of home-based managers	Hana Bank	%	4.9%	0.0%	0.0%
	KEB	%	18.4%	3.2%	2.5%

Procurement Practices

EC9 Proportion of spending on local suppliers at significant locations of operation 100%

HFG encourages local procurement for goods for the vitalization ofto promote the local economy.

Environment

Raw materials

Raw materials encourages the use of renewable materials in order to enhance sustainability of resources. It also carries out a company-wide campaign to print drifts on the unused side of paper and replace paper documents with electronic documents.

EN1 Raw materials

Management of paper waste: HFG used 3,442 tons of paper in 2014, which translates into a 29 percent decrease from the previous year. All employees at HFG will continue to minimize paper waste, contributing to the practice of eco-friendly management.

Performance (Unit: ton)

	2012	2013	2014
Amount of paper used	7,213	4,841	3,442

Energy

Energy With recent tighter control of energy consumption through various systems such as the greenhouse gas emissions target management system and the implementation of the emissions trading system, there is growing concern about the financial impact of energy consumption and climate change. HFG is acutely aware of the fact that energy conservation through the less use of natural resources such as charcoal and oil is one of the most effective ways of cutting costs and greenhouse gas emissions. Accordingly, we make every effort to save energy by designating a "car-free day" every month and replacing light bulbs with LEDs in the headquarters buildings and branches, and turning off lights when leaving offices.

EN3,5,6,7 Energy (단위: TJ)

	2012	2013	2014
Energy Use Intensity (Scope 1)	60	57	46
Energy Use Intensity (Scope 2)	624	587	545
Energy Use Intensity (Scope 1+2)	0.032	0.030	0.029

*Scope of data collection: Hana Financial Group, Hana Bank, KEB

Water

Water As HFG is acutely aware of the fact that Korea is one of the designated countries of water shortage by the World Resource Institute (WRI), it engages in a variety of activities to stop the irresponsible use of water. For instance, we install automatic sensors on the sinks in the bathrooms in the company buildings and conduct a campaign to use "only an appropriate amount of water for facial cleansing and tooth brushing" to raise awareness among employees.

EN8,9,10 Water

	2012	2013	2014
Water Consumption	290,158	173,280	144,038
Water Use Intensity (ton/KRW 100 million)	3.93	2.74	2.31
Water sources significantly affected by withdrawal of water	N/A	N/A	N/A

* Scope of data collection: HFG, Hana Bank, and KEB

Biodiversity

Biodiversity Roughly 25,000 to 50,000 species extinguishes each year due to development and pollution, posing serious threat to biodiversity. HFG takes various actions to conserve biodiversity consistently.

EN13 Protection and restoration of habitats

Seed Bank Garden: HFG created a sustainable Seed Bank Garden in 2013 as part of CSR activity for aggressive environmental protection. We also take action proactively to conserve nature and prepare for the future. The Seed Bank Garden preserves seeds of over 200 species as of December 2014.

Environment

Emissions

Emission Korea runs diverse programs in a bid to cut greenhouse gas emissions as a way of addressing climate change, such as the greenhouse and energy target management system and the emissions trading since 2015. In its effort to support the governmental policy to solve problems with climate change, HFG declared itself as the "Green Bank on the Move" in 2009, engaging in diverse activities for the reduction of greenhouse gas emissions.

EN 15,16,18,19 Emission (Unit: tCO_2e)

	2012	2013	2014
Indirect greenhouse gas emissions (Scope 1)	2,730	2,650	2,583
Indirect greenhouse gas emissions (Scope 2)	30,535	28,696	26,874
Total emissions	33,265	31,346	29,457
Greenhouse gas emissions intensity (based on the number of employees)	1.55	1.38	1.42

* Data collected from: HFG, Hana Bank (head office, training institute), KEB (head office, Bangbae building, Open Training Center)

Products and services

Products and Services HFG strives to develop financial products for the decrease of environmental impact on the industry and spread them through the participation of all HFG affiliates.

EN27 Mitigation activities of environmental impacts on products and services and its accomplishments

HFG supports renewable energy projects for the reduction of environmental impacts. KEB, for instance, offered financial consulting services for various local power and renewable energy development projects, such as the Daejeong Offshore Wind Power project on Jeju, Combined Heat and Power Plant project in Daejeon, and Gasiri Wind Energy project on Jeju. It also fulfilled the financial consultation service in relation to the "Seoul Noeul Fuel Cell Power Development Project" in 2014. Slated to be completed in June 2015, the 20- Seoul Noeul Fuel Cell Power Plant will produce 157.6 billion KWh of electricity and 65 billion kcal of heat energy a year, leading to a decrease of over 20,000 tons of CO2 emissions annually.

Effluents and waste

EN29 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations

HFG abides by environmental laws and regulations and had no record of sanctions due to any violation of environmental laws and regulations in 2014.

Overall

EN31 Total environmental protection expenditures and investments by type

HFG is consistently making investments in the environment sector for its sustainable growth as a green financial player.

