



ABOUT THIS REPORT

Hana Financial Group has been practicing sustainability management based on communication with various stakeholders, in order to grow as the trusted premier global finacial group.

Hana Financial Group has been publishing the sustainability report since 2011, which prior to this was issued by KEB Hana Bank. The Sustainability Report 2016 contains Hana Financial Group's sustainability management strategies, performances and future plans, based on the six key issues of Hana Financial Group in connection with UN Sustainable Development Goals (SDGs). In addition, to commemorate the publication of the 10th sustainability report, we reported on Hana Financial Group's footprints in social responsibility for last ten years.

Reporting Criteria G4-32

GRI (Global Reporting Initiative) G4 Guideline, Core Options

Reporting Boundary

Hana Financial Group, KEB Hana Bank, Hana Financial Investment, KEB Hana Card, Hana Capital, Hana Life, Hana Savings Bank, Hana Asset Trust, Hana Asset Management, Hana Investors Services, Hana I&S, Hana F&I and Hana Institute of Finance

* In this report, when "Hana Financial Group" is used as the subject of a sentence, it refers to the activities of the entire group. The name of the affiliate is used as the subject for the activities of that company.

Reporting Period G4-28

January 1, 2016 – December 31, 2016 (including some outcomes of the first half of 2017)

Reporting Cycle G4-29 G4-30

Annual reporting (Issuance of the previous report: April 2016)

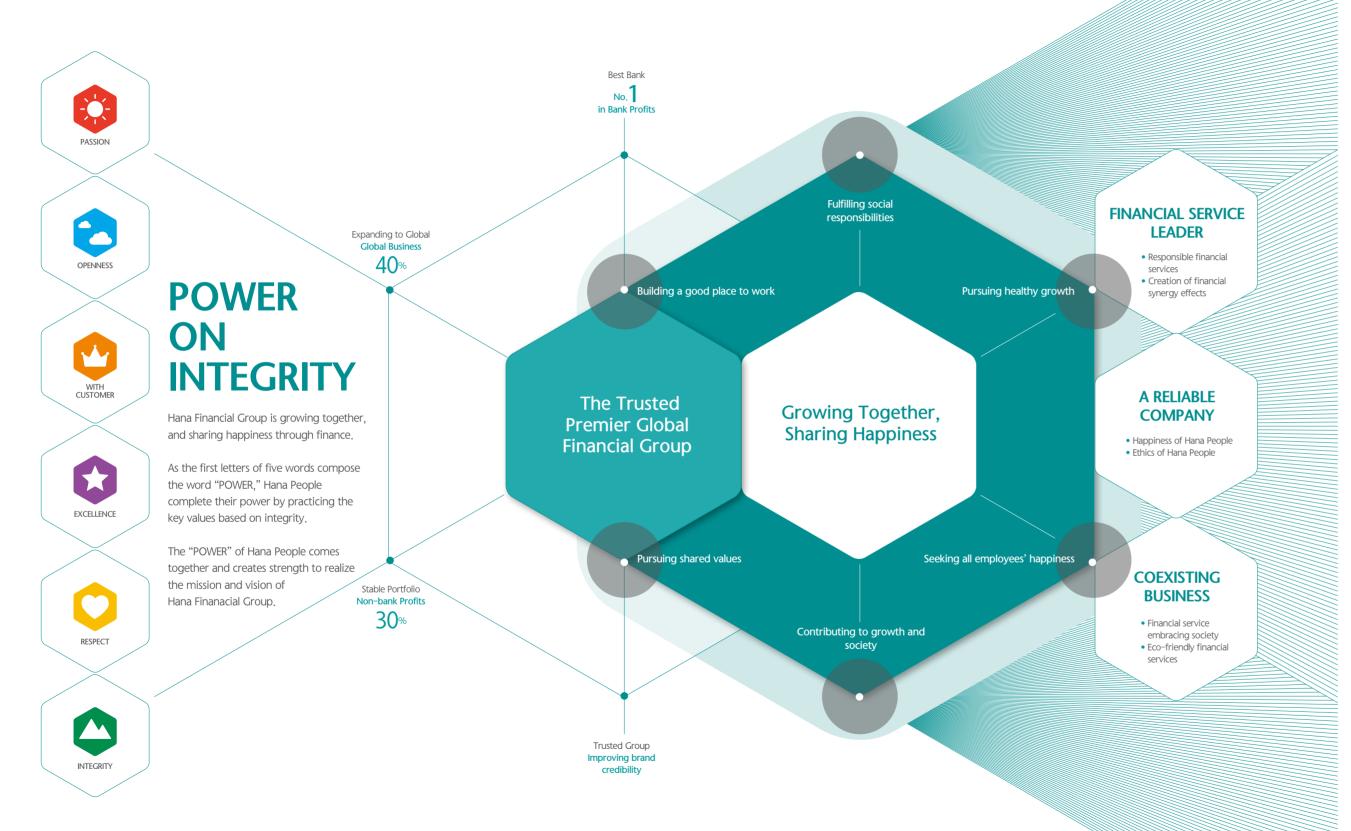
Assurance G4-33

Independent third-party assurance

Contact G4-31

55, Eulji-ro, Jung-gu, Seoul, Korea Corporate Culture Team, Hana Financial Group Tel. +82-2-2002-1753

Growing Together, Sharing Happiness



Hana Financial Group Sustainability Report 2016

Power on Sustainable Way

- 6 CEO Message
- 8 Group Overview
- 10 Footprints on 10 Years of Sustainability Management
- 12 Advocacy of Global CSR Initiatives
- 14 Sustainable Value Creation Process
- 16 Stakeholders' Engagement & Materiality Analysis
- 18 Strategy for Sustainability Management

Power on Responsible Business

- 22 Material Issue 1. Responsible Financial Services
- 28 Material Issue 2. Creation of Financial Synergy Effects
- 36 Material Issue 3, Happiness of Hana People
- 42 Material Issue 4. Ethics of Hana People
- 48 Material Issue 5. Financial Service Embracing Society
- 60 Material Issue 6. Eco-friendly Financial Services

Power on Transparent Fundamentals

- 70 Governance
- 74 Stakeholders Meeting

Appendix

- 78 Data Center
- 80 GRI G4 Index
- 87 Awards
- 90 Third Party's Assurance Statement
- 92 UN Global Compact
- 93 UN Sustainable Development Goals

POWER ON SUSTAINABLE WAY

Finding the path of sustainability management in its business slogan, "Wholly Dedicated to Only One Goal-the Happiness of Our Customers," Hana Financial Group fulfills "Growing Together, Sharing Happiness."

CEO Message	6
Group Overview	8
Footprints on 10 Years of Sustainability Management	10
Advocacy of Global CSR Initiatives	12
Sustainable Value Creation Process	14
Stakeholders' Engagement & Materiality Analysis	16
Strategy for Sustainability Management	18

POWER ON SUSTAINABLE WAY HANA FINANCIAL GROUP SUSTAINABILITY REPORT 2016 POWER ON RESPONSIBLE BUSINESS POWER ON TRANSPARENT FUNDAMENTALS APPENIDIX



Dear our stakeholders:

We sincerely appreciate your continuous support and encouragement for Hana Financial Group.

As economic uncertainty has been recently growing at home and abroad, competition in the financial industry is intensifying. Amid such difficult situations, Hana Financial Group will focus on adhering to the essence of the financial industry and fulfill, "Growing Together, Sharing Happiness" under its business slogan, "Wholly Dedicated to Only One Goal-the Happiness of Our Customers." The company will become "One" and contribute to promoting your growth and happiness. This is the reason of the existence of Hana Financial Group and the fundamental value of the responsible financial industry.

In 2016, the synergistic efforts of Hana Financial Group led to financial gains. Focusing on banking system integration, risk management and business stabilization has led to reduced costs and an improved business portfolio, Consequently, our net income greatly increased year on year, and the membership of Hana Members exceeded eight million.

Hana Financial Group is creating a better society through diverse social contribution activities. We are creating social value by lightening the financial burden of the working class and middle class, conducting various residential welfare projects, and developing sharing and safety based financial products and services. Along with the support for the working class and small- and medium-sized businesses, we fulfill financial services embracing society by helping North Korean refugees and providing financial support to the youth and the underprivileged.

As a corporate citizen of the international community, Hana Financial Group has been advocating UN Global Compact (UNGC) and has been active in resolving global issues, such as climate change and water shortage. In accordance with the Paperless Action Plan, we established a Certified Electronic Document Center for the first time in the financial industry. Based on this infrastructure, we digitize 100 million sheets of paper per year and implement a Smart Office with the goal of reducing paper consumption by 80%. We disclose such information in the annual sustainability report by voluntarily participating in DJSI (Dow Jones Sustainability Indices) and CDP (Carbon Disclosure Project), For our contribution to transparent management, Hana Financial Group was selected as one of the "Carbon Management Honors in the Financial Sector" at CDP's Climate Change and Water Management Awards in 2016.

We believe that realization of "Happy Finance" starts from listening to the voices of our stakeholders. This report contains six key issues, which were selected from your participation to cultivate Hana Financial Group to be a more responsible financial institution.

Your continuous support and concern for Hana Financial Group will be highly appreciated. Thank you.

May 2017
Chairman Hana Financial Group



Group Overview

From its launch as Korea Investment & Finance Corporation in 1971 to its conversion into a financial holding company in 2005, Hana Financial Group has dedicated itself to becoming a 'Trusted Premier Global Financial Group'. As Hana Bank and KEB Bank merged in 2015, KEB Hana Bank was newly launched. We strive to realize our stakeholders' values based on our abundant experience in securities, cards, capital, insurance and other areas.

General Data (As of 2016, on a consolidated basis)



Hana Financial Group
December 1, 2005
Jung-Tai Kim
20,615
KRW 34.5998 trillion

Operating Profit	KRW 1.6141 trillion
Net Income	KRW 1.3997 trillion
ROA (Return on assets)	0,42%
ROE (Return on equity)	5.92%
Total Assets (including trusts)	KRW 437 trillion

Credit Ratings (As of December 2016)

Domestic	National Information & Credit Evaluation (NICE)	Korea Investors Service (KIS)	Korea Ratings (KR)
KEB Hana Bank	AAA	AAA	AAA
Overseas	Moody's	S&P	Fitch
KEB Hana Bank (long/short-term)	A1/Prime-1	A+/A-1	A-/F1

Hana Network

Hana Financial Group



riaria i iriariciai di oap		
KEB Hana Bank	Banking business	Main distribution channel of Hana Financial Group
Hana Financial Investment	Financial investment business	Provides AM & IB
KEB Hana Card	Credit card business	Provides global premium credit card services
Hana Capital	Loan financial business	Develops specialized products for the consumer finance market
Hana Life	Life insurance business	Provides optimized insurance products
Hana Savings Bank	Mutual savings bank business	Financial channel based on small-loan finance
Hana Asset Trust	Real estate trust business	Real estate trust services
Hana Asset Management	Asset management business	Asset management specializing in alternative investment
Hana Investors Services	General	Provides administrative affairs services
Hana F&I	Liquid asset management and liquid security investment	NPL (non-performing loans) investment management
Hana I&S	Development and operation of IT systems	IT support for Hana Financial Group
Hana Institute of Finance	Research institute	Studies the financial industry and

AMERICA Brazil Panama 1 Mexico 1

ASIA & PACIFIC China 34



Vietnam 3 Japan 3 Singapore 1 India 1 Australia 1 Philippines 2 Myanmar 6

Indonesia 63

EUROPE & MIDDLE EAST

Global Network

G4-6 G4-

Korea's largest global network 151 locations in 24 countries As of January 2017

As of January 2017, Hana Financial Group has extended its business to 24 countries and maintained a total of 151 global networks, which is the greatest number among Korean financial groups. We are pursuing stable growth based on our extensive global networks and actively developing new markets all over the world, by advancing into the global nonbanking sector. Furthermore, we provide differentiated products and services to local people and businesses as well as Korean companies abroad, Hana Financial Group will continue to develop new global growth engines by creating synergy effects in the global financial market.

Footprints on 10 Years © G4-15 of Sustainability Management

2007

Governance

Joined the UN Global Compact

loined UNEP FI (Finance Initiative)

Society
Donated to the public daycare

"Hana Puruni Kindergarten" for the first time in Korea



2006

Established the sustainability

Participated in CCRS (Credit

management system

Started the fair trade

compliance program

Counseling & Recovery

Service) Microcredit

United Nations
Global Compact

Society

2008

Launched the "Hana Youth Financial Education" program

Established Hana Hope Foundation Started the Microcredit

Founded Smile Microcredit Bank Launched Smile Microcredit

Volunteers Environment

Established Hana I&S and the Certified Electronic Document Center



2009

Society

Founded Hana Care Center, which is the first senior care center ever founded by a financial group

Opened Darin, Hana's multicultural center

2012

Society

Opened a face-to-face counseling channel for small-loan finance, "Hope Finance Plaza"

Designated every Wednesday as "Family Day" for leaving work on time



0

201

Governance Launched Happiness Sharing Committee

Newly established Future Finance Planning & Support Team

Founded Hana Customer Safety Headquarters for the first time in the financial inclustry

Society

Launched "Family Love Service Group" consisting of Hana employees' spouses 2014

Economy

Launched KEB Hana Card

Society Selected "North Korean defectors, Multicultural, Youth and Global" as the keywords of social contribution

2015

Economy

Launched KEB Hana Bank
Society
The 10th anniversary of

The 10th anniversary of Hana Nanum Foundation



2016

Governance

Declared the code of ethics "Code One"

APPENDIX

ociety

Changed the word "Customer" to "Guest"

Made a customer service manual for the elderly, the disabled, and foreigners

Environment

Carried out the Paperless
Action Plan

KEB Hana Bank concluded a business agreement, "Greenhouse Gas Reduction" (with the Ministry of Environment and the Korea Climate & Environment Network)



Dow Jones Sustainability Indexes



2011

Governand

Appointed as CCO (Chief Compliance Officer) for the first time among Korean financial institutions

Developed Hana Customer Safety System for the first time in the financial industry

Started operating ISO 27001 (International Information Security Management System) and ISO 20000 (International IT Service Management Standard)

Society

Conducted the social contribution campaign "1111 All Hana Day"

Through a sustainability report, Hana Financial Group has been gaining stakeholders' trust by examining opportunities and risk factors in terms of economic, social, and environmental sustainability and disclosing strategies and outcomes. KEB Hana Bank was the first to issue a report among Hana Financial Group's subsidiaries in 2006, and Hana Financial Group started publishing a sustainability report starting in 2011 for the entire group. In commemoration of the 10th sustainability report, we now look back at our traces to realize "Happy Finance." As a 'trusted premier global financial group', we will keep contributing to the sustainable growth of society and mankind

Advocacy of Global CSR Initiatives



UN Global Compact Congratulatory Message



Congratulations on the publication of the 10th Hana Financial Group Sustainability Report. People all around the world are responsible for proactively responding to the crisis of climate change and passing on a clean environment for future generations. Creating a safe and desirable work environment is corporate competitiveness, and a corporate's decision making process considering social responsibility is the beginning of sustainability management. In addition, I believe all of these should be based on transparent and ethical management practices. In this sense, I believe that Hana Financial Group's business philosophy, "Growing Together, Sharing Happiness," shows its responsibility for society and a sustainable future. Ever since Hana Financial Group declared its support for the UN Global Compact in 2007, it has been reflecting the principles of human rights, labor, the environment and anti-corruption in its key values and reporting the outcomes through an annual sustainability report for the past ten years. It is a very exemplary and inspirational act. In particular, Hana Financial Group showed its leadership by setting UN Sustainable Development Goals (UN SDGs) as its sustainability management strategy and contributing to the sustainability issues of the international community. I hope that Hana Financial Group achieve tremendous success and remarkable growth as Korea's leading financial institution.

Secretary General of UN Global Compact Network Korea
Park Suk-bum

Carbon Disclosure Project CDP Congratulatory Message



CDP is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. We cover more than 90 countries via our global offices and partner organizations. In Korea, we are working with our partner organization KoSIF (Korea Sustainability Investing Forum) to deliver CDP programs. Financials sector has great potential to influence broader business sector to be more sustainable and aware of risks and opportunities driven by climate change through the power of investment. Not only the investment banks that trade shares, we believe commercial banks that lend to companies should take ESG risks into account. It is a clear duty for banks to ask for better corporate disclosure, then integrating that information into their risk management should be

Hana Financial Holding achieved A-, a leadership level in CDP scoring. It shows Hana Financial Holding's maturity in disclosure and a thorough understanding of risks and opportunities related to climate change. We would like to congratulate Hana Financial Holding for its achievement and encourage it to take further steps to implement more ambitious climate actions such as setting an emissions reduction target aligned with climate science.

Co-Chief Operating Officer, Global Operations

Sue Howells

Incorporated into DJSI

Total

Hana Financial Group has been newly incorporated into the Dow Jones Sustainability Asian/Pacific Index (DJSI Asia Pacific), developed by US S&P Dow Jones and Robeco SAM (Switzerland) which is a global sustainability management assessment institution and investor. The DJSI evaluates and presents the sustainability of the performance of 2,500 companies all over the world in consideration of economic, environmental and social aspects.

In 2016, Hana Financial Group was included in the DJSI Asia Pacific Index with even scores in all evaluation items. 146 companies, accounting for 23.7% of the 615 Asian/Oceania companies subject to evaluation (in terms of market capitalization), were incorporated into the DJSI Asia Pacific, including 37 Korean companies. Based on our stable governance, we will continue to diversify our efforts to build a sustainable business environment.