	2013	2014
Total amount of spending and investment for environmental protection	767	272

Labor Practices and Decent Work

Employment

Employment HFG bans forceful labor and child labor prescribed in the protocol of the International Labour Organization (ILO) and complies with the National Labor Relations Act. Aiming to shape itself into a workable workplace where its employees want to work all their lives, it carries out a variety of activities, including the expansion of the benefit package, creation of a healthy organizational culture, introduction of healthcare programs, improvement of family-friendly programs, support for a balance between work and life, operation of in-house childcare centers, and the adoption of a reasonable performance assessment system.

LA1 The number and ratio of new employees and employee turnover

Classification		Unit	2012	2013	2014
Hana Bank	Employee Turnover	person	1,591	619	401
	Employee Turnover	%	7.4	6.6	4.4
KEB	Employee Turnover	person	384	330	375
	Turnover Ratio	%	4.8	4.2	5.1
Hana Bank	New Recruitment	person	1,081	581	262
KEB		person	543	272	138

LA2 Benefits exclusively provided to full-time employees Page 48~51

LA3 Return to work and retention rate after parental leave

	2012	2013	2014
No. of employees that took childcare & parental leave			
Total employees	1,086	1,078	1,133
Male employees	1	1	1
Female employees	1,085	1,077	1,132
The ratio of employees who returned to work after parental leave (%)			
Total employees	90.6	90.9	88.5
Male employees	100	100	100
Female employees	90.5	90.8	88.5
The ratio of employees who returned to work for at least one year after parental leave (%)			
Total employees	96.3	97.3	93.7
Male employees	100	100	100
Labor management relations	97.0	97.2	93.7

Labor management relations

Labor management relations HFG actively communicates with its employees in relation to any changes in management when they happen.

LA4 Prior notice period arising from operational changes 60일

Occupational health and safety

Occupational health and safety HFG established a comprehensive health management system for its employees to do their work without any health concerns. The system offers an anti-smoking campaign, reservation service for medical centers or clinics, preferential benefits for uninsured items, 24/7 health consultation and intensive care for cancer patients. It also provides its employees with training for the prevention of accidents caused by negligence and conducts a campaign so that its employees can enjoy healthy lives

LA5 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs 100%

LA6 Type of injury and rates of injury, occupational diseases, lost days and absenteeism, and total number of work-related fatalities by region and by gender

Classification		Unit	2012	2013	2014
Hana Bank	Injured	person	10	2	0
	Injury rate	%	0.05	0.0002	0
KEB	Injured	person	10	3	2
	Injury rate	%	0.05	0.04	0.03

LA8 Health and safety topics covered in formal agreements with trade unions

HFG holds both periodic and ad-hoc labor council meetings to discuss various issues related to health and safety.

Labor Practices and Decent Work

Training and education

LA9 The annual average training hour per employee by gender, and by employee category

The development of employees' capacity is essential for HFG's sustainable development. HFG runs a career development program for its employees to grow as professionals in diverse finance-related areas.

Classification		Unit	2012	2013	2014
Hana Bank	Total cost for training	KRW 10,000	1,068,597	1,162,805	1,254,200
	Training cost per person	KRW 10,000	113	119	131
	Training hours per person	Hour	212	103	118
KEB	Total cost for training	KRW 10,000	1,426,865	1,169,000	1,258,027
	Training cost per person	KRW 10,000	182	146	157
	Training hours per person	Hour	128	118	144

LA10 Programs for skills management and lifelong learning to provide support for sustainable employment and career management

HFG supports retired employees by providing them with the opportunity to utilize their experience and expertise through collaboration with "Hana FnA Inc.," an independent agency created solely by Hana Life retirees.

LA11 Percentage of employees receiving regular performance and career development reviews

HFG strives to boost its employees' pride and morale by conducting their performance assessment twice a year and rewarding employees with outstanding performance.

Diversity and equal opportunity

Diversity and equal opportunities HFG respects its employees' diversity and dignity and strives to provide them with equal employment opportunities regardless of their gender, nationality, race, and religion. In an effort to fulfill its vision 2025, "The Trusted Premier Global Financial Group," HFG plans to increase the employment of home-based workers and local channels, providing students studying overseas with the opportunity to join HFG's internship programs and recruiting foreigners living in Korea and in the nations where HFG has its branches.

LA12 Composition of employees and corporate governance according to diversity indicators such as gender, age and minority and other diversity-related indicators

Classification	Unit	2012	2013	2014
Total number of employees	People	21,313	21,148	20,682
The number (ratio) of female employees	People(%)	11,219(52.6%)	10,991(52.0%)	10,850(52.5%)
The number (ratio) of employees with physical disabilities	People(%)	150(0.7%)	147(0.7%)	142(0.7%)

LA13 The average wage ratio of woman to man by employee category

HFG does not discriminate against its employees based on gender in wages.

Supplier assessment for labor practices

G4_LA15 Percentage of new suppliers conducting assessment for labor practices — 0%

Labor practices grievance mechanisms

G4_LA15 Significant actual and potential negative impacts on labor practices in the supply chain and actions taken resulting measures — N/A

G4_LA16 The number of grievances driven by labor practices, and the number of grievances resolved through formal grievance mechanisms

There have not been any grievances about labor practices filed and resolved through the HFG's grievance mechanisms.

Human Rights

Investment

HR1 Percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

HFG's current investment agreement and contracts do not include human rights clauses.

HR2 Total hours of employee training on human rights policies concerning aspects of human rights that are relevant to operations

All employees at HFG receive training in human rights and especially those employees whose work duties are closely related to human rights issues receive intensive education.

Non-discrimination

Non-discrimination HFG conducts performance evaluation to offer appropriate compensation in a transparent and fair way. It prohibits bias in employment, job assignment, and promotion based on gender, nationality, race, and religion, among others.

HR3 Total number of incidents of discrimination and corrective actions taken

There has been no discrimination-related report filed.

Association and collective bargaining

HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

HFG strives to create labor-management culture of mutual growth in all its affiliates. Hana Bank, for instance, operates the Committee for Collective Bargaining with members from both management and labor. The committee, which consists of six members on the management side, including the CEO and leaders of three business units in business management, retail business, and corporate business, head of management support division and chief of the personnel support division, and six members on the labor side, including one chairman and two vice-chairmen, and two chiefs of policy, discusses major issues such as wage negotiations and various collective agreements, contributing to broadening the scope of mutual understanding and forging bilateral trust.

Child labor/Forced or compulsory labor

HR5 Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor

HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor

HFG bans forceful labor and child labor prescribed in the protocol of the International Labour Organization (ILO) and complies with the National Labor Relations Act. HFG, being part of the financial industry, does not include the business areas with high potential for child labor or forced labor.

Indegenous right

HR8 Total number of incidents of violations involving rights of indigenous peoples and actions taken

There is no incident of violations involving rights of indigenous people.

Assessment

HR9 Total number and percentage of operations that have been subject to human rights reviews or impact assessments

Supplier Human Rights assessment

HR10 Percentage of new suppliers conducting assessment for human rights

There is no new supplier that was screened using human rights criteria.

Human Rights grievance mechanisms

HR10 Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms

There is no grievance about human rights impacts field through formal grievance mechanisms.

Society

Local communities

SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	0%
SO2	Operations with significant actual and potential negative impacts on local communities	

HFG carries out various activities to vitalize traditional markets as part of its CSR program. We connect 42 traditional markets across the nation to nearby HFG branches, providing merchants with diverse financial preferential services and run the "mobile Hana Bank" system designed to offer banking services to merchants on the spot.

FS13 <Financial services sector> Access points in low-populated or economically disadvantaged areas by type

Tablet branch service: HFG's tablet branch service defers to the service in which bank employees visit customers who do not have access to a bank during the business hours and offer various financial consulting services using a tablet PC.
Since the launch of the tablet branch service on February 11, 2014, on a trial basis at Hana Bank and KEB, HFG provides the tablet branch service in diverse areas, including Internet banking application and credit loan contract, at 269 Hana Bank branches using 324 tablet PCs. HFG plans to expand the tablet branch service to include all KEB branches and all HFG affiliates, including Hana Capital, Hana Life, Hana Savings Bank,
Hana-KEB Hope Financial Plaza: HFG operates the one-stop financial service "Hana-KEB Hope Financial Plaza" jointly with Hana Bank and KEB. Designed to provide the underprivileged with one-on-one customized financial consulting services, the Hana-KEB Hope Financial Plaza functions as a comprehensive financial counselor for people in need.

FS14 <Financial services sector> Initiatives to improve access to financial services for disadvantaged people

Hana Bank and KEB's joint service for the New Hope Seed Loan: In April 2014, Hana Bank and LEB conducted services to extend emergency funds for educational and medical expenses, funeral services, and preferential points in internship opportunities for subscribers to the New Hope Seed Loan. Subscribers can now be provided with the emergency funds of up to KRW 2 million for educational and medical expenses besides the standard ceiling for the New Hope Seed Loan, and can avail of a waiver with up to 1 percent interest rate.

Anti-corruption

Anti–corruption HFG enacted the code of ethics, which include the value and ethical standards HFG pursues for the establishment of an ethical and creative corporate culture and all employees should abide by. It consists of six chapters and 31 clauses including the preamble, containing HFG's duties for its customers, employees, society, firm, and shareholders.

SO3 No HFG workplace has been identified as workplace assessed for risks related to corruption and the significant risks identified.

No HFG workplace has been identified as workplace assessed for risks related to corruption and the significant risks identified.

SO4 Communication and training on anti-corruption policies and procedures (Unit: hour)

Classification		2013	2014
Hana Bank	Group education	6,222	1,984
	Group education on internal control	5,328	5,104
	Cyber education	17,296	27,513
KEB	Ethics education	10,727	15,783

SO5 Confirmed incidents of corruption and actions taken — There has been no workplace where incidents of corruption took place.

Anti-competitive behavior

SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes

There is no HFG workplace that faced sanctions for unfair competitive behaviors and monopoly practices.

Supplier assessment for impacts on society

SO9 Percentage of new suppliers that were screened using criteria for impacts on society — There is no new supplier screened for impacts on society.

SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken

There is no supplier that gave significant actual and potential negative impacts on society.

Grievance mechanisms for impacts on society

SO11 Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms

There is no grievance about impact on society filed through formal grievance mechanisms.