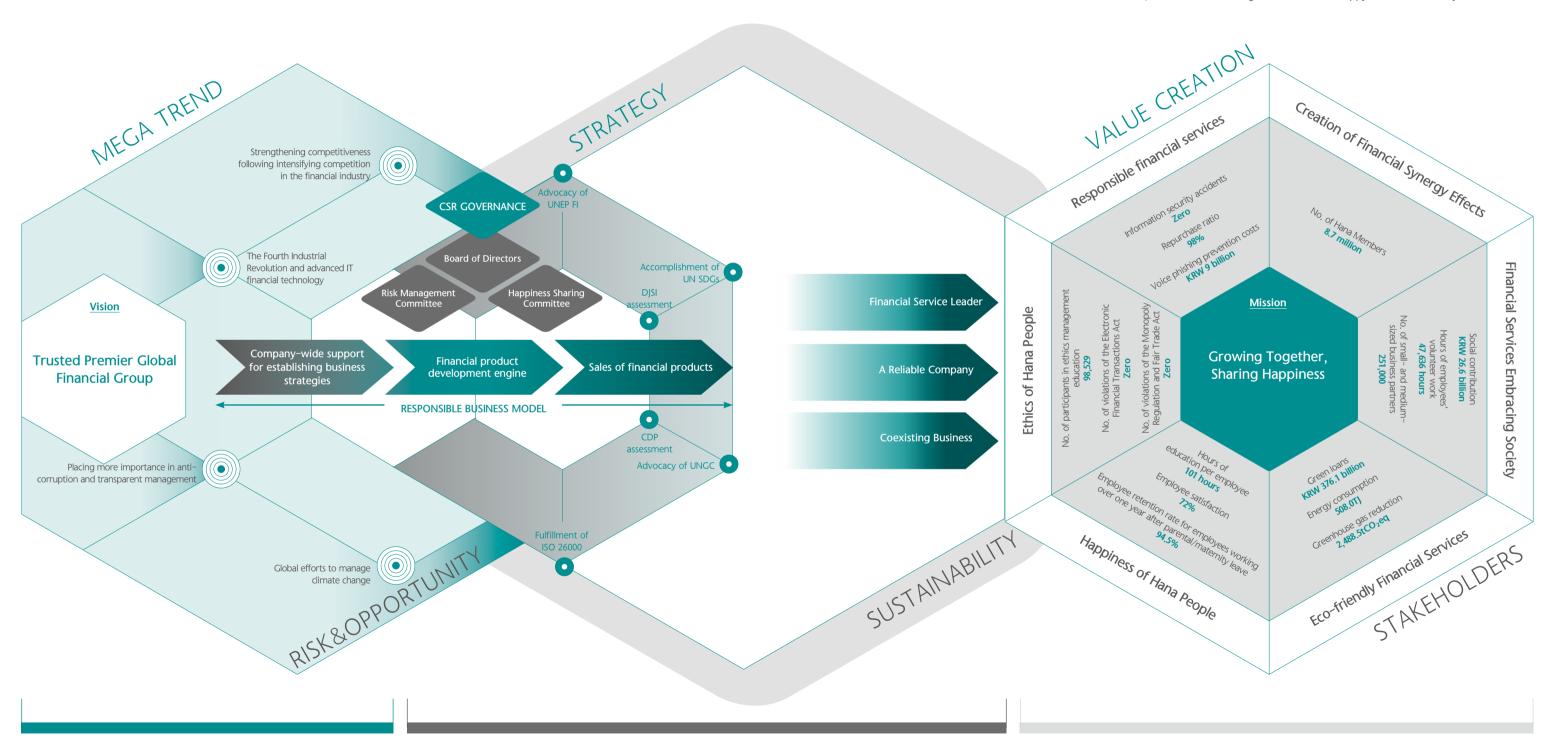
Average DJSI Score in 2016 Hana Financial Group Average of financial institutions

Economy

Environment

Sustainable Value Creation Process

Hana Financial Group considers economic, social, and environmental sustainability in its entire business process from financial service planning to operation. Through 151 global networks, we have been making efforts to realize Happy Finance for society and mankind.



Megatrends of the financial industry

Sustainable business model

Creation of stakeholders' values

HANA FINANCIAL GROUP SUSTAINABILITY REPORT 2016

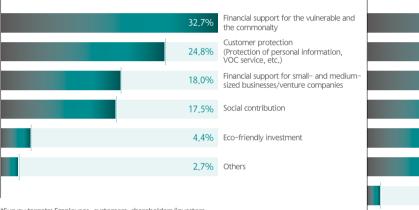
POWER ON POWER ON SUSTAINABILITY REPORT 2016

SUSTAINABLE WAY RESPONSIBLE BUSINESS TRANSPARENT FUNDAMENTALS

Stakeholders Engagement& Materiality Analysis

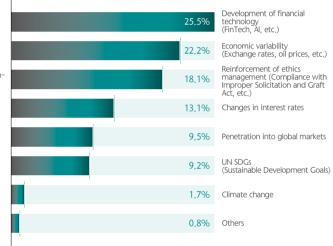
In commemoration of the 10th sustainability report, Hana Financial Group conducted a questionnaire survey with stakeholders in December 2016. In order to fulfill our social responsibilities as a corporate citizen and respond to a rapidly changing future financial environment, we asked our stakeholders about the "roles of responsible financial institutions" and "sustainability issues of the financial industry." We also conducted a questionnaire survey through Facebook to gather the opinions from stakeholders.

Q. What are the roles of a responsible financial institution?



*Survey targets: Employees, customers, shareholders/investors, central/local governments, subcontractors and communities No. of respondents: 514

Q. What kind of sustainability issues should the financial industry focus on?





Stakeholders' communication channels

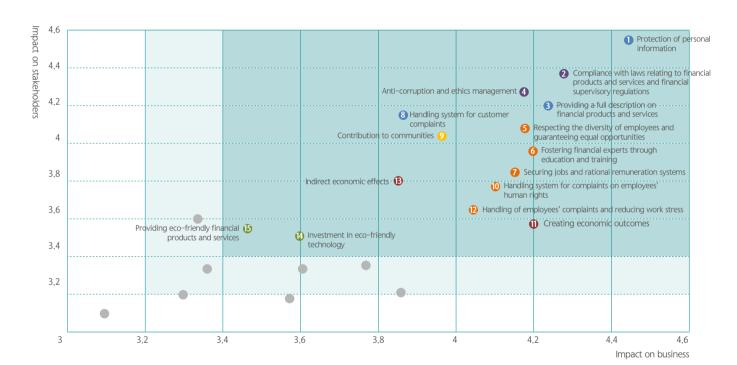
Hana Financial Group defines its customers, employees, subcontractors, central/local governments, shareholders/investors and communities as stakeholders, and operates various communication channels for them. We carefully listen to the opinions of our stakeholders via customized communication channels for each type of stakeholder and select significant economic, social, and environmental issues in terms of business strategies. In addition, we publicly disclose our activities and outcomes.



Materiality Analysis G4-18 G4-19

Hana Financial Group analyzes sustainability issues which may greatly affect the group and stakeholders over the mid/long-term, and uses the results of the analysis as the basis for sustainability management strategies. A materiality analysis consisting of a questionnaire survey and an in-depth interview was conducted with 514 respondents in December 2016. The validity of the assessment results was verified at the expert meeting held by the global sustainability management agency, "THE CSR."

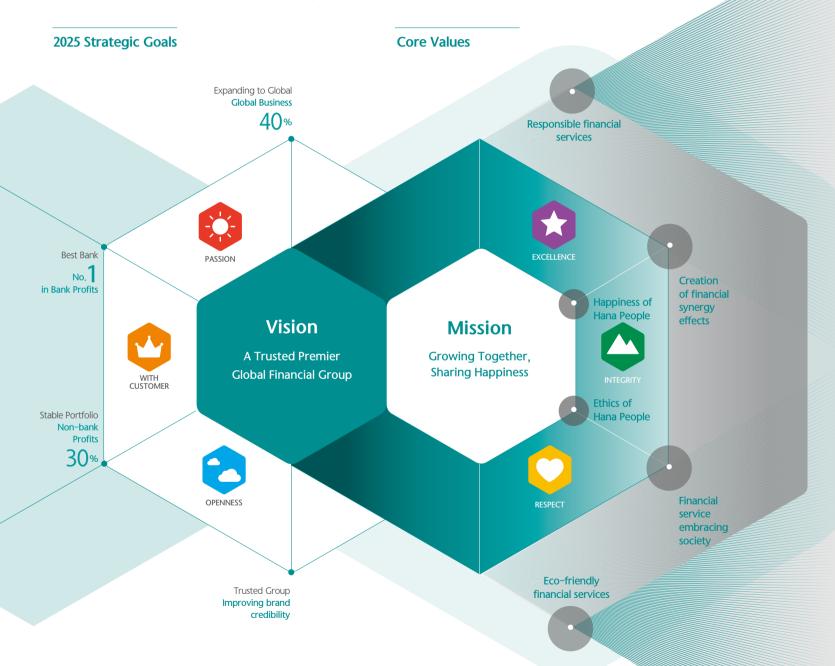
The 15 key issues are the major sustainability management tasks of Hana Financial Group and are closely related to UN SDGs (Sustainable Development Goals), which should be realized by 2030 to support sustainable growth and improve the quality of life. Based on its sustainability management, Hana Financial Group is looking for a strategic plan to make society better by setting priorities for sustainability of both the group and society.



Key themes of	sustainability	Material issues	GRI Aspect	Correlations with UN SDGs
Material Issue 1.	Responsible Financial Services	138	Customer privacy, product and service labeling	A Ban
	Creation of Financial Synergy Effects	11) 13)	Economic performance, indirect economic effects	6 9 Al &
	Happiness of Hana People	\$ 6 7 10 12	Diversity and equal opportunities, training and education, employment, human rights grievance mechanisms, labor practices grievance mechanisms	3 mmin 5 mm 6 mm 9 mm 9 mm 9 mm 9 mm 9 mm 9 mm
	Ethics of Hana People	② ④	Compliance (product responsibility) and anti-corruption	16 mm. ***********************************
	Financial Service Embracing Society	9	Local communities	film Amin Services Add Mill &
	Eco-friendly Financial Services	14 1 5	Overall	© © ©

APPENIDIX

Hana Financial Group's mission and vision aim to set the balance between corporate growth and social responsibility, and to focus on a relationship of trust with stakeholders in terms of sustainability management. Hana Financial Group's sustainability management strategies help us efficiently respond to future opportunities and risk factors and focus on mid- and long-term growth based on the three themes encompassing financial/non-financial factors and key values.



Strategy for Sustainability Management	Sustainability KPIs		2014	2015	2016
	Posnoncible financial	No. of information security violations (No. of cases)*	2014	2015	2016
Financial	Responsible financial services	Repurchase ratio (%)*		97.4	98.0
Service Leader		Voice phishing prevention costs (million won)*		7,829	9,000
		Customer satisfaction (points)*	75		76
		No. of participants in financial education (No. of people)*		72,122	111,911
		*Based on the data of KEB Hana Bank			
	Creation of financial	No. of Hana Members (No. of people)*	-	1,802,135	5,912,733
	synergy effects	*Based on the data of all subsidiaries of Hana Financial Group			
			2014	2015	2016
	Happiness of	Education per employee (hours)*	130	142	101
A Reliable	Hana People	Licenses per employee (No. of licenses)**		5	5.17
Company		Employee satisfaction (%)**	72.7	71.6	72.0
		Retention rate for employees working over one year after parental/maternity leave (%)**	93.7	81.3	97.5
		*Based on data of KEB Hana Bank, Hana Financial Investment, KEB Ha **Based on data of KEB Hana Bank	na Card, Hana	Capital, and H	Hana Life
	Ethics of Hana People	No. of participants in the ethics management education (No. of people)*	9,229	16,396	98,529
	. a.a.a cop.c	No, of participants in the internal control education (No. of people)*	1,213	2,507	1,737
		No. of violations of the Electronic Financial Transactions Act (No. of cases)*	0	0	0
		No. of violations of the Monopoly Regulation and Fair Trade Act (No. of cases)*	0	0	0
		*Based on the data of KEB Hana Bank			
			2014	2015	2016
Convicting	Financial service	Social contribution (100 million won)*	518	388	266
Coexisting Business	embracing society	No. of employees participating in volunteer work (No. of people)*	-	17,435	15,920
		Hours of employees' volunteer work (hours)*	_	55.137	47,636
		No, of small– and medium–sized business partners (10,000 businesses)**	17.4	20.7	25.1
		*Based on data of all subsidiaries of Hana Financial Group **Based on	data of KEB H	lana Bank	
	Eco-friendly	Greenhouse gas emissions (tCO ₂ eq)*	29,224.5	27,752.9	25,264.4
	financial services	Energy consumption (TJ)*	588.1	558.6	508.0
		Water usage (tons)**	144,038	132,006	119,368
		Green loans (100 million won)**	3,425	2,891	3,761

APPENDIX

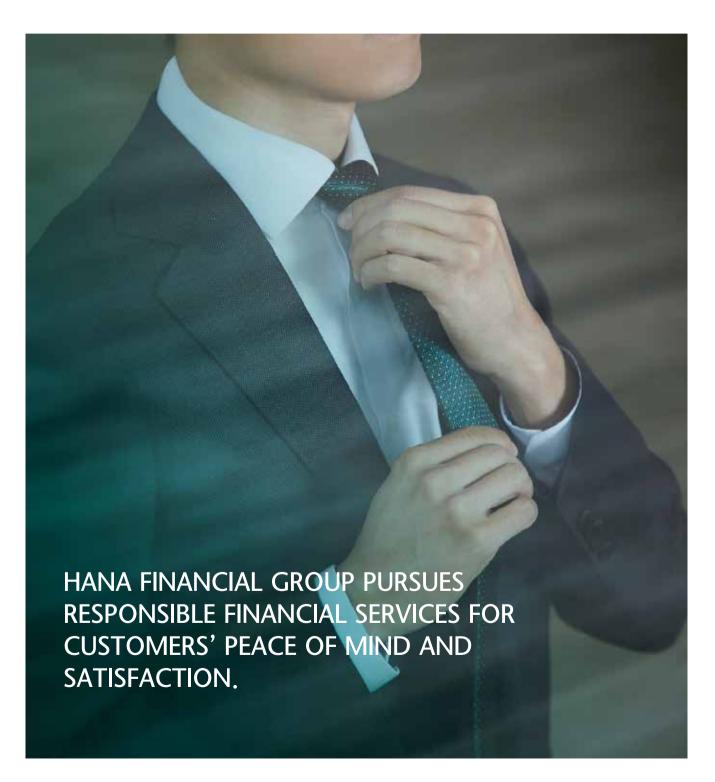
POWER ON RESPONSIBLE BUSINESS

As a responsible financial institution,
Hana Financial Group understands material issues
that affect our economy, society and environment,
and responds to opportunities and risk factors.

Material Issue 1. Responsible Financial Services	22
Material Issue 2. Creation of Financial Synergy Effects	28
Material Issue 3. Happiness of Hana People	36
Material Issue 4. Ethics of Hana People	42
Material Issue 5. Financial Service Embracing Society	48
Material Issue 6. Eco-friendly Financial Services	60

MATERIAL ISSUE 1





RESPONSIBLE FINANCIAL SERVICES



No. of information security violations



Zero

KEB Hana Bank



2017 Customer Satisfaction Index No. 1

Korea Consumer Agency

Why are responsible financial services important?

Customers are the final service targets and the foundation of Hana Financial Group. As the financial industry rapidly changes with the advancement of technology and competition intensifies, business practices centered on short-term performances no longer guarantee competitiveness. As a responsible financial institution, we focus on the intrinsic value of services which can satisfy customers, and provide safe services using a personal information protection and security system. It is the source of our mid- and long-term competitiveness.

Hana Financial Group approaches to its goals in the following ways.

Hana Financial Group brought back its original slogan, "Wholly Dedicated to Only One Goal-the Happiness of Our Customers" in order to focus on providing satisfactory services to our customers. In addition to sales process management and financial education, we improve financial accessibility by expanding services for the vulnerable. We are now intensifying channels to collect customer opinions, being aware that customer opinions are an effective tool to respond to service issues and improve our competency. Having applied new online security technology and acquired domestic and overseas certification for information protection, we maintained high level of security system.



KEB Hana Bank



No. of participants in financial education

111,911

Key Sustainability Performance

	2014	2015	2016
No. of information security incidents (No. of cases)	0	0	0
Repurchase ratio (%)	97.1	97.4	98.0
Voice phishing prevention costs (KRW million)	_	7,829	9,000
Customer satisfaction (points)	75	75.2	76
No. of participants in financial education (No. of people)	-	72,122	111,911

^{*} Based on data of KEB Hana Bank

Evaluation results of DJSI Information Security & Cyber Security in 2016



■ The highest point in the financial industry 100

■ Hana Financial Group

Average in the financial industry

FINANCIAL SERVICES PROTECTING CUSTOMERS' INFORMATION



Enhancement of Information Security System KEB Hana Bank Hana 1&S

KEB Hana Bank has set its vision on security information management and protection as "Korea's Best Bank Protecting Customer Information." Establishing annual IT security strategies and plans, the Information Protection Committee, along with Chief Information Security Officer (CISO) as the chairman, conducts deliberations and reports the results to the CEO. KEB Hana Bank provides education on credit information protection to its employees, subcontractors' employees, and loan agencies in order to improve stakeholders' awareness on information protection. At least once a year, the contract department and the information protection department jointly inspect the personal information protection system of subcontractors handling customer information.

Hana I&S, responsible for the information security of Hana Financial Group, conducts the information security certification project in association with the Financial Security Institute, and utilizes white hackers in order to upgrade the security policies and systems. Thanks to its efforts, no information security breach was reported in 2016.

Application of Advanced Technology for Customer Information Protection † KEB Hana Card

KEB Hana Card enhances financial safety by applying advanced technology for customer information protection. Based on eFDS (e-commerce Fraud Detecting System), the company analyzes the patterns of hackers and blocks abnormal transactions in real time, before payment is made.

In December 2016, we launched the "Hana T-Sign Safe Storage Service," a new security service technology based on TEE (Trusted Execution Environment), for the first time in the financial industry. As a security zone not accessible from the CPUs of cell phones, TEE keeps customer information safe during various credit card services, such as login, inquiry, and payment. The mobile app's easy payment system, called "Mobipay 2,7" added new functions like identity theft prevention, customer protection, etc., consequently preventing the illegal access of unauthorized cell phones.

Evaluation results of DJSI Financial Accessibility in 2016



■ The highest point in the financial industry 100

61

Hana Financial Group

Average in the financial industry

FINANCIAL SERVICES FOR EVERYONE TKEB Hana Bank

Financial accessibility refers to a degree of accessibility of financial services for as many people as possible. KEB Hana Bank is trying to support financial accessibility by reducing the asymmetry of information and expanding services customized for the underprivileged. Establishing the "Healthy Finance Checkup Day," all branches inspect their sales processes and share excellent CS cases in order to prevent the asymmetry of information. In addition, we assist the elderly, the disabled, and foreign resident's convenient financial life by expanding customized services.

FINANCIAL SERVICES PROTECTING CUSTOMERS' ASSETS



Certification on Information Protection † Hana Investors Services

Upon the acquirement of the ISMS (Information Security Management System) in January 2016. As Hana investors services has been certified for all domestic and overseas information security management systems, including ISO 27001 (International Information Security Management System).

Under the control of the Ministry of Science, ICT and Future Planning, the ISMS is a certificate system optimized for the domestic environment. The ISMS certifies an organization with high levels of technical, management, and physical systems to protect its information assets from cyber threats.

Hana I&S



Received an award at the Industrial Security Awards

KEB Hana Bank



0.004%
The lowest ratio of fraudulent bankbooks in the financial industry



Application of Advanced Security Technology † Hana I&S

Hana I&S signed a business agreement with ETRI's (Electronics and Telecommunications Research Institute) FIDO (Fast Identity Online) for the first time in Korea, In addition, Hana I&S developed its own technology, 1Q FIDO which is an identification platform encompassing fingerprint, iris and facial recognition. The security level of Hana Financial Group's financial services was upgraded, as 1Q FIDO was applied to the mobile services including KEB Hana Bank 1Q Bank Application and KEB Hana Card Mobipay.

Preemptive Responses to Financial Frauds KEB Hana Bank

KEB Hana Bank established the Financial Fraud Prevention Team under the Customer Financial Protection Department, and signed an MOU with the Seoul Metropolitan Police Agency to round up defrauders. The members of the Financial Fraud Prevention Team, with an average of 14 years' experience in security, thoroughly monitor financial transactions and prevent financial fraud in cooperation with the bank branches. As of March 2017, KEB Hana Bank has maintained 0.004% ratio of the fraudulent bank account, the lowest ratio in the financial industry.

Stages of Responses to Telecom Financial Fraud

Preventing the issuance of fraudulent bankbooks







Delivery of Safe Currencies TKEB Hana Bank

In order to deliver safe currencies to customers, KEB Hana Bank operates the Counterfeiting Monitoring Center, which is the only counterfeiting response team in the financial industry. In March 2016, it introduced a high-tech optical equipment for counterfeiting analysis, upgrading its ability to identify counterfeit money and securities. Implemented as the third in the world, this optical equipment is much more advanced than others from governmental bodies such as the National Police Agency and the National Forensic Service.

Evaluation results of DJSI Customer Relationship Management in 2016



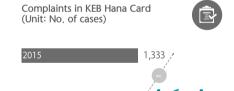
The	highest	point	in	the	financial	industry	10

■ Hana Financial Group	74
Average in the financial industry	63

KEB Hana Bank



Korea Service Quality Index (KSQI) No. 1 for two consecutive years



FINANCIAL SERVICES COMMUNICATING WITH STAKEHOLDERS



Customers' Communication Channels KEB Hana Bank

Hana Financial Group operates the integrated group CS platform, the "Financial Consumer Protection System," to swiftly respond to customer issues. KEB Hana Bank quarterly conducts Consumer Protection Council, in which the heads of the divisions check and mediate current issues and communicate with customers through the Customer Committee. In 2016, we newly established the online customer panel group, "KEB Hana 1Q Advisory Group," to collect more opinions from customers. The KEB Hana 1Q Advisory Group selects customers' complaints, compliments, suggestions and recommendations, collected via online channels. The elected customers are invited to the meetings and rewarded with incentives.



Improvement of the Entire CS Processes KEB Hana Card

KEB Hana Card organized the Value Chain TF Team in 2016 and analyzed the entire customer service process from card issuance to cancellation; in addition, it carried out 14 agendas and 59 tasks to upgrade its customer service processes. Furthermore, the company holds a PI (Principal Investigator) meeting every Wednesday and reviews customer complaints to improve its services. Having launched the customer panel system in December 2016, KEB Hana Bank discovers new tasks for improving service quality on monthly basis, shares VOC with all employees, and etc. for more satisfactory and customercentered services.

Responsible Financial Services through Financial Education 7 KEB Hana Bank

As a responsible financial institution, KEB Hana Bank provides financial education so that the youth can formulate proper economic concepts and form desirable spending habits. According to the one–to–one financial education plan of the Financial Supervisory Service, KEB Hana Bank set up a sisterhood relationship of financial education with 306 schools and provided financial education to military personnel of the sister military camps. Through the Global Financial Career Program, the company provides financial career education to about 1,000 students each year. Its children's economic musical, "Jeck's Magic Purse," which has been conducted since 2007 for over 130,000 children, is a well– known educational musical show that teaches on economic concepts in easy, fun ways.

INTERVIEW STORY ON HAPPY FINANCE

KEB HANA BANK'S RESPONSE TO VOICE PHISHING



Associate Manager Kim Seon-mi, Gangnam Station Financial Center Branch, KEB Hana Bank



Deputy Manager Choi Hak-bong, Gangnam Station Financial Center Branch, KEB Hana Bank



Deputy Manager Kim Hyo-gi, Customer Financial Protection Department, KEB Hana Bank

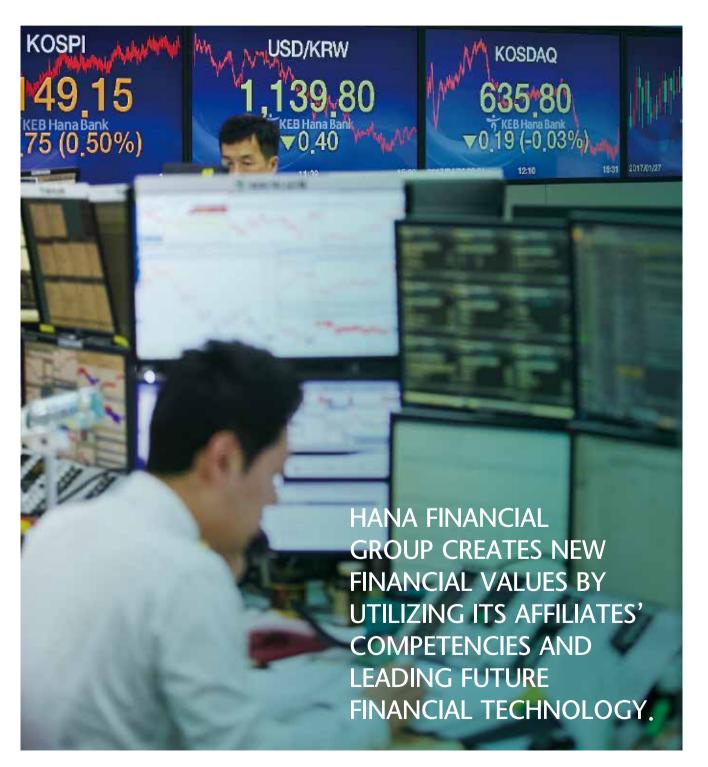
After the sales branch was closed at 4 p.m in January 18, Associate Manager Kim Seon-mi received an emergency call from the Financial Fraud Prevention Team of the Customer Financial Protection Department while handling customers' businesses. The Financial Fraud Prevention Team reported that a ATM transaction suspicious to be voice phishing was detected in the branch. Following the manual on financial fraud response, she immediately went to the ATM and found a customer, who looked anxious and tried to run off from the place with several receipts in his hand. The customer had wired KRW 4.6 million to an identical bank account for six times under different names, but he could not give clear reason for such action.

At the moment, she heard someone saying, "Break a window and get out of the bank," from the customer's cell phone. Associate Manager Kim Seon-mi stayed in touch with the Customer Financial Protection Department of the KEB Hana Bank Headquarters, while Deputy Manager Choi Hak-bong persuaded the customer who strongly resisted to talk. Fortunately, the customer became convinced of the situation and started writing down his conversations with the voice phishing gang while staying on the phone. The customer was being deceived by the voice phishing gang; the gang said that his mother was involved in identity theft and that he would be an accomplice unless he wired KRW 20 million to the gang. After he realized that he'd been dragged by them for three hours, he finally reported to the police; and, the case was closed by suspending the money transfer, made by the customer.

The Customer Financial Protection Department of KEB Hana Bank has established the financial fraud monitoring system; and, its skilled employees with an average of 14 years' experience are doing their best to protect customers' assets and prevent financial fraud. Without the Customer Financial Protection Department's early detection and proper action, the customer who was in between jobs might have lost his entire fortune. At first, Kim Seon-mi was worried if she would make mistake on differentiating between the customer's normal transactions and financial fraud; however, it was the right choice to put customers' safety first. She felt relieved and proud as the customer expressed gratitude for protecting his assets.

MATERIAL ISSUE 2





CREATION OF FINANCIAL SYNERGY EFFECTS





No. of Hana Members



8 / million

As of March 2017

Why is it important to create financial synergy effects?

More and more customers are searching for the right financial services by themselves. and ICT-based companies are replacing traditional market leaders. Non-face-to-face transactions via online and mobile channels are ever increasing, and customer groups and needs for non-financial services are being diversified. The competitiveness of financial institutions is directly related to the application of new technology from the Fourth Industrial Revolution, including AI, big data, and IoT, and to the creation of synergistic effects between financial services.

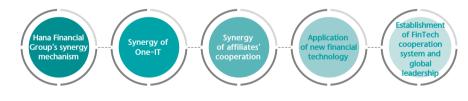
Hana Financial Group approaches to its goals in the following ways.

Hana Financial Group organically connects production development to sales functions, based on computing integration and the group's synergy consultative body. In addition, the group reorganized its system into a flexible organization/branch system to respond to the market trends flexibly, and provided optimal financial services to customers by integrating its product management systems based on the next-generation systems. In order to respond to risk factors and develop opportunities of financial technology, Hana Financial Group is leading the market trends by applying new financial technologies to its services and by proactively participating in global financial technology standardization based on its global cooperation system. In particular, the group develops and invests in promising FinTech startups and fosters them as its business partners, In the future, we will clarify customers' needs through big data analysis and improve our non-face-to-face financial service channels to the levels of face-to-face services, by applying voice recognition and AI.

KEB Hana Bank



Establishment of the integrated IT system



Key Sustainability Performance

	2014	2015	2016
No. of Hana Members (No. of people)	-	1,802,135	5,912,733

*First conducted in October 2015

2016 하나금융그룹 지속가능경영보고서 28 29 Evaluation results of DJSI Financial Stability and Systemic Risk in 2016



■ The highest point in the financial industry 100

■ Hana Financial Group	100
Average in the financial industry	91

HANA FINANCIAL GROUP'S SYNERGY MECHANISM

Organic Connection between Financial Product Development and Sales

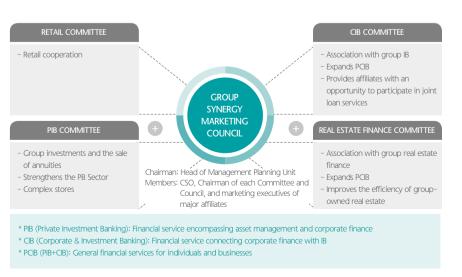
Recently, more and more customers desire to select suitable financial services by themselves. Following the trend, Hana Financial Group aimed for establishing the integrated, 'One Company' platform. Based on its organic synergy mechanism connecting product development to sales functions, the group strengthens the competencies of its affiliates and provides one–stop services optimized for customer needs, in order to create synergistic effects between the group and customers.

SYNERGY NETWORK OF HANA FINANCIAL GROUP



Group Synergy Marketing Council

Hana Financial Group's financial synergy is created through the Group Synergy Marketing Council. Chaired by the head of the Management Planning Unit, the Council conducts group-wide discussion on synergistic cooperation among asset management, corporate financial IB and integrated financial services targeted for all customers.



SYNERGY OF ONE-IT TKEB Hana Bank THana I&S

Reinforcement of a Foundation for Synergy Effects

In June 2016, KEB Hana Bank completed the computing integration. Based on its channels, products, and employees, KEB Hana Bank established a foundation for more financial benefits. The integrated IT system encompasses the asset management system of Hana Bank and the foreign currency and import/export competency of KEB. Overcoming the old practice of an external organization–led system buildup, the employees of Hana I&S established an optimal system for financial services. In particular, the Cheongra Integrated Data Center, which is expected to become the source of group synergy through One–IT, was established and now is waiting for about 2,000 IT employees to move in.

Expected cost savings through computing integration



About KRW 180 billion for the next 3 years

Synergy of Cost Reduction Effect

The entire computerized processes were standardized with computing integration. As a result, the company reduced operational costs and duplicate investment costs in data processing. For the past three years, the company saved about KRW 150 billion of investment costs in data processing. In addition, all branches became able to handle the same work. In the future, the company expects to save an additional KRW 30 billion in the next three years by integrating duplicate branches.

SYNERGY OF AFFILIATES' COOPERATION

Merger between Hana Financial Investment and Hana Futures



Capital expansion valued at KRW 57.8 billion

Merger between Affiliates † Hana Financial Investment

According to the capital market integration laws, brokerage firms became able to enter the futures trading market in 2009. Consequently, futures traders faced a challenging business environment. In order to effectively respond to such environmental changes, Hana Financial Investment, in August 2016, merged with Hana Futures which had shown excellent profits in domestic interest rate futures/currency futures and offline overseas futures. Hana Futures became able to utilize Hana Financial Investment's infrastructure and is now expected to improve its outcomes in futures trading.

Expansion of Joint Marketing Campaigns with Affiliates

** KEB Hana Bank ** Hana Financial Investment ** Hana Capital

Hana Financial Group expands joint marketing campaigns with its affiliates in order to provide more diverse and professional one-stop services to its customers. Hana Bank and Hana Financial Investment jointly sold special products to customers in 20 branches. Branches, not shared by the companies, are categorized into a family branch or a family cluster for cooperation. As the group's auto financial hub, Hana Capital provides optimal products to customers and creates a business synergy by utilizing bank and card channels. In the future, the company will keep creating mobile-based value by utilizing the infrastructure of Hana Capital and Hana Members.



In March 2016, KEB Hana Bank developed the asset management robo-advisor service "Cyber PB" for the first time among Korean banks, in order to maximize its competence in asset management, Cyber PB provides portfolios customized for each investor, in cooperation with Hana Financial Investment. It is meaningful that PB services which used to be only provided to men of wealth are now available for a wider range of customers.

Hana Financial Investment launched the robo-advisor based wrap account, "Hana Value System Advisory Robo Wrap" for customers who want a systematic and stable trading system. Using this system, customers can select items and build their own portfolios considering their investment characteristics. In addition, Machine Learning analyzes past and present data and lets customers know when to sell or buy.

Location-based AR



Hana Members Hana Money GO

First Augmented Reality (AR) Service in Financial Business

In order to satisfy customer needs for fun as well as financial services and information, Hana Financial Group launched the financial industry's first augmented reality (AR) service, "Hana Money GO" to Hana Members in January 2017.

If Hana members trigger the application near a branch of Hana Financial Group's affiliates or affiliated chains, they can receive a coupon by tapping on an icon on the screen.

First Text Banking Service in Financial Business KEB Hana Bank

In November 2016, KEB Hana Bank launched the new, conceptual wire-transfer service called "Text Banking" for the first time in Korea, Customers can wire money to a designated account easily without any authentication process, by text messaging the nickname of the bank account and the amount of money to the main number of KEB Hana Bank. Text Banking greatly simplified e-Banking services from 11 steps to 5 steps for customer convenience.





MORE CONVENIENT SERVICES BASED ON FINANCIAL TECHNOLOGY



KEB Hana Bank



Launched easy. abroad wire transfer service "10 Transfer"

Hana Financial Investment



Launched social trading service "Candle Man"

Easy Abroad Wire Transfer Service KEB Hana Bank

In February 2016, KEB Hana Bank launched the mobile, abroad wire transfer service, called "1Q Transfer," which is Korea's first FinTech service. The remitter can easily wire money using the beneficiary's cell phone number, and the beneficiary can withdraw the money at an affiliated pawnshop after receiving a text message from KEB Hana Bank. Unlike the preexisting abroad wire transfer process, 1Q Transfer is not limited by the business hours, bank charges and telegram charges, reducing wire transfer costs by 1/3, 1Q Transfer is expanded to KEB Hana Bank's global network in the Philippines, Australia, Indonesia, Canada. the UK. etc.

As the frequency of contact with customers decreases with a rise in online/mobile transactions and the demand for non-face-to-face transactions is growing, social trading* comes into the spotlight. In order to provide more reliable and convenient social trading services based on its expertise in asset management, Hana Financial Investment launched the stock trading messenger service, "Candle Man," in March 2016, Unlike other social trading services, Candle Man provides a wealth of financial information to customers via employees of Hana Financial Investment.

Hana Financial Investment linked the Mobile Trading System (MTS) to Candle Man for the first time in Korea, Using Candle Man, customers can check the current prices of stocks and sell or buy stocks with the touch of a finger. The number of prime memberships of the online investment consulting service "Mentors" increased 30 times in a single day after being linked to Candle Man. As a mobile hub of asset management, Candle Man is creating financial synergy effects.

* Social trading is the process through which online investors share their investment information and opinions with each other for making financial decisions

Easy Payment Service KEB Hana Card

In March 2016, KEB Hana Bank launched the FinTech payment service, "TV Pay," to improve the convenience and security of fast-growing TV e-commerce payment.

Previously, consumers could purchase charged contents via TV only with limited payment methods such as with a cell phone or accumulated points. In the case of TV home shopping, consumers take the risk of information leakage since payment could only be made via home shopping operators or the ARS payment system.

For TV Pay, customers only need to initially register a credit card. To purchase an item via home shopping or charged contents, all you need to do is entering a password. TV Pay greatly reduces the waiting time and enables 24-hour purchases. As customer and financial information is directly handled by the financial institutions, TV Pay ultimately prevents information from being stolen via the set top box.

TV Pay will be applied to home shopping, and is strengthening its competitiveness by launching specialized credit card products.

ESTABLISHMENT OF FINTECH COOPERATION SYSTEM AND GLOBAL LEADERSHIP



Blockchain



An open-type distributed transaction system that records and discloses all transaction information to online network participants without saving it a central server

Participation in the Global Blockchain Consortium for the First Time in Korea

In April 2016, Hana Financial Group participated in R3CEV for the first time among Korean financial groups. R3CEV for blockchain technology standardization is the Global Blockchain Consortium participated by 43 global financial groups, including Citigroup, Bank of America and Goldman Sachs Group. Hana Financial Group completed technical verification for the domestic payment and authentication system at the R3CEV. In the future, Hana Financial Group will take the initiative in the Asian financial groups—centered Global Blockchain Consortium by applying blockchain technology to a variety of financial services including abroad wire transfers, smart contracts and security authentication.

Cooperation for FinTech Business

KEB Hana Bank KEB Hana Card Hana I&S

In July 2016, KEB Hana Bank concluded a business agreement, "Cooperation for New FinTech Technology Development and Penetration into the Global Market," with Samsung Electronics. Hana Financial Group applied iris recognition technology to KEB Hana Bank 1Q Bank and Hana Members as part of its business agreement with Samsung Electronics, and plans to launch a variety of services applied with financial technologies such as new conceptual mobile authentication service, mileage service and payment. In August 2016, KEB Hana Card and Hana I&S concluded a business agreement for the development of financial AI services with the Electronics and Telecommunications Research Institute (ETRI). Using Exobrain which has been developed by the ETRI as part of the AI SW Project of the Ministry of Science, ICT and Future Planning, they will launch text-based mobile AI counseling services and AI agent services.

SK Telecom Joint Venture Corporation



Launched Finnq Co., Ltd.

KEB Hana Bank



Established the FinTech Startup Incubating Center "1Q Lap"

The bank industry's first FinTech startup incubating center

Finnq Co., Ltd., the Hana Financial Group-SK Telecom Joint Venture Corporation



. "Finng Co.

In October 2016, Hana Financial Group launched the joint venture corporation, "Finnq Co., Ltd.," with SK Telecom so as to provide a daily financial platform encompassing financial and telecommunication services. Based on Hana Financial Group's financial products and services along with SK Telecom's mobile platform technology and big data analysis, Finnq will provide innovative mobile financial services such as mobile asset management, account–based services and P2P financial services, which everyone can utilize in a daily life.