Product Responsibility

Customer health and safety

PR1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement

HFG does not supply any product or service which health and safety impacts are assessed for improvement

PR2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome

There is no incident of non-compliance with regulations of voluntary codes at HFG

PR3 Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements

HFG does not supply any related product or service

PR4 Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes

There is no incident of non-compliance with regulations and voluntary codes concerning product and service information labeling at HFG.

Product and service labelling

PR5 Results of customer satisfaction survey

HFG conducts monthly on-site diagnosis surveys and phone-based CSI surveys to improve customer satisfaction and takes immediate action to solve the problems identified thus. As a result, HFG's Korea Quality Service Index conducted by the Korea Management Association is improving.

KSQI Touch-point Assessment	2012	2013	2014
Hana Bank	4/10	6/10	2/10
KEB	8/10	4/10	2/10

Marketing communications

PR6 Sales of banned or disputed products — HFG does not sell banned or disputed products.

PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes

There has been no incident of non-compliance with regulations and voluntary codes concerning marketing communications at HFG.

Customer privacy

PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

There has been no complaint for breaches of customer privacy and losses of customer data.

Compliance

PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services — There has been no incident of non-compliance with laws and regulations concerning the provision and use of products and services at HFG.

Financial Services Sector

FS7 <Financial services sector> Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose

Classification		Unit	2012	2013	2014
Hana Bank	Onlending	KRW 100 million	11,411	11,596	7,131
	Mutual Growth Package Loan	KRW 100 million	13,943	14,666	14,939
	Mutual Growth Loan	KRW 100 million	902	1,090	755
	Technical Banking TCB Loan	KRW 100 million	-	-	10,123
KEB	Mutual Growth Loan	KRW 100 million	1,024	276	410
	Corporate Smart Loan	KRW 100 million	63,820	50,001	23,920
	Morale Booster Program for Export Companies	KRW 100 million	-	9,426	3,991

FS8 <Financial services sector > Monetary value or products and services designed to deliver a specific environmental benefit for each business line broken down by purpose

Classification		Unit	2012	2013	2014
Hana Bank	0.3℃	KRW 100 million	725	624	574
KEB	My Solar Partner Loan	KRW 100 million	110	59	49
	New Growth Partner Loan	KRW 100 million	21	54	22
	ESCO Trade Receivables Factoring	KRW 100 million	75	86	54

FS10 <Financialsector indicator> Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues — HFG does not include relevant organizations.

FS11 <Financial services sector> Percentage of assets subject to positive and negative environmental or social screening — HFG does not include relevant assets.

GRI G4 Index

GRI G4			page	Level
1. General Standard Disclosures				
Strategy and Analysis	G4-1	Statement from the most senior decision maker of the organization about the relevance of sustainability to the organiza¬tion and its strategy.	P5	0
Organizational Profile	G4-3	Name of the organization	P6	0
	G4-4	Primary brands, products, and/or services	P9	0
	G4-5	Location of organization's headquarters.	P6	0
	G4-6	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	P6-7	0
	G4-7	Nature of ownership and legal form	P6-7	0
	G4-8	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	P9	0
	G4-9	Scale of the reporting organization, including: Number of employees; Net sales or net revenues; Total capitalization; and Quantity of products or services provided	P77	0
	G4-10	The total workforce by employment type, gender, employment contract and region	P77	0
	G4-11	The percentage of total employees covered by collective bargaining agreements	P77	0
	G4-12	The organization's supply chain	P46-47	0
	G4-13	Any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	P70	0
	G4-14	Explanation of whether and how the precautionary approach or principle is addressed by the organization	P12-13	0
	G4-15	Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	P70	0
	G4-16	Memberships of associations	P70	0
Identified Material Aspects and Boundaries	G4-17	a. All entities included in the organization's consolidated financial statements or equivalent documents b. Explanation of whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	P70	0
	G4-18	a. Process for defining the report content and the Aspect Boundaries b. How the organization has implemented the Reporting Principles for Defining Report Content	P71	0
	G4-19	All the material Aspects identified in the process for defining report content	P32	0
	G4-20	The Aspect Boundary within the organization for each material Aspect	P71	0
	G4-21	The Aspect Boundary outside the organization for each material Aspect	P71	0
	G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements.	P71	0
	G4-23	Significant changes from previous reporting periods	P71	0
Stakeholder Engagement	G4-24	A list of stakeholder groups engaged by the organization	P72	0
	G4-25	The basis for identification and selection of stakeholders with whom to engage	P72	0
	G4-26	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken	P72	0
	G4-27	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns including through its reporting. (Key topics and concerns by stakeholder)	P72	0
Reporting profile/ Report profile	G4-28	Reporting period	P1	0
	G4-29	Date of most recent previous report (if any)	P73	0
	G4-30	Reporting cycle	P73	0
	G4-31	The contact point for questions regarding the report or its contents the contact point for questions regarding the report or its contents	P73	0
	G4-32	GRI Content Index a. The 'in accordance' option the organization has chosen (core or comprehensive) b. The GRI Content Index for the chosen option c. The reference to the External Assurance Report, if the report has been externally assured	P76	0
	G4-33	a. The organization's policy and current practice with regard to seeking external assurance for the report b. The scope and basis of any external assurance provided c. The relationship between the organization and the assurance providers. d. Whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	P73	0
Governance	G4-34	The governance structure of the organization, including committees of the highest governance body; Any committees responsible for decision-making on economic, environmental and social impacts.	P73	0
Ethics and Integrity	G4-56	The organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	P43	0
2. Specific Standard Disclosures				
Disclosures on Management Approach (DMA)	G4-DMA	a. Report why the Aspect is material. Report the impact that make this Aspect material. b. Report how the organization manages the material Aspect or its impacts c. Report the evaluation of management approach	P71	0
Economic				
Economic performance	DMA	Disclosure on Management Approach	P74	0
	G4-EC1	Direct economic value generated and distributed	P74	0
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	P74	0