Development and Cultivation of FinTech Startups TKEB Hana Bank

In April 2016, Hana Financial Group held "Hana FinTech Demo Day." In this event, the group helped six startups attract investments in their technology including big data credit rating models, blockchain, biometric, new conceptual password and crowdfunding. In cooperation with FineTech Co., Ltd., one of the tenants of 1Q Lab, the group launched the loan product for open market sellers, "1Q Seller Loan" which was the first outcome of the center. In 2016, SENTBE signed an MOU for blockchain-based UK-Philippines wire transfer with a blockchain financial institution in the U.K.

INTERVIEW STORY ON HAPPY FINANCE

REVIEW FOR HANA MEMBERS



Park Na-rae, a college student

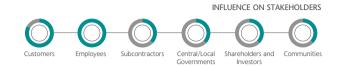
As one of my friends told me about the integrated membership services of Hana Financial Group called "Hana Members" one month ago, I decided to join, I was not that familiar with financial services and all I used were my bank account and debit card. Although I was not familiar with Hana Members, I decided to join with an easy mind because all I needed to do was just to install the application. I didn't even need a bank account to join. Considering its low entry barriers, I think Hana Financial Group established an efficient integrated marketing channel.

The most interesting thing about Hana Members is that you can receive mileage called Hana Money according to your transactions with affiliates of Hana Financial Group and withdraw them as cash from a KEB Hana Bank ATM. In addition, I am impressed with the augmented reality service, "Hana Money Go," because I can feel Hana Financial Group's efforts to reach out to the younger generation like myself.

My friends also enjoy downloading a discount coupon in front of a store and getting a discount by using Hana Money Go. I receive mileage according to my walking distance and sometimes earn mileage with playing roulette. I found that I could use Hana Money at any Hana Card affiliates and therefore applied for Hana Members 1Q Card to earn more Hana Money.

Now, I am more familiar with financial services and interested in various financial institutions and services. I'm looking forward to using a new financial value, created through synergy between the group and IT, just like Hana Members.

MATERIAL ISSUE 3





HAPPINESS OF HANA PEOPLE





Average education time per employee



111 hours

Rate of return after returning from parental/maternity leave



99.5%

Hana I&S



Awarded the Excellent Prize as a company with good balance between work and life

Why is happiness of Hana People important?

Happy Finance, pursuedby Hana Financial Group, starts from "Hana People". the employees Hana Financial Group believes that Hana People can only satisfy customers when they themselves are satisfied with their job. The competitiveness of Hana Financial Group would be enhanced as Hana People feel they are necessary for the company and their jobs are actually helpful for customers. Recently, the balance between work and life is emerging as one of the important issues. Employees' rest and recharging are important for a sustainable and efficient work environment.

Hana Financial Group approaches to its goals in the following ways.

Hana Financial Group helps Hana People focus on its slogan, "Wholly Dedicated to Only One Goal-the Happiness of Our Customers", so that they can feel the values and initiatives of their jobs. Overcoming the old business practices focusing on short-term outcomes, the group operates a rational HR system and provides education so that all employees can do their jobs as experienced financial consultants. In keeping up pace with the changes in the financial business, it reorganized its organization system and its management, and employees have been trying to stabilize the organization and improve its ability to respond to crises with future strategies. In particular, the group encourages employees to keep a balance between work and life based on family-friendly management and to manage their work stress.



Key Sustainability Performance

	2014	2015	2016
Hours of education per employee (hours)*	130	142	101
Licenses per employee (No. of licenses)**	_	5.00	5.17
Employee satisfaction (%)**	72,7	71.6	72.0
Employee retention rate for employees working over one year after parental/maternity leave (%)**	93.7	81.3	97.5

*Based on data of KER Hana Bank, Hana Financial Investment, KER Hana Card, Hana Capital, and Hana Life

^{**}Based on data of KEB Hana Bank

Evaluation Results of DJSI Talent Development and Management in 2016



■ The highest point in the financial industry 98

54

Hana Financial Group

Average in the financial industry

Female employees' use of maternity leave/Reduction of working hours (Unit: %)



65,3

*Awarded the Grand Prize at the Best Family Friendly Management Awards

Rate of return after parental/maternity leave (Unit: %)



*Awarded the Grand Prize at the Best Family Friendly Management Awards

BALANCE BETWEEN WORK AND LIFE

Family-friendly Management KEB Hana Bank Hana I&S



Hana Financial Group enforces a variety of multilateral policies to keep a balance between work and life. The group operates workplace daycare centers to lighten the burden on employees and pays school expenses for employees' children. Of particular note, KEB Hana Bank has been designated as a family-friendly company by the Ministry of Gender Equality and Family since 2013. Many employees use parental leave or reduce their working hours for childcare, and are highly satisfied with maternity leave. The group's childcare welfare policies are highly praised both inside and outside the company. The group encourages employees to spend time with their families through Family Day, PC-off Day and the Family Relationship Improvement Program. Hana I&S encourages both male and female employees to share the childcare burden and take parental leave for family-friendly management. In 2016, it was awarded the Excellent Prize as a company with a good balance between work and life by the Ministry of Employment and Labor.

Handling Employees' Complaints and Stress in KEB Hana Bank in KEB Hana Card



Hana Financial Group launched "CEO Talk" menu on employees' website. By using this menu, where employees can directly submit their opinions or complaints anonymously to the CEO, Hana Financial Group is doing its best to handle employees' complaints and reduce their stress. In 2016, KEB Hana Bank established the Employees Wellbeing Center and started a door-to-door counseling program called "Cider Talk Talk" and a stress reduction program. The company provides financial and legal counseling to employees who are suffering from excessive debt, and managers are trained to manage employees' stress effectively. Call center counselors who directly meet customers via phone are one of the most representative jobs of emotional work. KEB Hana Card considers call center counselors as one of the most important jobs directly affecting customer satisfaction and supports their stress management. In February 2016, the company provided the stress management program, "The Healing Program for Call Center Counselors in KEB Hana Card." The company carefully listens to their complaints and provides a variety of programs for their mental health, including one-to-one therapy, healing lectures, cooking classes, picnics and essay contests.



Evaluation Results of DJSI HR Development in 2016



■ The highest point in the financial industry 100

■ Hana Financial Group

Average in the financial industry

DEVELOPMENT OF EMPLOYEES' COMPETENCIES



Development of Competency in Financial Consulting KEB Hana Bank

In order to focus on its slogan, "Wholly Dedicated to Only One Goal-the Happiness of Our Customers", in a rapidly changing business environment, Hana Financial Group is trying to provide customized financial consulting services, instead of aiming for short-term profits. By doing so, the group develops employees' sense of ownership and makes them realize the values of their jobs.

KEB Hana Bank is trying to develop employees' competencies, especially in asset management and foreign exchange, so that customers can enjoy convenient services through One–Stop Banking. In particular, the company provides professional job education programs such as PB, RM, foreign currency and financial assessment to financial experts so as to improve their competencies in financial consulting.

In March 2016, KEB Hana Bank published and distributed the "Tax/Legal Counseling Handbook" to all branches so that employees can utilize the company's knowhow of asset management, taxation and legal affairs. KEB Hana Bank will make efforts to develop employees' competencies in financial consulting through tax and legal education.

Career Development Programs

Hana Financial Group develops employees' vision and professionalism through career development programs.

The career development programs are largely divided into core human resources, specialized personnel and global workforce. Core human resources are evaluated on the basis of Right People for HFG principle and fostered as next-generation leaders. Specialized personnel concentrates on developing their professional job competencies.

Global workforce, consisting of sojourning employees, Korean employees who have studied abroad and local employees, takes the lead in expanding Hana Financial Group' global network.

KEB Hana Bank



51

Awarded a prize as an excellent company for HR development by the Korean Employment & Career Association

Global Workforce Development Program

Hana Financial Group's global workforce development program, called "GFM (Global Frontier Masters) Course" with excellent instructors consisting of local experts such as college professors, provides a variety of in-depth educational programs including history, culture, society, politics, economics and finance. In addition, employees can participate in the customized language programs of Hankuk University of Foreign Studies to develop their language skills and knowledge. In 2016, 43 employees completed a six-month course and participated in regional OJT.

"Specialized Global Programs" consist of a full-time MBA course at Korean and abroad renowned colleges, MBA associated with Korean and global financial institutions, EMBA, overseas master's courses (MS) by professional job (PB/WM, Corporate Banking, IB, Risk Management, Treasury, HR, IT/Future Finance, and Law & Compliance), etc. In addition, the group supports degree courses in its strategic nations including China, Indonesia, Spain, Russia, South America and Southeast Asia. In 2016, 15 employees completed all the courses contributed to establishing the group's global business strategies.

REINFORCEMENT OF FUTURE-PREPARING COMPETENCIES

Reorganization for Future Financial Businesses

KEB Hana Bank Hana Financial Investment

In December 2016, KEB Hana Bank integrated all departments of the Future Financial Business Headquarters into the Future Financial Business Division to operate a project-centered cell organization. The Heads of the Cells have responsibilities and authorities equivalent to the Heads of the Divisions during a project. Cell members may be flexibly integrated or separated according to the characteristics of projects. In order to strengthen the connection between online and offline channels, KEB Hana Bank integrated the duties of the Internet Banking Department and those of the Mobile Department into each division. Hana Financial Investment merged the Management Support Division with the Sales Support Division so as to swiftly respond to the changes in the financial market.

Hana Financial Group



Operated bottom-up future innovative organization, 'Hi-Lab'

Communication with Employees for Future Financial Businesses

Hana Financial Group tries to communicate with employees in order to stabilize its future financial businesses and strengthen business strategies by collecting their opinions on new business models. In 2016, the group held the "Hana Financial Group Digital Innovation & Cloud Seminar" with 120 IT employees. Participants discussed on online banks, global digital banking cases and cloud, and established business strategies together. Hi–Lab (Happy Innovation Laboratory), established in 2014, develops and applies the employee–centered, bottom–up future innovative models.

KEB Hana Innovators KEB Hana Bank

Innovation is the source of business sustainability. Hana Financial Group believes that effective innovation comes from empathy and communication with employees. Two-way communication with employees leads to innovation from a variety of perspectives and brings about changes, improving their sense of ownership and satisfaction. In that respect, KEB Hana Bank selects "KEB Hana Innovators" from young talents for innovation and promotes communication between the management and employees. Innovators are growing as next–generation leaders by planning strategies for current management issues, supporting communication between the management and employees, and improving corporate culture and work processes.



INTERVIEW STORY ON HAPPY FINANCE

SATURDAY CULTURE CLASS



Yun Ji-seon, Assistant Manager, Seokchon Station Branch, KEB Hana Bank

It is very competitive to register for the KEB Hana Saturday Culture Class which is part of the "Employees' Wellbeing Project." It is like college students trying to sign up for popular classes. For those who are interested in culture and arts like me, the Saturday Culture Class is a good opportunity to enjoy classic music, arts and literature. Numerous renowned artists and cultural instructors provide high levels of lectures, and participants can share their opinions freely. I sometimes register for a class with my colleagues and enjoy refreshing weekends. I hope that the company provide a wider range of programs for employees to balance their work and life.

INTERVIEW STORY ON HAPPY FINANCE

POSITIVE TREKKING







Lee Ji-hye, Associate Manager, Chungju Branch, KEB Hana Bank

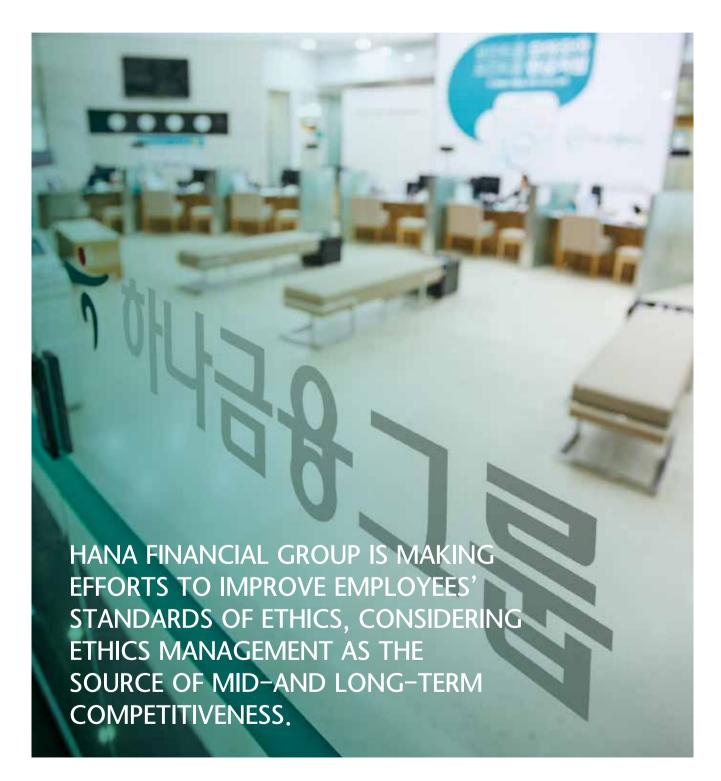


ungiu Branch, KEB Hana Bank

The Branch Manager recommended me "Positive Trekking." He participated in Positive Trekking while planning the branch's pep rally and found it inspirational. "Positive Trekking" is a one-day program provided to all branches under the theme of "Happy Employees, Satisfied Customers." Even though it is a one-day program, all employees of Chungju Branch went to a pension and had a great time the night before the program day. We wore the same T-shirts for team work, and it drew attention from other branches. We enjoyed trekking amid the fresh air. It was a refreshing experience for all of us. We used to think that a new employee was quiet and reserved, but we could see him dancing and laughing a lot during the program. We shared polaroid pictures and delivered positive messages to each other. I hope I can participate in this program again with all my colleagues.

MATERIAL ISSUE 4





ETHICS OF HANA PEOPLE



Hana Financial Group's Code of Fthics



Code One

No. of participants in ethics management education



98,529

Why is ethics of Hana People important?

Regulated by laws and social institutions, ethics management directly affects corporate sustainability. With the widespread use of SNS, ethics management now has a strong influence on corporate reputation, customer creation and customer churn. More and more laws for a fair society, such as the Improper Solicitation and Graft Act, are enacted, and social demands are strengthened. The company can strengthen its sustainability by managing risk factors and satisfying stakeholders' expectations through ethics management and internalization.

Hana Financial Group approaches to its goals in the following ways.

Since the affiliates of Hana Financial Group enacted their own codes of ethics in 2009, the entire Group has been trying to improve employees' standards of ethics, considering ethics management as the source of mid- and long-term competitiveness. In 2016, Hana Financial Group enacted the common Code of Ethics, "Code One," based on the opinions from Hana People. In early 2017, the group established the seven principles of conduct, "Core 7," to improve its standards of ethics management. All actions of Hana People should be based on the following three questions: "Does my decision comply with Code One?", "Is it okay for my action to be disclosed to other employees or the media?", or "If another employee was in my shoes, would he/she make the same decision?" Employees should be able to answer "Yes" to all three questions for their actions. If it is difficult to answer, they should consult the ethics or legal affairs division. In addition, Hana Financial Group tries to protect whistleblowers and strengthens its anti-money laundering system. Sharing excellent cases of ethics management with employees, the group supports their ethical decision making.



No. of violations of the Electronic Financial Transactions Act



Zero

Key Sustainability Performance

	2014	2015	2016
No. of participants in ethics management education (No. of people)	9,229	16,396	98,529
No, of participants in internal control education (No, of people)	1,213	1,471	1,737
No. of violations of the Electronic Financial Transactions Act (No. of cases)	0	0	0
No, of violations of the Monopoly Regulation and Fair Trade Act (No. of cases)	0	0	0

^{*} Based on data of KEB Hana Bank

POWER ON

Evaluation Results of DISI Code of Conduct in 2016



■ The highest point in the financial industry 100

83

74

75

■ Hana Financial Group

■ Average in the financial industry

UNSHAKABLE PRINCIPLES OF ETHICS

Enactment of Group's Code of Ethics



Although the affiliates of Hana Financial Group have established their own codes of ethics since 2009 to improve employees' standards of ethics management, the group realized the necessity of the group's mission and vision, and of the revision of the Code of Ethics, Integrating and modifying the codes of ethics of its affiliates and collecting opinions from employees, Hana Financial Group has finally established the group's Code of Ethics, "Code One." in January 2016. Its name, Code One, means the unshakable, only one absolute standard which is the most fundamental, fair and integrated basis. Code One consists of Ethics Charter, Questions for Ethical Decisions and 25 Detailed Codes of Ethics.



Evaluation Results of DISI Anti-corruption Policy & System in 2016



■ The highest point in the financial industry 100

92 ■ Hana Financial Group

Average in the financial industry

Enactment of the Principles of Conduct, "Core 7"



In 2017, Hana Financial Group selected the "spread of ethics management" as one of its key tasks and established the seven principles of conduct, "Core 7." Core 7 explains on the practical standards applicable to the worksites, by using a conversational style and imperatives. Core 7 reflects the opinions of 9,800 employees from the 'Survey on Employees' Awareness of Ethics Management" conducted in late 2016 and from the results of the group's analysis on major ethical issues. Hana Financial Group strongly encourages all employees to practice Core 7 so as to apply ethics management in daily work.

Core 7 Principles of Conduct

- Do not request special consideration for a job position (Fair personnel evaluations and management are the foundation for a healthy organization.)
- 2 Do not discriminate against people on the basis of birth, sex, etc. (Discrimination and cliques are misconducts that undermine the organization)
- 3 Do not sexually harass others. (Sexual harassment breaks the trust and weakens the work environment,)
- 4 Do not receive financial/material benefits or favors.
- (The receipt of excessive treats, financial/material benefits, and usury are crimes.)
- **6** Communicate with each other and be considerate to others.
- (Communication is the basis of good teamwork, and everyone needs empathy and careful consideration.)
- Do not mix business with pleasure
- (Do not mix business with pleasure when handling corporate budgets, items, authorities, time and information.)
- Maintain a desirable drinking culture. (A desirable drinking culture builds a healthy organization.)

TRANSPARENT CORPORATE CULTURE

No. of participants in ethics management education (Unit: No. of people)



2014 9,229

98,529

Reinforcement of the Ethics Management Report System



Hana Financial Group operates the ethics management report system, "Healthy Voice," in order to prevent employees' illegal acts, wrongful acts and sexual harassment, and handles ethics management issues swiftly. In 2016, the group conducted a survey on operation, accessibility and stability of its affiliates' Healthy Voice and applied the group's standard system, It protects identities of whistleblowers through an anonymous report system and direct report system by law-abiding monitors. The group established the "Regulations for Whistleblower Protection and Case Handling Procedures" in order to protect whistleblowers from retaliation. If they are or may be disadvantaged, law-abiding monitors protect them from retaliation, If an employee confesses on his/her wrongful act, disciplinary action may be lightened considering the circumstances. If a whistleblower's report prevents corporate losses or greatly contributes to corporate profits, he/she may get rewarded or receive additional points for a personnel evaluation.



No, of participants in internal control education (Unit: No. of people)





Sharing Best Practices on Ethics Management KEB Hana Bank



KEB Hana Bank believes that "Right Way Management based on Ethics, Honesty, and Trust" significantly affects corporate sustainability and customer creation. In 2016, the company collected and shared best practices of ethics management so that employees can take them into account for ethical decision making.

KEB Hana Bank collected about 120 cases for one month and selected excellent cases that complied with the Code of Ethics of Hana Financial Group and gained employees' empathy. A total of nine excellent cases were selected by the Compliance Department Evaluation Group and the Internal Control Council, KEB Hana Bank awarded a prize to the winners to improve employees' interest in ethics management.





KFB Hana Bank



A semi-annual self-diagnosis of compliance with ethics regulations and laws

Ethics Management Programs

Ethics Management i	arris		
Empathy [Ethics 3.0]		Code of Ethics) and Core 7 (Principles of Conduct) on the education, and conducted PR campaigns	group's
A survey on awareness of ethics management	employees of the gro	vey is conducted every year with all executives and non- roup in order to check their awareness of ethics. The resu ated into main policies of ethics management.	
Healthy Voice		system to report employees' illegal/wrongful acts and sex oter losses; it includes whistleblower protection, confident d rewards.	
Pledge of compliance with Ethics Charter	Charter are held at t	ment Resolution Ceremony and the Pledge of Compliance the beginning of each year, in order to improve employe ythen an ethical corporate culture.	
Self-diagnosis of compliance with ethics regulations and laws	months using the qu	compliance with ethics regulations and laws is conducted juestionnaire survey function of the internal compliance sr ation is incorporated into a management evaluation. (Eve	upport system.
Contest of excellent cases of ethical management	employees once a ye	ects excellent cases in compliance with the Code of Ethics year. The company rewards winners so as to improve emp anagement and publishes the selected excellent cases in a	oloyees'
Group education on ethics		vides in-house education to employees who need ethics r g law-abiding monitors, new employees and returning em	
Online ethics/ compliance training	compliance with law protection of custom	vides all employees an annual online training in ethics man ws, anti-money laundering, protection of financial custom mer information, information security and prevention of ees' participation is incorporated into a management eva	ners, sexual
Ethics/Compliance Newsletter		ts the performances and activities of the Compliance Depe e on a quarterly basis so as to improve employees' awarer	
Pop-up posts of ethics management cases		vides a pop-up post of ethics management cases on a quage employees to practice ethics management and improbliance with laws.	

KEB Hana Bank



Received citation from the Chairman of the Financial Services Commission on the Anti-Money Laundering Day

REINFORCEMENT OF THE ANTI-MONEY LAUNDERING SYSTEM *KEB Hana Bank

As the business environment of the financial industry changes rapidly, international demands for anti-money laundering are growing, and relevant regulations are being greatly reinforced. Considering the changes in the financial industry, KEB Hana Bank established an anti-money laundering system in compliance with the RBA (Risk Based Approach) System of the Financial Action Task Force (FATF). Based on this system, the company operates the global class standards for money laundering reports and a customer confirmation system. Furthermore, the company consistently provides anti-money laundering education to employees and fosters anti-money laundering experts. Its efforts to prevent money laundering have achieved recognition; in 2016, KEB Hana Bank received citation from the Chairman of Financial Services Commission on Anti-Money Laundering Day.

INTERVIEW STORY ON HAPPY FINANCE

ETHICS OF HANA PEOPLE



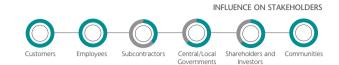
Kim Heui-Dae, Compliance Officer, Hana Financial Group

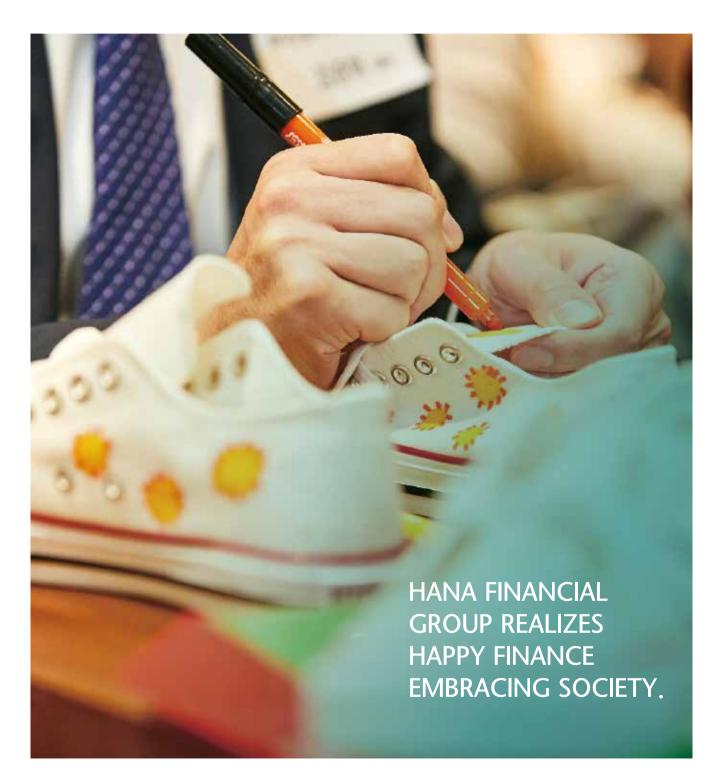
With the rapidly changing domestic and abroad political and economic environments, the management conditions and domestic economy are worsening. In order to overcome the challenging situations and realize sustainable management, we need ethics management more than ever to improve the transparency and trust of the management. Ethics management is a way to improve corporate competitiveness. standards of business ethics increase long-term corporate profits.

Based on the CEO's strong will to practice ethics management, Hana Financial Group and its Compliance Department make efforts to strengthen its internal control. In addition, the group is improving its systems and environment relating to ethics management, so that employees can make ethical decisions in their jobs. The group helps employees recognize themselves as the main agent of ethics management through the code of ethics "Code One" and the principles of conduct "Core 7," so as to establish an ethical corporate culture.

In order for a healthy corporate culture to take root throughout the group, constant communication with employees is essential in the mid- to long-term perspective. By collecting and reflecting employees' opinions on ethics management in its policy making, the group is receiving positive feedback from its employees. In addition, the group collects excellent cases of ethics management from employees. Hana Financial Group will keep making efforts to strengthen ethics management in various ways.

MATERIAL ISSUE 5





FINANCIAL SERVICES EMBRACING SOCIETY







Social contribution



KRW 26,6 billion

KEB Hana Bank



The best financial institution in support for small businesses

Why is finance embracing society important?

The financial industry develops only when the national economy grows and customers are able to afford financial services. The deterioration of the household economy with high rates of inflation, high unemployment, high costs of living and difficulties in social adjustment became a risk for corporate management. In order for Korea whose economic growth has been led by leading companies to develop its growth potentials, it is important to improve the business stability of small- and medium-sized businesses and to find and invest in promising companies. Furthermore, corporations should reduce costs of conflict for a united society and contribute to strengthening the social safety net through financial education and welfare support.

Hana Financial Group approaches to its goals in the following ways.

Hana Financial Group develops a variety of financial products reducing financial burdens on the commonalty and the middle class, and aims for a tolerant financial ecosystem by proactively participating in the government's financial support policy. The group provides financial support to small- and medium-sized companies suffering from economic deterioration and strengthens the economic foundation by developing and investing heavily in venture companies and startups. In addition, Hana Financial Group creates shared value with society based on its social contribution strategies. Furthermore, the group contributes to the Korean and global society by preparing for the unification of Korea, supporting the youth and the underprivileged and introducing social finance.



Hours of employees' volunteer work



47,636 hours

Key Sustainability Performance

2014	2015	2016
518	388	266
17.4	20.7	25.1
_	55,137	47,636
	518	518 388 17.4 20.7

*Based on data of all affiliates of Hana Financial Group **Based on data of KEB Hana Bank

POWER ON SUSTAINABLE WAY

POWER ON RESPONSIBLE BUSINESS

POWER ON TRANSPARENT FUNDAMENTALS

Evaluation Results of DJSI Corporate Citizenship Awareness and Charity Work in 2016



■ The highest point in the financial industry 100

	_				-
Hana	Financ	ial (Group		8
Average	ge in 1	the	financial	industry	6

REDUCTION OF FINANCIAL BURDENS



Development of Small-loan Products KEB Hana Bank

KEB Hana Bank converted high interest rate loans to mid interest rate loans in order to reduce the financial burdens on the underprivileged. The company has been making efforts to improve the financial accessibility of people with weak credit. For loan applicants who cannot submit a proof of income statement but work hard for a living, the company reduced the minimum term of service required for loans to one month and lowered the income standards to ease financial burdens. On the faith of the Seoul Guarantee Insurance Company, "KEB Hana Mid Interest Rate Loan" and "Hana Easy Save Loan" support living expenses and repayments on high interest rate loans of people with weak credit. Through the "Debt Rearrangement Program," KEB Hana Bank converts loans into partial redemption for people with weak credit and low income earners who cannot extend the period of credit loans. If they repay a loan faithfully, the company provides additional small loans. In addition, the company provides financial services customized for occupational clusters easily alienated from financial benefits.



No. of customers of New Hope Seed Loan (Unit: No. of people)



2015	20,974
2016	26 789

Small-loan Products for the Commonalty 🥱 KEB Hana Bank 🥱 Hana Savings Bank

KEB Hana Bank not only provides small-loan products obligatorily but also tries to improve the product quality for the commonalty. KEB Hana Bank makes efforts to provide a "New Hope Seed Loan," one of its representative small-loan products, to more customers, especially to small businesses and their employees who have difficulties in submitting a proof of income statement. Utilizing the earnings estimated by a credit rating company, the company has provided about KRW 1.89 trillion in loans until 2016. In addition, its "Sunshine Loan for the Youth and College Students" which supports living expenses and converts high-interest rate student loans into low-interest rate loans is available to be applied for online, It's the only loan product available online in the banking industry in Korea.



Accumulated amount of Sunshine Loans (Unit: KRW 100 million)





Development of Financial Services for Public Interest

KEB Hana Bank KEB Hana Card

KEB Hana Bank's "Babonanum Savings" launched in 2011 is donated to the Babonanum Foundation that helps Korean and foreign underprivileged people including patients with incurable diseases. After the Public Trust Act took effect in March 2015, anyone can set up a public trust and donate money through a trust agreement with a bank without the need to establish an organization.

In order to strengthen a safety net for disasters and accidents, KEB Hana Bank signed a business agreement with the 119 Safety Foundation, and is making efforts to widely spread the "119 Lifesaving Number." The 119 Lifesaving Number is written on KEB Hana Bank's financial package, "119 Lifesaver." The 119 Lifesaving Number consisting of an individual emergency contact and health information is written on the bankbooks and cards to help with prompt emergency treatment. Customers using this product receive a variety of benefits such as exemptions from fees, prime rates and additional Hana Money. According to their transaction records, a certain amount of money is donated to the 119 Safety Foundation for the safety of the public and firefighting officers.

Resulting effects of 10,000 additional houses from New Stay



Rental deposits decreased by 0.3%p

Source: Korea Research Institute for Human Settlements

FINANCE SERVICES CONSIDERING RESIDENTIAL WELFARE

New Stay † Hana Asset Trust † Hana Financial Investment



New Stay is a governmental policy which has been conducted for the stability of middle class housing since 2015. It refers to enterprise-platform rental housing whose inflation rates of rents are 5% or lower for up to eight years. Having signed an MOU with the Ministry of Land, Infrastructure and Transport for the first time in the financial industry, Hana Financial Group is supplying Urban New Stay. Hana Asset Trust sold its idle branches resulting from M&A to REITs, and REITs will remodel the buildings into rented studios and provide up to 10,000 studios.

Hana Financial Investment joined the New Stay Agreement led by the Incheon Metropolitan Government. This agreement is to resume the residential environment improvement project for the adjacencies of Songnim Elementary School, located in Dong-gu, Incheon. Hana Financial Investment improved the business values of the project by increasing the ratio of floor areas and contributed to the resumption of the project by providing loans for sales contracts.

Residential Stability for the Youth KEB Hana Bank

To improve the residential stability for the youth, KEB Hana Bank concluded a comprehensive MOU for the "2030 Seoul Housing Provision Project for the Youth" with the Seoul Metropolitan City. Through this project, the Seoul Metropolitan Government will relax the regulations for development of station influence areas with convenient public transportation infrastructure and allows high density development in order to provide quality rental housing to the youth. KEB Hana Bank provides financial benefits for the development of rental housing for the 2030 Seoul Housing Provision Project. In particular, KEB Hana Bank provides "Hana My Room" which is the banking industry's only financial product for the residential stability of college students.

G4-EC8 G4-SO1

FINANCIAL SERVICES CONSIDERING CORPORATIONS

No. of small– and medium–sized business partners (Unit: 10.000







KEB Hana Bank



The best financial institution in support of small businesses

Selected by the Korean Federation of Micro Enterprise

KEB Hana Bank



The Minister's
Award by the
Ministry of Science,
ICT and Future
Planning at the
Center for Creative
Economy and
Innovation Awards

Support for Small- and Medium-sized Businesses *KEB Hana Bank

As part of its support for small– and medium–sized businesses, KEB Hana Bank provides technical finance and policy loans to businesses with their own technology after a technology credit evaluation. It makes efforts to reduce financial burdens on small– and medium–sized businesses through "Preferential Loan Services for Principal Small Businesses" and "Preferential Loan Services for Hana Members Businesses." In addition, it has been providing financial consulting services including tax affairs and accounting since 2015. Furthermore, KEB Hana Bank signed a business agreement for loan support with the Small Enterprise and Market Service, and provides low interest rate loans on the faith of the Public Happy Fund so as to contribute to improving the economic stability of small businesses.

Investment in Undervalued Businesses Thana Financial Investment

As Korea undergoes economic deterioration with growing economic uncertainties, it is very important to find and invest in promising Korean businesses. In February 2016, Hana Financial Investment organized the "Hana Value Top Picks Lab." It visited numerous promising companies and selected 10 to 15 promising companies for intensive investment. To protect investors, companies with high financial risks or limited business potentials were all excluded from investment.

Reinforcement of the Venture and Startup Ecosystem KEB Hana Bank

Hana Financial Group participated in the "Growing Ladder Fund" and "Startup Win-win Fund" to strengthen the venture and startup ecosystem, and concluded the 2nd Investment Agreement of Dream Venture Star with the Daejeon Center for Creative Economy & Innovation. The group takes the initiative in supporting venture companies and startups with excellent technology. In March 2016, Hana Financial Group signed a business agreement for the development of Korean startups and support for their entrance into the global market with the global venture development company based in Israel, "Yozma Group." The group provides financial support and management consulting to startups (new venture companies) that will move to the Yozma Campus and helps their entrance into the global market using its global network. In addition, Hana Financial Group concluded a business agreement with Korea Polytechnic University which is designated as an excellent university leading startup by the Small & Medium Business Administration. The group provides financial support and management consulting to startups and the members of the Startup Support Group.



FINANCIAL SERVICES CONSIDERING THE UNDERPRIVILEGED



Social contribution (Unit: KRW 100 million)

2014

518

2016

Directivity of Social Contributions

Based on the group's mission, "Growing Together, Sharing Happiness," Hana Financial Group, as a responsible corporate citizen, conducts various strategic social contribution projects for sustainability and win-win growth. In 2017, the group included "Introduction of Social Finance" in its key social contribution fields to expand its social contribution as a financial institution.

Social Contribution of Hana Financial Group



Support fund for unification (Unit: KRW million won)



015 474

Preparation for the Unification of Korea * KEB Hana Bank

Hana Financial Group believes that it is important to help the 30,000 North Korean refugees adjust into society and to contribute to social integration in preparation for the unification of Korea. Through the mentoring program, the group helps young North Korean refugees find jobs and adjust into society. KEB Hana Bank has been commissioned to undertake "Tomorrow's Happiness Bankbook" by the Ministry of Unification so as to help Korean refugees manage their financial assets. In addition, it supports their scholarships, medical expenses and alternative schools

Hana Financial Group founded the Hana Unification Expedition consisting of young North Korean refugees. The Hana Unification Expedition performed a choir performance in Germany so as to widely promote Korea's will for unification. The Hana Unification Expedition, founded by the Ministry of Unification and the Korea Hana Foundation, conducted a signature–seeking campaign for the unification of Korea and world peace and received positive reviews. KEB Hana Bank has been sponsoring the DMZ International Documentary Film Festival since 2012 so as to let the world know about the Demilitarized Zone (DMZ) and the division of the Korean territory. In 2016, it established the Hana Peace Documentary Awards in order to support documentary films about the divided Korean peninsula, In addition, it held a "DMZ Peace Bicycle Trip."

Hana Unification Expedition



Awarded the Film of the Year at the 2016 Korea CSR Film Festival





Support for the Youth KEB Hana Bank KEB Hana Card Hana 1&S

Hana Financial Group helps the youth grow as an upright members of society. The group has been granting scholarships to the descendants of persons of distinguished service to independence, through the Independence Patriots Association since 2015. KEB Hana Bank set up a sisterhood relationship of financial education with schools and military camps and provided financial education for growing healthy concepts on economy and consumption habits. According to the one-to-one financial education plan of the Financial Supervisory Service, KEB Hana Bank set up a sisterhood relationship of financial education with 306 schools and provided financial education to them. Through the Global Financial Career Program, it provides financial career education to 1,000 students each year. Its children's musical, "Jeck's Magic Purse," which has been held for over 130,000 children since 2007, is a well-known educational musical show delivering economic concepts in an easy and funways.

KEB Hana Bank, KEB Hana Card, and Hana I&S are fostering talents through industrial-academic cooperation in order to develop human resources for advanced financial services and contribute to creating more jobs. In January 2016, they signed a comprehensive business agreement for social contribution with Korea Polytechnic College. The purpose of the business agreement is to support job-seekers with a college degree, carry out win-win growth of small-and medium-sized businesses, support IT experts, realize a competency-centered society, and foster integrated technical manpower. In addition, KEB Hana Card will provide FinTech internship programs to students majoring in software.

KEB Hana Bank



Presented with an award for an excellent financial educational program at a Finance Contest

Hosted by Financial Supervisory Service

Hana Financial Group "SMART Ambassadors"

In 2012, Hana Financial Group started "Smart Ambassadors" which is the Korean financial industry's first youth honorary ambassador appointment program. Smart Ambassadors meet the CEO of Hana Financial Group, visit the affiliates, and participate in job experience programs, Idea League and social contribution programs. After an evaluation, excellent teams and individuals are awarded a scholarship and a certificate of merit. They may receive preferential treatment for an internship or recruitment of Hana Financial Group.