GRI G4 Index

GRI G4			page	Level
Economic performance	G4-EC3	Coverage of the organization's defined benefit plan obligations	P74	0
	G4-EC4	Financial assistance received from government	P74	0
Market Presence	DMA	Disclosure on Management Approach	P74	0
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	P74	0
	G4-EC6	Proportion of senior management hired from the local community	P74	0
Indirect Economic Impact	DMA	Disclosure on Management Approach	P74	0
	G4-EC7	Infrastructure investments and services supported		
	G4-EC8	Significant indirect economic impacts		
Procurement Practices	G4-EC9	Proportion of spending on local supplier (To be reported to include neglected businesses including small businesses, minority and women-owned businesses to facilitate their participation in economic activities)	P74	0
Environmental				
Materials	DMA	Disclosure on Management Approach	P75	0
	G4-EN1	Materials used by weight or volume	P75	0
	G4-EN2	Percentage of materials used that are recycled input materials		
Energy	G4-EN3	Energy consumption within the organization	P75	0
	G4-EN4	Consumption of energy outside the organization		
	G4-EN5	Energy intensity	P75	0
	G4-EN6	Reduction of energy consumption	P75	0
	G4-EN7	Reductions in energy requirements of products and services	P75	0
Water	DMA	Total water withdrawal by source	P75	0
	G4-EN8	Water sources significantly affected by withdrawal of water	P75	0
	G4-EN9	Percentage and total volume of water recycled and reused	P75	0
	G4-EN10	Percentage and total volume of water recycled and reused	P75	0
Biodiversity	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None	0
	G4-EN12	Description of significant impacts of activities products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	None	0
	G4-EN13	Habitats protected or restored	P75	0
	G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk		
Emissions	DMA	Disclosure on Management Approach	P76	0
	G4-EN15	Direct greenhouse gas (GHG) emissions	P76	0
	G4-EN16	Indirect greenhouse gas (GHG) emissions	P76	0
	G4-EN17	Other indirect greenhouse gas (GHG) emissions		
	G4-EN18	Greenhouse gas (GHG) emissions intensity	P76	0
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	P76	0
	G4-EN20	Emissions of ozone-depleting substances	None	0
	G4-EN21	NOx, SOx and other significant air emissions	None	0
Effluents and Waste	G4-EN22	Total water discharge by quality and destination		
	G4-EN23	Total weight of waste by type and disposal method		
	G4-EN24	Total number and volume of significant spills	None	0
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention 2 Annex I, II, III, and VII and percentage of transported waste shipped internationally	None	0
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharge of water and runoff	N/A	0
Products and Services	DMA	Disclosure on Management Approach	P76	0
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	P76	0
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category		
Compliance	G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations	P76	0

GRI G4 Index

GRI G4			page	Level
Transport	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organizations' operations and transporting members of the workplace		
Overall	G4-EN31	Total environmental protection expenditures and investments by type	P76	O
Supplier Environmental Assessment	DMA	Disclosure on Management Approach		
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria		
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken		
Environmental Grievance Mechanisms	G4-EN34	Number of grievances about environmental impacts field, addressed and resolved through formal grievance mechanisms		
Social				
Labor Practices and Decent Work				
Employment	G4-LA1	Total number and rates of new employee hires and employee turnover	P77	O
	G4-LA2	Benefits provided only to full-time employees	P48-51	O
	G4-LA3	Return to work and retention rates after parental leave by gender	P77	O
Labor Management Relations	G4-LA4	Minimum notice periods regarding operational changes	P77	O
Occupational Health and Safety	DMA	Disclosure on Management Approach	P77	O
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety	P77	O
	G4-LA6	Type of injury and rates of injury occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	P77	O
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation		
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	P77	O
Training and Education	DMA	Disclosure on Management Approach	P78	O
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	P78	O
	G4-LA10	Programs for skills management and lifelong learning that support continued employability of employees and assist them in managing career endings	P78	O
	G4-LA11	Percentage of employees receiving regular performance and career development reviews by gender and by employee category	P78	O
Diversity and Equal Opportunity	DMA	Disclosure on Management Approach	P78	O
	G4-LA12	Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity	P78	O
Equal Remuneration for Women and Men	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category	P78	O
Supplier Assessment for Labor Practices	G4-LA14	Percentage of new suppliers that were screened using labor practice criteria	P78	O
	G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain actions taken	P78	O
LaborPractices Grievance Mechanisms	G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	P78	O
Human Rights				
Investment	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or underwent human rights screening	P79	O
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	P79	O
Non-discrimination	G4-HR3	Total number of incidents of discrimination and corrective actions taken	P79	O
Freedom of Association and Collective Bargaining	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk and measures taken to support these rights	P79	O
Child Labor	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	P79	O
Forced or Compulsory Labor	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of all forms of forced or compulsory labor	P79	O
Security Practices	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations		
Indigenous Rights	G4-HR8	Total number of incidents of violations involving rights of indigenous people and actions taken	P79	O
Assessment	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	P79	O
Supplier Human Rights Assessment	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	P79	O
	G4-HR11	Significant actual or potential negative human rights impacts in the supply chain and actions taken	None	O
Human Rights Grievance Mechanisms	G4-HR12	Number of grievances about human rights filed, addresses, and resolved through formal grievance mechanisms		