Support for the Underprivileged *KEB Hana Bank

Happy Boxes, as part of the social contribution of KEB Hana Bank conducted since 2011, was started to help the underprivileged including children from single parent families, the elderly, multicultural families and North Korean refugees. Happy Boxes contain school supplies and daily necessities. In 2016, the main branch of KEB Hana Bank first delivered a total of 1,111 Happy Boxes to community children's centers, multicultural support groups, schools for North Korean refugees, and ward offices. Later, other branches delivered Happy Boxes in their communities as well.

Support fund for social companies (Unit: KRW million)



KEB Hana Bank



Conducted the Templestay Familiarization Tour for foreigners in Korea for six consecutive years

Hana Financial Group generates jobs for the vulnerable by investing in social companies and creates shared values through finance. For the first time in Korea, KEB Hana Bank invested KRW 1.5 billion in Easy Move, a social company specializing in auxiliary equipment manufacturing for mobility-handicapped people including the disabled and the elderly. From 2014, Hana I&S employs people with a developmental disability through the social company "Bear Better." The company purchases a variety of welfare items such as confectioneries, flowers and items required for employees' marriage, childbirth, and first day at work in order to support jobs for the disabled

To support female teenagers from low income families, Hana Financial Investment conducted a public marketing campaign with Ai Sarangae in 2016. Ai Sarangae is a sponsorship platform operated by Foxy 9 which is a sanitary pad manufacturer. Hana Financial Investment donates a pack of sanitary pads (10 pads) whenever a customer joins Hana Members through Ai Sarangae. It has donated about 100,000 packs of sanitary pad so far.

Global Social Contribution KEB Hana Bank

According to the group vision, "A Trusted Premier Global Financial Group", Hana Financial Group helps foreign adolescents stand on their own feet by improving the educational environment. Hana Financial Group has been supporting children living in the backwoods of Nepal by constructing a school. In February 2017, the group completed construction of Hana Financial Group & Um Hong–gil Human School at an altitude of 1,900 meters. The school provides new educational opportunities to children living in Makalu, Nepal who used to have difficulty going to school due to the tough terrain. Since 2011, Hana Financial Group has been installing Hana Happy Class in developing countries including Myanmar, Vietnam and Sri Lanka, so as to provide children more educational welfare facilities such as computer rooms and libraries. In 2017, 20 customers selected for the sharing event of Hana Members participated in the volunteer work for Hana Happy Class in Cambodia.

KEB Hana Bank is promoting Korean culture and strengthening relationships with foreigners in Korea in order to fulfill its roles and responsibilities as one of the most foreigner-friendly global banks. Since KEB Hana Bank concluded a business partnership with the Cultural Corps of Korean Buddhism in 2011, it has been providing a Templestay Program to foreigners in Korea and multicultural families. In addition, it provides a Templestay Familiarization Tour twice a year to create an open-minded society.



HANA NANUM FOUNDATION



The Hana Nanum Foundation, the Korea's first public foundation established by a financial institution, supports poor children, low income families and the underprivileged, and provides welfare facilities and scholarships for low income families and the youth. Furthermore, it conducts a variety of social contribution projects such as international relief for the underprivileged. In 2009, it established the Hana Multicultural Families Awards. Through the annual awards, the Hana Nanum Foundation awards female marriage migrants, who successfully adjust to Korean society, in addition to organizations and individuals helping multicultural families. The Hana Nanum Foundation uses over KRW 3 billion for social contribution each year. Since its foundation in 2005, it has used a total of KRW 35.8 billion for the underprivileged.

Annual project costs of Hana Nanum Foundation (Unit: KRW million)



2014	2,802
2015	3,472
2016	3,586

Hana Multicultural Families Awards

The Hana Nanum Foundation holds the Hana Multicultural Families Awards each year in order to practice sharing management and to attract more social attention on multicultural families. At the 8th Hana Multicultural Families Awards in 2016, Mrs. Ho Jee Yuan, who emigrated from Vietnam to Korea to marry a Korean man, received the Minister's Award by the Ministry of Gender Equality & Family, and the Migrant Health Association in Korea Wefriends won the Happiness Sharing Award. Having improved the welfare of multicultural families, the Hana Nanum Foundation has awarded 106 individuals and 22 organizations, and provided a total of KRW 596 million in prize money at the Hana Multicultural Families Awards thus far.

Hana Scholarships

The Hana Nanum Foundation has inherited KEB Hana Bank's scholarship program and has been providing scholarships since 2006. The Hana Nanum Foundation has been expanding its scholarships, and now provides scholarships to promising college students in developing Southeast Asian countries including Vietnam, Indonesia and the Philippines as well as Korean students from low income families. In 2016, the foundation selected 396 excellent Korean students from low income families as Hana Scholarship Students and provided scholarships totaling KRW 455 million. In addition, it provided scholarships amounting to KRW 150 million to 250 foreign college students in developing countries. Since 2006, the Hana Nanum Foundation has granted scholarships of more than KRW 2,890 million to 2,634 Korean students and KRW 489 million to 2,796 foreign college students.





INTERVIEW STORY ON HAPPY FINANCE

MENTORING PROGRAM FOR YOUNG NORTH KOREAN REFUGEES



Gang Won-cheol, Official at the Ministry of Unification

The number of North Korean refugees who have settled down in South Korea exceeded 30,000. Even though they finally came to South Korea after much laborious effort, most of them face difficulties. The financial situations of North Korean refugees whose family members are still in North Korea become even worse while trying to bring them to South Korea. Some experience difficulties in keeping up with South Korean education which is totally different in North Korea. In particular, prejudice and doubt against North Korean refugees create difficulty getting a job. In fact, there's a higher probability of getting a job when North Korean refugees do not state on their job application that they are from North Korea. Although I defected from North Korea to escape from starvation following bad harvests and disasters, I had to experience different kinds of difficulties here.

I first met the executives of Hana Financial Group through its mentoring program for young North Korean refugees. KEB Hana Bank has a strong will to help North Korean refugees and to prepare for unification. In spite of my lack of financial knowledge, KEB Hana Bank willingly gave me a job, and my colleagues kindheartedly taught me about the work. At first, I had difficulties understanding the work; however, as time went by, I became confident more and more in my work.

I transferred to the Ministry of Unification for my dream to devote myself to unification. However, all employees of Hana Financial Group were fully supportive of me until my last day at work. I still keep in touch with my colleagues and the executive director who has been my mentor. I would like to thank Hana Financial Group again for their full support. Thanks to them, I could settle down in South Korea.

Hana Financial Group's All Hana Day G4-501



All Hana Day is Hana Financial Group's annual social contribution campaign that has been held since 2011, During this campaign held from November 11 to January 11 of the following year, all employees participate in the community service for two months.

Hana Financial Group's Social Contribution

The Proclamation ceremony of All Hana Day



Kimchi Sharing



Seoul Choir of Hope and Sharing



Hana Members Sharing Event



About 4,000 employees and customers participated in the Hana Members Sharing Event. Their donations are used for Hana Happy Class which provides facilities and libraries for Korean and foreign children, 20 customers selected from the contributors participated in the library construction and volunteer work in Cambodia.

Happy Sharing



Happy Sharing is a donation event to help schools and libraries in developing countries and young Korean job seekers. About 600 employees donated approximately 5,300 items (children's clothing, school supplies, toys and suits). After mending and repair, suits will be delivered to young job seekers for their job interviews, and other donations will be sent to children in five different countries.

KEB Hana Bank

KEB Hana Bank's 27 business divisions, branches and subbranches engage in community service all throughout the year. During the period of All Hana Day, about 4,100 employees participated in 223 volunteer projects all around the country.



KEB Hana Card

During the period of All Hana Day, Hana Card Sarang Volunteer Corps volunteered at the Amsa Rehabilitation Center for disabled children where the volunteer group visits on a quarterly basis. In addition, the volunteer group donated KRW 10 million to the Salvation Army Charity Pot for welfare facilities and traditional markets.



Hana Financial Investment

Hana Financial Investment's in-house band, "E-Band," held a charity concert. Hana Financial Investment donated matching funds of the ticket sales to nine welfare facilities including the Seolwon Welfare Foundation, the Anyang Welfare Center for the Children, the House of Love and the Amsa Rehabilitation Center



Hana I&S

In November 2016, 163 employees of Hana I&S made baby clothes to donate. They delivered handmade baby clothes and handwritten letters to single mothers and low income families.



Hana Institute of Finance

"Happy Companions," the volunteer group of Hana Institute of Finance, has been volunteering at the Yeongdeungpo Senior Welfare Center, In November 2016, Happy Companions made kimchi and delivered it to senior citizens living alone and grandparents raising grandchildren, as part of All Hana Day events.



Hana Capital

During the period of All Hana Day, all employees of Hana Capital painted murals on walls near Doksan Elementary School. Employees of the Gwangju Branch cleaned welfare facilities for the disabled (Guiil Hyanggi Welfare Center) and helped their meal preparation.



Hana Life

The volunteer group of Hana Life, "Plus Hana," has participated in Save the Children's Hat Knitting Campaign for six consecutive years. Hats are delivered to newborn infants suffering from hypothermia in African and Asian developing countries through Save the Children.



Hana Asset Trust

As part of All Hana Day events, Hana Asset Trust donated briquettes to the underprivileged. Employees visited low income families in Namtaeryeong Jeonwon Village and delivered about 5,000 pieces of briquettes in preparation for winter.



Hana Asset Management

In cooperation with the Miral Welfare Foundation, Hana Asset Management made winter kits and visited the Gangdong Senior Welfare Center to deliver their work to 100 people. Hana Asset Management engages in a variety of volunteer work including meal preparation for the elderly on a regular basis



Hana F&I visited Raphael's House to spend time with children with severe disabilities and delivered gifts and donations. In addition, all employees collected and donated their books to the community.



Hana Investors Services

The volunteer group of Hana Investors Services, named "Fun Dream," has been proactively engaging in donations and volunteer work. In January, they delivered briquettes to low income families in Nowongu, Seoul in preparation for winter.



Hana Savings Bank

The volunteer group of Hana Savings Bank held "Rice Sharing" at the Changsin 2-dong Community Center where the Hana Savings Bank Main Branch used to be located and delivered rice worth KRW 2.5 million to neighbors.



MATERIAL ISSUE 6





ECO-FRIENDLY FINANCIAL SERVICES







Greenhouse gas reduction (Unit: tCO2eq)



2,488.5

Hana Financial Group



Received presidential citation in 'Responses to Climate Change'

The Korean Government's Eco-friendly Awards

Hana Financial Group



Selected as 'Honors in Carbon Management Sector' at CDP

Why is eco-friendly finance important?

The international society is aware that rising temperatures of the earth is a threat to humanity, and demands responsible corporate roles. According to the Paris Agreement concluded in December 2015, the Korean government decided to reduce greenhouse gases by 219 million tons corresponding to 37% of BAU (Business As Usual) by 2030, Responding to the government's demand for reducing greenhouse gas emissions, businesses can strengthen their eco-friendly processes, reduce costs and improve work efficiency. The financial industry has an ability to contribute to resolving global environmental issues by connecting financial products and investments to the environment.

Hana Financial Group approaches to its goals in the following ways.

Recognizing the responses to climate change as an opportunity to innovate its eco-friendly management process, Hana Financial Group is carrying out the Paperless Action Plan based on Smart Office and Smart Work, The Certified Electronic Document Center, which is the first in the financial industry, is an eco-friendly management innovation that contributes to encouraging the use of electronic documents and reducing paper use. Based on the potentials of finance, Hana Financial Group promotes environmental protection by investing in new and renewable energy and launching eco-friendly financial products. As global countermeasures against environmental issues are becoming important, Hana Financial Group keeps an eye on its performances through annual evaluations of international groups such as the Carbon Disclosure Project (CDP) and DJSI, and tries to make improvements in its work processes.



Key Sustainability Performance

	2014	2015	2016
Greenhouse gas emissions (tCO2eq)*	29,224.5	27,752.9	25,264.4
Energy consumption (TJ)*	588.1	558.6	508.0
Water usage (tons)**	144,038	143,006	119,368
Green loans (KRW 100 million)**	3,425	2,891	3,761

*Including Hana Financial Group, KEB Hana Bank, Bangbae Office, and Open Education Center

^{**}Green loans Include Energy Usage Rationalization Fund Loan, Environmental Improvement Support Fund Loan, Hana Solar Loan, and Green Business On-lending Loan

Evaluation Results of DJSI Environmental Efficiency in 2016



■ The highest point in the financial industry 100

■ Hana Financial Group

Average in the financial industry

KEB Hana Bank



IMPLEMENTATION OF PAPERLESS ACTION PLAN



Introduction of Smart Office

As part of "Let's Smile" (subtitled "Work Smart"), Hana Financial Group carries out the Paperless Action Plan in order to improve work efficiency. The company's regulations state that all documents shall be prepared as electronic documents in principle, and handwritten documents may be used in exceptional cases. By the Paperless Action Plan, Hana Financial Group has been greatly reducing its paper use. The group set up its goal to reduce paper use per employee by 80% year on year through Smart Office and Smart Work. In the new KEB Hana Bank's main branch building, the group will make a 'paperless desk.' To do so, the group will separately designate an archive and implement the flexible seat system.

Integrated Eco-friendly Mailing System of Next Generation

Hana Financial Group established the next-generation, eco-friendly mailing system to save costs and reduce paper use. All mail has been digitized, and numerous mails to identical customers are sent together through an integrated address management system. By keeping the addresses of returned mail up-to-date, the group greatly reduced the amount of returned mail. As a result, Hana Financial Group saves 3.6 million sheets of paper per year and about KRW 400 million for returning costs, along with the reduction of 10,4tCO₂eq.

Business Agreement for Greenhouse Gas Reduction KEB Hana Bank

In January 2016, KEB Hana Bank concluded a business agreement for greenhouse gas reduction with the Ministry of Environment and the Korea Climate & Environment Network for the first time in the banking industry. KEB Hana Bank decided to sign this agreement in order to voluntarily participate in the Greenhouse Gas Reduction Project of the Ministry of Environment.

Summary of a business agreement for greenhouse gas reduction Costs saved by the About 930 branches consulting in greenhouse attended the greenhouse gas reduction are donated All employees write gas reduction consultation The slogan for greenhouse to society for tree planting a pledge to reduce provided by the Ministry of gas reduction is printed on investment in facilities for greenhouse gas emissions Environment and the Korea bankbooks and envelops. greenhouse gas reduction, by 1 ton per person, Climate & Environment and support for the



Evaluation Results of DJSI Climate Change Strategy in 2016



■ The highest point in the financial industry 100

Hana Financial Group

Average in the financial industry

Forest Protection

Hana Financial Group is taking action to protect the environment through forestry activities. As part of the one company-one forest project, employees of Hana Financial Group have been cultivating a forest with a total area of 400,000 pyeong since 2006. This forest, called Hana Mountain, is located in Sillon-ri, Cheongun-myeon, Yangpyeong-gun, Gyeonggi-do. The forest has a trail named 'Hana Mountain Trail'. Anyone can enjoy walking on this two-hour long trail

Hana Financial Group created the "Hana Forest to Share Happiness" in Noeul Park and Haneul Park in Sangam-dong. The group revitalized the land which was previously a landfill by planting trees and improved the water quality through river cleaning.



Hana Financial Investment



52

Lent or invested KRW 2 trillion in new and renewable energy from 2009

ECO-FRIENDLY INVESTMENT † KEB Hana Bank † Hana Financial Investment

the first half of the year.



New and renewable energy has been regarded as an eco-friendly and safe energy requiring investment. In 2016, KEB Hana Bank lent or invested about KRW 518 billion in eco-friendly energy businesses including new and renewable energy, ESS (Energy Storage System), and electric cars. In particular, it newly launched the Energy Usage Rationalization Fund Loan (21.6 billion won) in order to provide low interest, long-term loans to energy companies. In 2017, KEB Hana Bank will invest a total of 1.6 trillion in PF (Project Financing) in the energy industry and raise civic funds valued at KRW 11.4 billion for the new and renewable energy industry in

In 2016, Hana Financial Investment and KEB Hana Bank lent a total of KRW 117.7 billion for the "Noeul Fuel Cell Development Project" as the lead managers of PF (Project Financing). This project is to develop new and renewable energy facilities in idle land near Noeul Park which was previously a landfill in Seoul. This public-private partnership project, participated in by the Seoul Metropolitan Government, Korea Hydro & Nuclear Power Co., Ltd., Korea District Heating Corp., Seoul City Gas Co., Ltd., etc. provides new and renewable power and district heating to Mapo-gu.

ECO-FRIENDLY FINANCIAL PRODUCTS AND SERVICES † KEB Hana Bank † KEB Hana Card

For innovation in "Bankbook-based Financial Transactions" which is part of the "20 Financial Practice Reformation Projects" conducted by the Financial Supervisory Service, KEB Hana Bank decided not to issue bankbooks for deposit/saving products as well as preexisting target products in November 2016. As a result, bankbooks are not issued for a total of 10 products, corresponding to about 90% of newly opened deposit/saving accounts, for resource savings. It reduced social costs and risk resulting from dormant accounts and fraudulent bank accounts. By reducing 19 kinds of bankbooks to just four kinds, KEB Hana Bank decreased its bankbook inventory by 1 million and carbon emissions by 14.4 tCO2eq. It could save both bankbook management costs and logistics costs. In addition, it reduces financial burdens on eco-friendly companies and improves energy efficiency through eco-friendly financial products. KEB Hana Card provides products providing eco-friendly benefits such as public transportation incentives.

Eco-friendly financial products

Types	Product	Description	Outcome
	Green KORIBOR Fixed Deposit	Providing favorable interest rates to green growth- related businesses to support green finance	KRW 283.1 billion
Banking products	New Growth Partner Loan	Loan for small- and medium-sized businesses in key fields (exporters, green growth companies, companies with excellent technology, and startups)	KRW 25 billion
	ESCO Sales Credit Factoring	Securitization of long-term construction sales credits of ESCOs (energy saving companies) using energy rationalization funds	KRW 7.5 billion
	1Q Card	Saves 5,000 miles (5%) for every KRW 100,000 used for public transportation expenses	1,552,054
	2X Card	Discounts on public transportation (7%)	614,288
Card	No. 1 Epass Card	Saves miles for using public transportation (KRW 200 per use)	33,627
products	Happinior Card	Saves miles for using public transportation (10%)	17,087
	Wheelo Card	* Free bicycle insurance * Saves miles for using public transportation (KRW 10,000) * Public transportation accident insurance	120

Eco-friendly Marketing Campaigns





ECO-FRIENDLY MARKETING CAMPAIGNS TKEB Hana Bank

Based on Hana Members, KEB Hana Bank conducts an environmental protection campaign by holding "Build a Clean Environment" with the Ministry of Environment. New customers of Hana Members select one of the 15 missions for "Build a Clean Environment." KEB Hana Bank donates KRW 2,000 per customer to the Korea Climate & Environment Network. From July to August, 27,373 customers from 15 regions participated in the event and pledged to reduce greenhouse gases in daily life.