GRI G4 Index

GRI G4			page	Level
Society				
Local community	DMA	Disclosure on Management Approach	P80	O
	G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	P80	O
	G4-SO2	Operations with significant actual and potential negative impacts on local communities	P80	O
Anti-corruption	G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	P80	O
	G4-SO4	Communication and training on anti-corruption policies and procedures	P80	O
	G4-SO5	Confirmed incidents of corruption and actions taken	P80	O
Public Policy	G4-SO6	Total value of political contributions by country and recipient/ beneficiary		
Anticompetitive Behavior	G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust and monopoly practices and their outcomes	P80	O
Compliance	G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncomliance with laws and regulations	None	O
Supplier Assessment on Impacts on Society	G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	P80	O
	G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	P80	O
Grievance Mechanisms forImpactson Society	G4-SO11	Number of grievances about impacts on society filed, addresses, and resolved through formal grievance mechanisms	P80	O
Product Responsibility				
Customer Health and Safety	DMA	Disclosure on Management Approach	P81	O
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	P81	O
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle by type of outcomes	P81	O
Product and Service Labeling	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	P81	O
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	P81	O
	G4-PR5	Results of surveys measuring customer satisfaction	P81	O
Marketing Communication	G4-PR6	Sale of banned or disputed products	P81	O
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	P81	O
Customer Privacy	G4-PR8	Total number of substantiated complaints received concerning breaches of customer privacy and losses of customer data	P81	O
Compliance	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	P81	O
Financial Services Sector Supplement				
Financial Services Sector Supplement	DMA	Disclosure on Management Approach	P81	O
	FS01	Policies on environmental and social components applied to the business		
	FS02	Assessment and review procedures for environmental and social risks in business fields		
	FS03	Process of monitoring the implementation of and compliance with customers' environmental and social needs in a contract or transaction		
	FS04	Process of strengthening employee competency for implementing environmental and social policies and procedures in business fields		
	FS05	Interaction between customers, investors and business partners in association with environmental and social risks and opportunity elements		
	FS06	Percentage of the portfolio for business lines by specific region, size(e.g. micro/SME/large) and by sector		
	FS07	Currency value of products and services designed to provide certain social benefits in each business field specified by purpose	P81	O
	FS08	Currency value of products and services designed to provide certain environmental benefits in each ecified by purpose	P81	O
	FS09	Scope and frequency of the application of audits that assess the implementation of environmental and social policies and risk assessment process	P81	O
	FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues		
	FS11	Ratio of assets subject to environmental and social reviews through both positive and negative methods		
	FS12	Measures on decision-making of shareholders on environmental and social issues within the scope where reporting agencies have the influence in making decisions		
	FS13	Access points in low-populated or economically disadvantaged areas by type	P81	O
	FS14	Initiatives to improve access to financial services for the underprivileged	P81	O
	FS15	Policies on fair design and sales of financial products and services		
	FS16	Initiatives to intensify financial knowledge (education) by recipient type		

Third Party's Assurance Statement

To the Readers of Hana Financial Group Sustainability Report 2014:

Foreword

Korea Management Association Registration Inc. (hereinafter "KMAR") has been requested by of Hana Financial Group (hereinafter "the Group") to verify the contents of its Sustainability Report 2014 (hereinafter "the Report"). The Group is responsible for the collection and presentation of information included in the Report. KMAR's responsibility is to carry out assurance engagement on specific data and information in the assurance scope stipulated below.

Scope and standard

Hana Financial Group describes its efforts and achievements of the sustainability activities in the Report. KMAR performed a Type 1, Moderate level of assurance using AA1000AS (2008) as an assurance standard. KMAR's assurance team (hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, where professional judgment of the team was exercised as materiality criteria.

The team checked whether the Report has been prepared in accordance with the 'Core Option' of GRI G4 which covers the followings.

- **Reporting Principles**
- **General Standard Disclosures**
- **Specific Standard Disclosures**
  - Generic DMA of each of following material aspects
  - Economic Performance: EC1, EC2, EC3, EC4
  - Market Presence: EC5, EC6
  - Procurement Practices: EC9
  - Materials: EN1
  - Energy: EN3, EN5, EN6, EN7
  - Water: EN8, EN9, EN10
  - Biodiversity: EN11, EN12, EN13
  - Emissions: EN15, EN16, EN18, EN19, EN20, EN21
  - Effluents and Waste: EN24, EN25, EN26
  - Products and Services: EN27
  - Compliance: EN29
  - Overall: En31
  - Employment: LA1, LA2, LA3
  - Labor/Management Relations: LA4
  - Occupational Health and Safety: LA5, LA6, LA8
  - Training and Education: LA9, LA10, LA11
  - Diversity and Equal Opportunity: LA12
  - Equal Remuneration for Women and Men : LA13
  - Supplier Assessment for Labor Practices: LA14, LA15
  - Labor Practices Grievance Mechanisms: LA16
  - Investment: HR1, HR2
  - Non-discrimination: HR3
  - Freedom of Association and Collective Bargaining: HR4
  - Child Labor: HR5
  - Forced or Compulsory Labor: HR6
  - Indigenous Rights: HR8
  - Assessment: HR9
  - Supplier Human Grievance Mechanisms: HR10, HR11
  - Local Communities: SO1, SO2
  - Anti-corruption: SO3, SO4, SO5
  - Anti-competitive Behavior: SO7
  - Compliance: SO8
  - Supplier Assessment for Impacts on Society: SO9, SO10
  - Grievance Mechanisms for Impacts on Society: SO11
  - Customer Health and Safety: PR1, PR2
  - Product and Service Labeling: PR3, PR4, PR5
  - Marketing Communications: PR6, PR7
  - Customer Privacy: PR8
  - Compliance: PR9
- **Financial Services Sector Disclosures: FS07, FS08, FS09, FS13, FS14**

This Report excludes a data and information of joint corporate, contractor etc. which is outside of the organization, i.e. Hana Financial Group, among report boundaries.

Our approach

In order to verify the contents of the Report within an agreed scope of assurance in accordance with the assurance standard, the team has carried out an assurance engagement as follows:

- **Reviewed the data management system and the reporting process**
- **Reviewed the internal documents and reference data**
- **Interviewed people in charge of preparing the Report**

Third Party's Assurance Statement

Our conclusion

Based on the results we have obtained from material reviews and interviews, we had several discussions with Hana Financial Group on the revision of the Report. We reviewed the Report's final version in order to confirm that our recommendations for improvement and our revisions have been reflected. When reviewing the results of the assurance, the assurance team could not find any inappropriate contents in the Report to the compliance with the principles stipulated below. Nothing has come to our attention that causes us to believe that the data included in the verification scope are not presented appropriately.

■ Inclusivity

Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.

Hana Financial Group is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder group left out during this procedure.

■ Materiality

Materiality is determining the relevance and significance of an issue to an organization and its stakeholders. A material issue is an issue that will influence the decisions, actions, and performance of an organization or its stakeholders.

Hana Financial Group is determining the materiality of issues found out through stakeholder communication channels through its own materiality evaluation process, and the assurance team could not find any critical issues left out in this process.

■ Responsiveness

Responsiveness is an organization's response to stakeholder issues that affect its sustainability performance and is realized through decisions, actions, and performance, as well as communication with stakeholders.

The assurance team could not find any evidence that Hana Financial Group's counter measures to critical stakeholder issues were inappropriately recorded in the Report.
We could not find any evidence the Report was not prepared in accordance with the 'Core Option' of GRI G4.

Recommendation for improvement

We hope the Report is actively used as a communication tool with stakeholders and recommend the following for improvements.

- **We suggest that the Group specify the vision and strategic framework by the Group and its each subsidiary. The Group needs to draw material issues in consideration of business nature of its subsidiaries.**
- **The Group needs to set up sustainability management decision making system and an appropriate reporting process of following performances.**