INTERVIEW STORY ON HAPPY FINANCE

IMPROVE YOUR HEALTH! REDUCE ENERGY!



As part of the "Healthy Hana People" and "Energy Saving" Projects, the Happy Stairways Project is being conducted at KEB Hana Bank's main branch and the Euljiro office. Happy Stairways were built to encourage employees to improve their health with a little effort in their daily life. Happy Stairs refer to the stairways located on the both side of the KEB Hana Bank's main branch. The stairways have different themes, and employees can obtain a wide range of information while using the stairways.

The stairways are called "Healthy Hana People" and "Travel around the World." Healthy Hana People Stairway connected to the Business Division is decorated with the group mascot named "Byeoldori" and the character of POWER on Integrity called "Incredible POWER 5." In addition to health information, the stairway shows calories consumed, healthy food information and messages of cheers.

The other stairway, "Travel around the World," provides brief information of 24 countries where the local subsidies and overseas branches of KEB Hana Bank are located, popular tourist destinations and tourist information. By the decorations employees can feel to be on a global tour while going up the stairs with Byeoldori and Byeolsongi.

Research says that you can consume 3 Kcal by ascending a stair and extend your healthy span by 13 minutes if you go up to the 10th floor using the stairs. Stair climbing is a good workout especially for busy office workers who cannot make time for exercise. You can work out on your way to work or home and during lunch breaks, and save energy.

SPECIAL INTERVIEW



Introduction of the Certified Electronic Document Center for the first time in the financial industry



Why did Hana Financial Group introduce the Certified Electronic Document Center?

According to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) of the United Nations published in 2014, it will be a serious threat to mankind if the temperature of the earth increases by 2°C from the average temperature before industrialization. Through the Paris Agreement concluded in December 2015, the participating member states including developing countries promised to maintain an increase in temperatures of the earth much lower than 2°C compared to the average temperature before industrialization, by reducing greenhouse gas emissions. The Korean government decided to reduce greenhouse gases by 219 million tons corresponding to 37% of BAU (Business As Usual) by 2030. Hana I&S decided to introduce the Certified Electronic Document Center for the first time in the financial industry, expecting that electronic documents would be used more and more for responses to climate change, work efficiency and cost savings. At the time when the Certified Electronic Document Center was being established, Korean companies used about 9.5 billion sheets of paper and KRW 25 trillion for document management per year. Hana I&S thought it would be worth investing in.

Hana I&S



Digitized about 100 million sheets of paper documents per year

What kinds of values is the Certified Electronic Document Center creating?

In addition to the environmental protection, the Certified Electronic Document Center maximizes work efficiency with its e-document search feature and improves customer information safety. The Certified Electronic Document Center reduces 1,046 tCO2eq by digitizing about 100 million sheets of paper documents per year and reuses digitized paper documents as recycled paper to reduce logging. Electronic documents have the same legal validity as original copies. One of our clients who entrusted document management to the Certified Electronic Document Center lost all their paper documents in a fire but preserved important records with electronic documents.



What is the sustainability management strategy of Hana I&S?

Based on the strengths as a technology company with a dominant market share in the Korean industry, Hana I&S will strengthen its electronic document management business with its eight-year experience in massive document processing. In addition to the affiliates of Hana Financial Group, it will encourage other customer companies to introduce the electronic document system. Based on its paperless office and digital sales process, Hana I&S will contribute to reducing greenhouse gas emissions.

POWER ON TRANSPARENT FUNDAMENTALS

Hana Financial Group's transparent decision making process is the basis of sustainability management.

Governance 70
Stakeholders Meeting 74

Evaluation Results of DJSI Governance in 2016



Hana Financial Group

Average in the financial industry

GOVERNANCE

Corporate Governance

In 2005, Hana Financial Group was reorganized as a holding company so as to create synergy effects in cooperation with its affiliates. For healthy governance, Hana Financial Group improves management stability and contributes to developing the Korean financial industry by pursuing the transparency and integrity of decision making. For this purpose, Hana Financial Group organized a Board of Directors consisting of independent and professional members.

BOD Composition

67



The Board of Directors of Hana Financial Group is the highest decision making group consisting of a total of 11 members including three inside directors and eights outside directors (including four auditors). For diversity, the members of the Board of Directors are appointed by the consideration of gender, race, birth, nationality, age, educational background and career. Hana Financial Group has been appointing female outside directors since 2010 and has previously included a foreign outside director. To secure its independence, Hana Financial Group excludes the CEO from the possible candidates of the BOD Chairman and maintains the number of outside directors more than half of the total number of BOD members. All outside directors of the BOD have high levels of ethics, professionalism and honesty as well as a wealth of expertise and experience in banking, economics, management, financial affairs and laws required for their duties. They represent the rights and interests of all stakeholders including shareholders.





Park Won-koo ② Song Ki-jin ③ Ham Young-joo
④ Yoon Sung-bock ⑤ Yang Won-keun
② Yang John Sung-book ⑥ King Jang And Only Sung-book ⑤ Yang Won-keun

BOD Operation



The Board of Directors of Hana Financial Group holds meetings on a regular basis to discuss management issues and calls for temporary meetings when necessary. In 2016, the Board of Directors discussed and made decisions on many important issues, including the establishment of a Hana Financial Group–SK Telecom joint venture and its incorporation as a subsidiary, the incorporation of an Indonesian subsidiary in Hana I&S, and the group's 2017 management plan. In 2016, the Board of Directors held a total of eight meetings, and the average attendance rate was 100%.

BOD Subcommittees



The Board of Directors include a total of eight subcommittees: the Steering Committee, Audit Committee, Risk Management Committee, Management Development & Compensation Committee, Nomination Committee, Outside Director Nomination Committee, Auditor Nomination Committee, and Group CEO Nomination Committee.

Management Development & Compensation Committee and its Compensation System



The Management Development & Compensation Committee of Hana Financial Group establishes and supervises the compensation and performance evaluation systems for executives of the group. The Management Development & Compensation Committee consists of no more than five outside directors for its independence. At least one committee member is appointed from among those who have a wealth of experience in the fields of banking and financial affairs. Outside directors' compensation consists of a base pay and extra pay for BOD activities. Executives' compensation except outside directors consist of a base pay and performance-related pay. Performance-related pay was designed to create a performance-centered culture, and it is divided into short-term performance pay for the previous year and long-term performance pay for the past three years. However, compliance officers, risk management officers and auditors are applied with a different compensation system in order to secure the independence of their work.

Members of Hana Financial Group's Board of Directors (As of March 2017)

Type	Name	Gender
Outside Directors (8 persons)	Yun Jong-nam (BOD Chairman, Auditor)	Male
	Park Moon-kyu (Auditor)	Male
	Song Ki-jin	Male
	Kim In-bae	Male
	Yoon Sung-bock (Auditor)	Male
	Yang Won-keun (Auditor)	Male
	Park Won-koo	Male
	Chah Eun-young	Female
Inside Directors (3 members)	Kim Jung-tai	Male
	Kim Byoung-ho	Male
	Ham Young-joo	Male
No. of committee meetings held in 2016		8
Committee attendance rate in 2016		100%

⑥ Yun Jong-nam ⑦ Kim Jung-tai ⑧ Chah Eun-young ⑨ Kim In-bae ⑩ Park Moon-kyu ⑪ Kim Byoung-ho

Evaluation Results of DISI Risk & Crisis Management in 2016



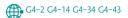
■ The highest point in the financial industry 100

78

■ Hana Financial Group

Average in the financial industry

Risk Management Committee



Risk management, a basis for sustainability management, protects customers' financial assets and information and enables stable corporate growth. Hana Financial Group has a comprehensive control system to manage potential risks. The Board of Directors has an environment and system for risk management complying with the business strategies of the group and entrusts part of its responsibilities and authorities of risk management to the Risk Management Committee. The Risk Management Committee, which is the highest decision making group of risk management, establishes, approves, and manages policies and basic management plans of potential risks. The Risk Management Executive Committee holds a monthly meeting to discuss current issues and risk control plans by the affiliates. The Risk Management Committee maintains an organic governance system by communicating with the affiliates of the group.

Risk Management System



Credit risk Establish a credit rating system • Operate an independent risk management organization • Set an early warning system

Risks for losses that may occur when the ounterparty fails to fulfill its contractual

Regularly measure risk volumes • Pre-emptively detect liquidity crises Set market risk limits · Conduct liquidity stress tests • Monitor compliance with the set limits • Establish an emergency procurement plan

sks for losses that may occur due to the

• Monitor compliance with the set limits

Regularly measure risk volumes

Set operational risk limits

Outcomes of Risk Management

With the goal of realizing Korea's highest level of asset quality and capital adequacy, Hana Financial Group held a meeting of the Risk Management Committee eight times in 2016. Meeting attendees discussed on the establishment of an efficient capital adequacy management system, portfolio optimization, and improvement of the risk management system. The Committee handled a total of 36 agendas including four deliberations, 13 resolutions, and 19 reports. Hana Financial Group was certified for International Ratingsbased Approach (IRB) by the Financial Supervisory Service for the first time among Korean bank holding companies. As a result, the group is now able to measure credit risk based on its own credit rating system, and the group strengthened its ability to respond to risk by improving its risk management system.

Happiness Sharing Committee

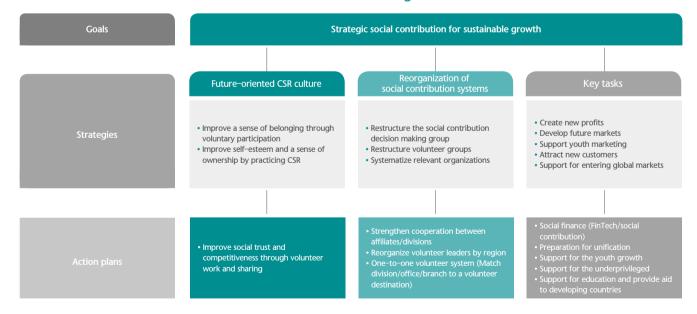


Even though Korea has entered a stage of sluggish development after the financial crisis. consumers' consciousness on social responsibilities has been strengthened. In particular, many financial businesses select a certain issue for intensive investment and respond to it competitively. Hana Financial Group is making efforts to strengthen its CSR system and respond to such issues strategically. The group operates the Happiness Sharing Committee under the immediate control of the CEO for sustainability management. By setting up the directivity of sustainability management and establishing a business plan, the group is striving to improve internal awareness such that its corporate social responsibility leads to sustainable growth.

Review on Social Contribution Strategies of Hana Financial Group

In December 2016, Hana Financial Group called a meeting of the Happiness Sharing Committee and reviewed its social contribution strategies of 2017. With the goal of strategic social contribution for sustainable growth, the group reorganized its preexisting social contribution projects into shared value-oriented social contribution projects pursuing both financial and social values. Focusing on its differentiated, corporate image of "Preparation for Unification," the group looked for ways to maximize promotional effects, by developing strategic social contribution for preoccupying new Northeast Asian markets and by establishing a platform of the financial industry including FinTech.

Social Contribution Strategies in 2017



HANA FINANCIAL GROUP SUSTAINABILITY REPORT 2016

POWER ON POWER ON POWER ON SUSTAINABILITY REPORT 2016

SUSTAINABLE WAY RESPONSIBLE BUSINESS TRANSPARENT FUNDAMENTALS APPENDIX



Stakeholders Meeting



Hana Financial Group held a "Stakeholders Meeting for Sustainability Management" with stakeholders in order to make meaningful changes in sustainability. Sustainability management experts from a variety of fields such as governance, ethics management, environmental management, customer satisfaction, along with social contribution, internal stakeholders and college students in the community, attended the meeting and discussed on Hana Financial Group's sustainability management.

- Date : April 12, 2017, at 3pm
- Place : Seminar Room, Hana Bank Annex Building
- Host: Corporate Culture Team of Hana Financial Group
- Sponsor : THE CSR

We would like to listen to stakeholders' voices for advanced sustainability management.

Hana Financial Group has been making great efforts for internal harmonization and communication. In addition, the group has been working on sustainability management in various ways by expanding the 'Hana Members' in preparation for the Fourth Industrial Revolution and practicing the Paperless Action Plan for environmental protection, Internal efforts are not enough for sustainability management. We called this meeting to hear a variety of opinions from stakeholders for Hana Financial Group's social responsibility and sustainable growth.

- General Manager Jeong Ji-yeon (Corporate Culture Team, Hana Financial Group)

Hana Financial Group should establish a governance system and strategies for sustainability management stage by stage.

After the M&A of Hana Financial Group, new vision, strategies and key values have been well established. Taking a step forward, it is time to set up detail goals for sustainability management and manage its performances. In addition, it is important for the Board of Directors of Hana Financial Group to discuss issues relating to sustainability management. Hana Financial Group should strengthen its governance system for sustainability management by segmentalizing the goals of Best 2025.

- Team Leader Lee Eun-Kyung (UN Global Compact Network Korea)

The healthy corporate culture of Hana Financial Group is based on communication and agreement between executives and employees.

It is important to create a common culture of internal stakeholders. Hana Financial Group should seriously consider how it will achieve the consensus of employees on corporate culture. First of all, the group and its employees should agree on a corporate philosophy such as the vision and key values through communication. When communicating with internal stakeholders, the group should stick to the two principles, "Disclose and Explain," to create the stronger participation of employees.

- Director Park Jong-seon (Sejong Education Center)

Hana Financial Group should publish a meaningful sustainability report by attracting more participation and interests of internal stakeholders in sustainability management.

In order to collect opinions from stakeholders effectively, the group should draw up a questionnaire of materiality assessment for investigating sustainable management issues, considering the characteristics of Hana Financial Group. To obtain accurate data, questionnaires should be distributed to as many employees and stakeholders as possible. When preparing the report, the group should focus on key issues such as year-on-year changes, issues, and features of the year so as to improve accessibility to the sustainability report and draw up an easy-to-read report

- Professor Kim Gyeong-sin (Sungshin Women's University)





Hana Financial Group should conduct an impact evaluation on its sustainability management and social contribution, and communicate with its stakeholders effectively.

Hana Financial Group's social contribution and CSR are not widely known outside, despite its tremendous efforts. One of the most effective ways to communicate with stakeholders is to introduce an impact evaluation for sustainability management. Hana Financial Group needs to let people know what kinds of social issues we face and how corporations are handling them, by disclosing the evaluation results. By disclosing such information, the group will be able to move consumers' hearts as well as its employees' hearts.

- Deputy Editor Jeong Yu-jin (The Better Future, the Chosun Ilbo)





Hana Nanum Foundation will evaluate the results of our 10-year social contribution projects.

Since 2005, the Hana Nanum Foundation has been conducting a wide range of social contribution projects for children from low income families, people eligible for assistance and the underprivileged. The foundation has been visiting the Holt Ilsan Welfare Town and multicultural families on a regular basis for the past ten years to help the disabled. The foundation has been accumulating statistical data required for an impact evaluation based on its long-term activities, and will measure the social ripple effects and extend its influence more and more.

- Secretary General Kim Jeong-han (Hana Nanum Foundation)

In 2017, KEB Hana Bank is seeking various effective ways to collect customers' opinions.

The Customer Financial Protection Department sees the bank from a perspective of customers and protects customers. The Department investigates customers' needs from monthly meetings of the Customer Committee and collects opinions of the online panel "1Q Advisory Group" to improve its systems. In addition, it strives to protect customers by maintaining fraudulent bank accounts at the lowest level in the industry through strict monitoring.

– Team Leader Jeon II–seop

(Customer Financial Protection Department, KEB Hana Bank)

I hope that Hana Financial Group effectively notify the community members of its sustainability management.

International students need to visit KEB Hana Bank to get an international student ID card at my school, but I was not aware of the fact that many students are using the Bank's services. After reading a Hana Financial Group Sustainability Report, I am impressed and surprised that Hana Financial Group is engaging in a lot of social contribution projects. I hope Hana Financial Group communicates with community members more proactively so that they can know more about its sustainability management and social contribution.