Our independence

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

June, 17th, 2015
CEO Ki HO Park

K. H. Park

KMAR AA1000 Licensed Assurance Provider 000-129

04 Appendix

Awards

Affiliate	Date	Awards	Awarded by
Hana Bank	Feb. 19	Named "Korea's Best Private Bank" at the 2nd Awards for Distinction by Asia Private Banker	Asia Private Banker (magazine)
	Feb. 24	Quarterly magazine Hana Bank won Silver Prize in the "banking and insurance magazine sector" and "art and culture magazine" sector at the 27th Mercury Awards	Malcolm (magazine)
	Feb. 26	Won the Minister of Strategy and Finance at the "2014 Microcredit Forum and Microcredit Awards"	Financial News, Microcredit Association
	Apr. 25	Topped in the "Retirement Asset Management" sector at the "2014 Customer Delight Brand Index"	Korea Brand Management association
	May 14	Won Grand Prize at the "3rd Mobile Brand Awards" in the banking sector with its "tablet branch" among banks	Maekyung Media Group
	Jul. 2	Named the Best Bank at the 2014 Korea Retail Finance Service Awards" in the mobile banking and employee engagement sector	Korea Retail Finance Service
	Jul. 17	Named "Korea's Best Bank" by Euromoney for 2 consecutive years	Euromoney (magazine)
	Sept. 3	Certified as an "AARP Age-friendly Business" at the "2014 AARP International Age-friendly Business Award Ceremony" (Korea's first)	American Association of Retired Persons (AARP)
	Sept. 11	Won a prize in the best private bank sector at the "Triple A Private Banking, Wealth Management and Investment Awards 2014" held by The Asset	Asset
	Sept. 24	Won the grand prize in the customer satisfaction sector at the "2014 Asia Today Banking Awards"	Asia Today
	Sept. 25	Named "Korea's Best PB Bank" and "Korea's Best Foreign Exchange Bank" at the Private Banking Poll 2014" held by Asiamoney	Asiamoney
	Sept. 25	Won the grand prize in the "Multicultural Family Support" sector at the "5th Forbes CSR Awards" held by the KCCI (for 5 consecutive years)	The Korea Chamber of Commerce and Industry (KCCI)
	Oct. 29	Named the "Global Best Digital Communication Private Bank" at the "6th Global Private Banking Awards 2014" held jointly by the Banker and PWM	The Banker & PWM
	Nov. 13	Won the general grand prize at the "3rd Financial Consumer Protection Awards" (for 2 consecutive years)	
	Nov. 24	Won the Minister of Security and Public Administration Prize in recognition of its online disaster relief activity	
	Nov. 27	Named "the Korea's Best benk" by The Banker	The Banker (magazine)
	Dec. 03	Won the "International Business Awards" at the "2014 Korea Communication Awards"	
	Dec. 03	Recognized for its "Promotion of Consumer Rights and Interest" by Incheon City	Incheon City
	Dec. 16	'Won the grand prize in the bank sector at the "11th Web Award Korea and Internet Eco Award 2014"	
KEB	Jan .	Won the "Best Trade Finance Bank Award" by Global Finance (13 times in total)	Global Finance (magazine)
	Apr.	Assessed as the best customer center in all business areas and sectors by Korea Management Association Consultants for 7 consecutive years	Korea Management Association Consultants
	Jul.	Presidential Prize at the "2014 Small and Medium Business of National Merit Support Group" Award	
	Jul.	Won the second prize at the Mobile Banking App in the bank sector	Sookmyung Women's University Web Sustainability Institute
	Sept.	Won the "Best Foreign Exchange Bank Prize" by Finance Asia for 7 consecutive years	Finance Asia (magazine)
	Sept.	Named the "Best Financial Organization in 5 sectors by Asia Money	Asia Money (magazine)
	Oct.	Won the "Korea's Best Foreign Exchange Bank Award" by Global Finance for 13 consecutive years	Global Finance (magazine)
	Oct.	Certified as Korea's Innovative Product Winner (Inno Star)	Korea Management Association (KMA)
	Nov.	Ranked 1st in the 2014 Call Center Quality Index (KS-CQI) by the Korean Standards Association for 2 consecutive years	Korean Standards Association
	Dec.	Won the Minister of Health and Welfare Prize in the 2014 Organization of Merit for the Protection of Seniors Living Alone" sector	The Minister of Health and Welfare
	Dec.	Won the Minister of the Gender Equality & Family as an outstanding business for government-private projects	The Minister of Gender Equality & Family
Hana Daetoo Securities	Jan. 24	Won the House of the Year awards at the KOSDA Awards	Korea Options, Swaps & Derivatives Association
	Jan. 24	Won the Best Financing Arranger award at the Bell League Table Awards	The Bell
	Mar. 25	Won the "PB of the Year" prize at the The Bell WM Awards	The Bell
	Jul. 16	Won the Korea Best Report in the Newly listed item sector	Money Today
	Nov. 17	Won the Best MTS Award in the financial product sector	Money Today
KEB Hana Card	Feb.	Won 2014 Korea's Best Banker Award	Seoul Economic Daily
	Mar.	And the Chairman of the Credit Finance Association of Korea Prize	
	May.	Club SK Card members hit one million Won the AMEX Innovative Product Prize	AMEX
	Jun.	Launched the total mobile service "Mobi Box App"	
	Dec.	Won the Aju Business Daily Banking and Security Grand Prize in the service improvement sector	Aju Business Daily

Milestones of the HFG's Sustainability Report Publication

2006 Hana Bank Sustainability Report

2008 Hana Bank Sustainability Report

2009 Hana Bank Sustainability Report

2010 Hana Bank Sustainability Report

2011 HFG Sustainability Report

2012 HFG Sustainability Report

2013 HFG Sustainability Report

Mixed Sources
Product group from well managed forests and other controlled sources
© 1996 Forest Stewardship Council

This report was printed on eco-friendly paper. The inner pages and the cover pages are FSC (Forest Stewardship Council) certified. The FSC label can be carried only by select products derived from wood lumbered from responsible sources that have been developed and managed in an eco-friendly manner.

Hana Financial Group

55 Eulji-ro (Eulji-ro 2-ga), Jung-gu, Seoul, Korea Tel. 02-2002-1111 www.hanafn.com

Hana Financial Group Holding Company · Hana Bank · KEB · Hana Daetoo Securities · KEB Hana Card · Hana Life · Hana Capital · Hana Institute of Finance Hana I&S · Hana Asset Trust · Hana Savings Bank · Hana Asset Management · KEB F&I · KEB Futures · KEB Investor Services

하나금융그룹