- Go Ha-neul (College student, CSR Network, Seoul National University)



APPENDIX

Data Center	78
GRI G4 Index	80
Awards	87
Third Party's Assurance Statement	90
UN Global Compact	92
UN Sustainable Development Goals	93

Data Center

	ated Financial Statement			(Unit: KRW millior
Item		2014	2015	2016
Total assets		315,548,246	326,912,708	348,177,49
Total liabilities		293,654,604	303,940,964	324,787,453
Total capital		21,893,642	22,971,744	23,390,038
Total liabilities and cap	ital	315,548,246	326,912,708	348,177,49
Summarized Consolid	ated Income Statement			(Unit: KRW millior
Item		2014	2015	2010
Gross operating incom	e	7,166,021	7,309,136	7,246,42
Net operating income		5,722,011	6,186,492	6,438,820
Operating income		1,243,447	1,010,515	1,614,107
Net income before inco	ome tax	1,252,563	1,196,390	1,819,99
Condensed net income	e during the term	979,789	954,281	1,399,744
Condensed compreher	nsive income during the term	1,240,617	695,821	947,555
Employees G4-10 G4	I-LA12			(I lait: No. of magazin
Category		2014	2015	(Unit: No. of people 2016
No. of employees		20,682	21,681	20,615
	Executives	138	207	201
	Managers (head of department/team)	2,349	2,296	2,23
By position	Assistant Team Managers	7,273	7,166	6,914
	Rank-and-file (clerks)	10,922	12,012	11,277
	Regular workers	15,628	19,820	18,705
By employment type	Unlimited contract workers	3,626	234	248
(Except executives)	Contract workers	1,290	1,420	1,46
Social minority	Female	10,850	11,498	9,517
groups	People with disabilities	142	120	118
*Based on data of all affiliate	<u> </u>			
New employees and e	employees who have quit the job \$\circ\$G4-L4	. 1		(Unit: No. of people, %
Category		2014	2015	2016
New recruits		400	556	919
No. of employees who	have quit the job	776	1,718	2,004
Turnover rate		4.7	9.5	9.70
*Based on data of all affiliate	es of Hana Financial Group			
Return of employees a	after maternity/parental leave by gender	G4-LA3		(Unit: No, of people, %
Category		2014	2015	2016
	arental/maternity leave (Male)	1	1	11
	arental/maternity leave (Female)	1,132	1,050	1,016
Employees who worked	d for over 12 months after al/maternity leave (Male)	100	50	94.7
. caariing ir onii parente	d for over 12 months after			

*Based	on	data	of	KEB	Hana	Bank

Injury G4-LA6			(Unit: No. of people, %)
Category	2014	2015	2016
Injured employees	2	8	2
Injury ratio	0.01	0.04	0.01
*Based on data of KEB Hana Bank			
No. and ratio of local managers G4-EC6			(1 lustra blass of use onless ()()
Category	2014	2015	(Unit: No. of people, %) 2016
Locally-hired employees	1,185	1,427	2,834
Expatriate employees	148	130	117
Locally-hired managers			
Ratio of locally-hired managers	2.4	1.8	3.1
*Based on data of KEB Hana Bank			
Employee education and employee satisfaction G4-LA9			(1)-it-11 0()
	2014	2015	(Unit: Hours, %) 2016
Category			
Employee satisfaction*	72.7	71.6	72.02
Hours of education per employee**	130	142	101
*Based on data of KEB Hana Bank **Based on data of KEB Hana Bank, Hana	Financial Investment, KEB Hana Card, Hana C	apital, and Hana Life.	
Employees who have joined the Labor Union \oplus G4-11			(Unit: %)
Туре	2014	2015	2016
Ratio of employees who have joined the Labor Union	-	86	87
*Based on data of KEB Hana Bank			
No. of information security incidents and personal information	ation leakage		(Unit: No. of cases)
Category	2014	2015	2016
No. of information security incidents and personal information	n leakage 0	0	0
*Based on data of KEB Hana Bank			
Water G4-EN8			(Unit: tons)
Category	2014	2015	2016
Water consumption	144,038	143,006	119,368
*Based on data of KEB Hana Bank	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	. 13,555	113,500
Susce on data of NED Fidina Sunik			
Energy consumption G4-EN3 G4-EN4			(Unit: TJ)
Category	2014	2015	2016
Fuel consumption	44.6	43.2	35.9
Electricity consumption	543.5	515.5	472.1
Total consumption	588.1	558.6	508.0
*Scope: Hana Financial Group, KEB Hana Bank Main Branch and other bran			
GHG Emissions			
			(Unit: tCO²eq)
Category	2014	2015	2016
Direct emissions (Scope 1)	2,466.8	2,377.4	2,000.4
Indirect emissions (Scope 2)	26,757.7	25,375.5	23,264.0
Total emissions	29,224.5	27,752.9	25,264.4

^{*}Scope: Hana Financial Group, KEB Hana Bank Main Branch and other branches, Bangbae Office, and Open Education Center

GRI G4 Index



Genera	Standard Disclosures				
Index	Description	Disclosure	Page	ISO 26000	External assurance
Strategy	and Analysis				
G4-1	Provide a statement from the most senior decision—maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability.	Advocating the UN SDGs and UN Global Compact and fulfilling social responsibilities for people working on the basis of human rights, labor, the environment, and anti-corruption principles		4.7/6.2/7.4.2	V
G4-2	Provide a description of key impacts, risks, and opportunities.	The Risk Management Committee has been operating a comprehensive control system to manage potential risks.	72		V
Organiz	ational Profile				
G4-3	Report the name of the organization.	Hana Financial Group	8		V
G4-4	Report the primary brands, products, and services.	Refer to Hana Network.	8		V
G4-5	Report the location of the organization's headquarters.	55, Eulji-ro, Jung-gu, Seoul	ABOUT THIS REPORT		V
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	Hana Financial Group has 151 global networks in 24 countries,	8-9		V
G4-7	Report the nature of ownership and legal form.	Stock-listed corporation	80		V
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	Refer to Global Network,	8-9		V
G4-9	Report the scale of the organization, including: - Total number of employees - Total number of operations - Net sales (for private sector organizations) - Total capitalization broken down in terms of debt and equity (for private sector organizations) - Quantity of products or services provided	No. of employees: 20,615 Operating income: KRW 1,614 trillion Sales: KRW 34,5998 trillion	8-9	6.3.10/ 6.4.1-6.4.2/ 6.4.3/6.4.4/ 6.4.5/6.8.5/7.8	V
G4-10	A. Report the total number of employees by employment contract and gender. B. Report the total number of permanent employees by employment type and gender. C. Report the total workforce by employees and supervised workers and by gender. D. Report the total workforce by region and gender. E. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. F. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	2016 (Unit: No. of people)No. of employees20,615Executives201Managers (head of department/team)2,231Assistant Team Managers6,914Rank-and-file (clerks)11,277Regular workers18,705Unlimited contract workers248Contract workers1,461	78		V

POWER ON SUSTAINABLE WAY

POWER ON POWER ON RESPONSIBLE BUSINESS TRANSPARENT FUNDAMENTALS

APPENDIX

Index	Description	Disclosure			Page	ISO 26000	External assurance
			2015	2016			
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	Employees who have joined the Labor Union	86%	87%	79		V
G4-12	Describe the organization's supply chain	Cooperating with various sub expertise in computing, IT se professional counseling and e through subcontracts and coi	curity, procuren external surveilla	nent, nce	80		V
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: - Changes in the location of, or changes in operations, including facility openings, closings, and expansions - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations) - Changes in the location of suppliers, the structure of the supply chain, or relationships with suppliers, including selection and termination	Merger between Hana Financ Futures launched Hana Financ joint venture corporation, "Fi	cial Group-SK Te		-		V
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	Operating the risk manageme	ent system		72		V
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	UN Global Compact, UN SDG DJSI, CDP	s, UNEP FI, ISO 2	6000	10-11, 12-13		V
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations.	UN Global Compact, UNEP Fl			88		V
Identifie	d Material Aspects and Boundaries						
G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents,	Refer to Hana Network			8		V
G4-18	A. Explain the process for defining the report content and the Aspect Boundaries. B. Explain how the organization has implemented the Reporting Principles for defining report contents.	Obeying GRI G4 Guidelines Re and deducting reporting issue analysis			16-17		V
G4-19	List all the material Aspects identified in the process for defining report contents.	Refer to Materiality Analysis R	esults.		17		V
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: Report whether the Aspect is material within the organization If the Aspect is not material for all entities within the organization (as described in G4–17), select one of the following two approaches and report either: A. The list of entities or groups of entities included in G4–17 for which the Aspect is not material or B. The list of entities or groups of entities included in G4–17 for which the Aspects is material	Reporting Aspect Boundaries top of the DMA page of each		e at the	23, 29, 37, 43, 49, 61	5.2/7.3.2/ 7.3.3/7.3.4	V
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: Report whether the Aspect is material outside of the organization If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified Report any specific limitation regarding the Aspect Boundary outside the organization	Refer to the Indexes of Repor	ting Boundaries		23, 29, 37, 43, 49, 61		V

Index	Description	Disclosure	Page	ISO 26000	External assurance
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	No changes	81		V
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	No significant changes in the Aspect Boundaries	81		V
Stakeho	lder Engagement				
G4-24	Provide a list of stakeholder groups engaged by the organization.	Customers, employees, subcontractors, central/local governments, shareholders/investors, and local communities	16		V
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	Hana Financial Group selected stakeholders who are directly and indirectly connected to management	16	5.3	V
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Refer to Stakeholders' Communication Channels	16		V
Report F	Profile				
G4-28	Reporting period (such as fiscal or calendar year) for information provided	From January 1, 2016 to December 31, 2016 (Including part of the performances of the first half of 2017)	ABOUT THIS REPORT		V
G4-29	Date of most recent previous report (if any)	April 2016	ABOUT THIS REPORT		V
G4-30	Reporting cycle (such as annual, biennial)	Annual report	ABOUT THIS REPORT		V
G4-31	Provide the contact point for questions regarding the report or its contents.	Hana Financial Group Corporate Culture Team (Tel. +82-2-2002-1753)	ABOUT THIS REPORT		V
G4-32	A. Report the 'in accordance' option the organization has chosen. B. Report the GRI Content Index for the chosen option. C. Report the reference to the External Assurance Report, if the report has been externally assured.	Complying with GRI G4 Core Options Reporting at least one index relating to General Standard Disclosures and Specific Standard Disclosures	ABOUT THIS REPORT	7.5.3/ 7.6.2	V
G4-33	A. Report the organization's policy and current practice with regard to seeking external assurance for the report B. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. C. Report the relationship between the organization and the assurance providers. D. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	External verification was conducted by a sustainability management agency for the reliability of disclosed information.	ABOUT THIS REPORT		V
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	Hana Financial Group operates the Board of Directors which is its highest decision making agency, the Risk Management Committee, and the Happiness Sharing Committee.	70-73	6.2/ 7.4.3/	V
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	The Chairman of the Board of Directors and the CEO are separately elected.	71	7.7.5	V

POWER ON SUSTAINABLE WAY POWER ON RESPONSIBLE BUSINESS POWER ON TRANSPARENT FUNDAMENTALS APPENDIX

Index	Description	Disclosure	Page	ISO 26000	External assurance
Governa	nce				
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: - Whether and how diversity is considered - Whether and how independence is considered - Whether and how expertise and experience relating to economic, environmental and social topics are considered - Whether and how stakeholders (including shareholders) are involved"	The Chairman of the Board of Directors and the CEO are separately elected to ensure an independent and objective decision making process. Hana Financial Group selects those who have high levels of ethics, professionalism, and honesty as well as a wealth of expertise and experience in banking, economics, management, financial affairs, and laws required for their duties as outside directors.	71		V
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	Hana Financial Group operates the Happiness Sharing Committee under the immediate control of the CEO for sustainability management. By setting up the directivity of sustainability management and establishing a business plan, the group discusses various business and service issues affecting society.	70-73	6,2/	V
G4-51	A. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: - Fixed pay and variable pay: a. Performance-based pay b. Equity-based pay c. Bonuses d. Deferred or vested shares - Sign-on bonuses or recruitment incentive payments - Termination payments - Clawbacks - Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees B. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: Fixed pay and variable pay: a. Performance-based pay b. Equity-based pay c. Bonuses d. Deferred or vested shares Sign-on bonuses or recruitment incentive payments Termination payments Clawbacks Retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees Report the remuneration policy relate to the highest governance body's and senior executives' Outside directors' compensation consists of a base pay and extra pay for BOD activities. Executives' compensation except outside directors consist of a base pay and performance-related pay. Performance-related pay was designed to create a performance-centered culture, Performance pay for the past three years. However, compliance officers, risk management officers, and auditors are applied with a different compensation system in order to secure the independence of their work.		6.2/ 7.4.3/ 7.7.5	V
Ethics ar	nd Integrity				
G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics.	Established the Code of Ethics "Code One" and the Principles of Conduct "Core 7"	44		V
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	Refer to the Ethics Management Report System.	45	4.4/ 6.6.3	V
Specific	Standard Disclousre				
Index	Description	Disclosure	Page	ISO 26000	External assurance
Categor	y: Economic				
Econom	ic Performance				
G4-EC1	Report the direct economic value generated and distributed (EVG&D). Direct economic value generated (profits) / economic value distributed (operating costs, employee wages and benefits, payments to providers of capital, payments to government, community investments) / economic value retained (calculated as 'Direct economic value generated')	Refer to the Summarized Consolidated Financial Statement and the Summarized Consolidated Income Statement.	78	6.8.1-6.8.2/ 6.8.3/6.8.7/ 6.8.9	V

Category	y: Social		
G4-EN31	Total environmental protection expenditures and investments by type	Providing KRW 376.1 billion through Green Loans in 60, 63 6.5.1–6.5.2	V
Overall			
G4-EN27	Extent of impact mitigation of environmental impacts of products and services	Reducing paper use, lightening eco-friendly financial burdens, and promoting eco-friendly life 62-64 6.5.3/6.5.4/6.5.5/6.7.5	V
Products	s and Services		
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Voluntarily participated in the Greenhouse Gas Reduction Project by signing a business agreement for reducing greenhouse gas emissions with the Korea Climate & Environment Network for the first time in the banking industry	
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Indirect emissions (SCOPE 2) (Unit: tCO2eq) 2014 2015 2016 Indirect emissions 25,757.7 25,375.5 23,264.0	
G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Direct emissions (SCOPE 1) (Unit: tCO2eq) 2014 2015 2016 Direct emissions 2,466.8 2,377.4 2,000.4	
Emission	1		
G4-EN8	Total water withdrawal by source	Water consumption (Unit: tons) 2014 2015 2016 Water consumption 144,038 143,006 119,368	
Water			
G4-EN4	Energy consumption outside of the organization	Energy consumption (outside the organization) 2014 2015 2016 60, 79 6.5.4/6.5.5 Mobile combustion 7.4 6.8 5.1	V
G4-EN3	Energy consumption within the organization	Energy consumption (inside the organization) (Unit: TI) 2014 2015 2016 Fixed combustion 37.2 36.4 30.8 Purchased power 543.5 558.6 508.0	V
Energy			
Category	y: Environmental		
G4-EC8	Significant indirect economic impacts, including the extent of impacts	Saving social costs by creating financial synergy, strengthening the corporate ecosystem, and innovating eco-friendly processes 6.3.9/6.6.6/6.6.7 32-34, 6.7.8/6.8.1- 50-52 6.8.2/ 6.8.5/ 6.8.7/6.8.9	V
G4-EC7	Development and impact of infrastructure investments and services supported	Providing new and renewable power and district 6.3.9/ heating to Mapo-gu by investing in new and 63 6.8.1-6.8.2/ renewable energy facility businesses 6.8.7/6.8.9	V
Indirect	Economic Impacts		
G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	No. of local managers (ratio) Continuous of people, %) Continuous of p	V
Market P	Presence		
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	The national greenhouse gas reduction goal has been established in accordance with the Paris Agreement. Hana Financial Group is creating a business opportunity 66–67 6.5.5 for electronic documents by establishing the Certified Electronic Document Center.	V

POWER ON SUSTAINABLE WAY

POWER ON RESPONSIBLE BUSINESS

POWER ON TRANSPARENT FUNDAMENTALS APPENDIX

Index	Description	Disclosure				Page	ISO 26000	External assurance
Sub-Cate	egory: Social Labor Practice and Decent Work							
Employr	nent							
		New employees and em who have quit the job	ployees	(Unit: No. of	people, %)			
	Total number and rates of new employee hires and		2014	2015	2016			
G4-LA1	employee turnover by age group, gender and region	New employees No. of employees who	400	556	919	78	6.4.3	V
		have quit the job	776	1,718	2,004			
		Turnover rate	4.7	9.5	9.7			
		Employees after matern parental leave by gende		(Unit: No, of	people, %)			
			2014	2015	2016			
		Employees who used maternity/parental leave (Male)	1	1	11			
	Return to work and retention rates after parental leave,	Employees who used maternity/parental leave (Female)	1,132	1,050	1,016			
G4–LA3 Return to work and retention by gender		Employees who worked for over one year after returning from maternity/parental leave (Male)	100	50	94.7		6.4.4	V
		Employees who worked for over one year after returning from maternity/parental leave (Female)	93.7	81.3	97.5			
Labor/N	lanagement Relations							
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	Reporting significant opera within the prior consultation		nges to en	nployees		6.4.3/6.4.5	V
Occupat	ional Health and Safety							
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 programs	Representing all employees	5				6.4.6	V
		Injury		(Unit: No. of	people, %)			
G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-		2014	2015	2016		616/688	V
U4-LA0	related fatalities, by region and by gender	Injured employees Injury ratio	0.01	0.04	0.01		6.4.6/6.8.8	V
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Discussing significant safe and temporary meetings Council					6.4.6	V
Index	Description	Disclosure				Page	ISO 26000	External assurance
Training	and Education							
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Hours of education per er	mployee i	n 2016: 10	1 hours			
Diversity	and Eqal Opportunity							

		Board of Directors	(Unit: No. of people)			
			2016			
	Composition of governance bodies and breakdown of	Male	10			
G4-LA12	employees per employee category according to gender,	Female	1			
G4-LA12	age group, minority group membership, and other	Employees	(Unit: No. of people)			
	indicators of diversity		2016			
		Male	11,098			
		Female	9,517			
Equal Rei	muneration for Women and Men					
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	No differences in wages by genc	ler	85	6.3.7/6.3.10/ 6.4.3/6.4.4	V
Labor Pra	actices Grievance Mechanisms					
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	Taking care of employees throug Employees Wellbeing Center, and Program for KEB Hana Card Call	d Stress Management	38	6.3.6	V
Sub-Cate	egory: Human Rights					
Child lab	or					
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	Advocating UN Global Compact Effective Abolition of Child Labou		88	6.3.3/6.3.4/ 6.3.5/6.3.7/ 6.3.10/6.6.6/6.8.4	V
Forced o	r Compulsory Labor					
G4-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	Advocating UN Global Compact I Elimination of All Forms of Forced Labour		88	6.3.3/6.3.4/ 6.3.5/6.3.10/ 6.6.6	V
Human R	tights Grievance Mechanisms					
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	No reports or sanctions relating in 2016	to human rights issues	38	6.3.6	V
Sub-Cate	egory: Society					
Local Cor	mmunities					
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	The entire group engages in soc on "All Hana Day."	ial contribution based	50-59	6.3.9/ 6.5.1-6.5.2/ 6.5.3/6.8	V
반부패						
G4-SO4	Communication and training on anti-corruption policies and procedures	Established the Code of Ethics an Conduct and provided ethics ma		45-46	6.6.1-6.6.2/ 6.6.3	V
Sub-Cate	gory: Product Responsibility					
Product a	and Service Labeling					
G4-PR5	Results of surveys measuring customer satisfaction	Customer satisfaction 20		23, 26	6.7.1-6.7.2/ 6.7.6	V
		Customer satisfaction	75 75.2 76			
Custome	r Privacy					
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	No violation of information secu	rity incidents	23-25	6.7.1-6.7.2/ 6.7.7	V
Complian	nce					
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	No legal violations in 2016		85	4.6/6.7.1- 6.7.2/6.7.6	V

POWER ON SUSTAINABLE WAY POWER ON RESPONSIBLE BUSINESS POWER ON TRANSPARENT FUNDAMENTALS

APPENDIX

Awards

Hana Financial Group	October 20, 2016	Newly included in DJSI Asia Pacific (S&P Dow Jones, RobecoSAM)
	November 1, 2016	Selected as one of the "Carbon Management Honors in the Financial Sector" at the Climate Change and Water Management
	Danasahan (2016	Awards in 2016. (CDP Korea Committee)
	December 6, 2016	Received Presidential citation in "Responses to Climate Change" the 2016 Korean Government's Eco-friendly Awards (the Ministr of Environment)
	December 7, 2016	Received citation for Corporate Social Contribution from the
		Mayor of Seoul at the 2016 Seoul Ensemble of Hope and Sharing
		(Seoul Metropolitan City and Seoul Council on Social Welfare)
KEB Hana Bank	 January 20, 2016	Awarded the 2016 Best Trade Finance Bank in Korea
		(by Global Finance)
	January 29, 2016	Chungchong Sales Group received the Minister's Award by the Ministry of Science, ICT and Future Planning at the Center for
		Creative Economy and Innovation Performance Sharing Awards (Ministry of Science, ICT and Future Planning)
	February 19, 2016	Selected as the '2016 Best Private bank in Korea (by Euromoney)
	February 24, 2016	Selected as the 'Best Private Bank in Korea' by Asian Private Bank (for 3 consecutive years)
	February 24, 2016	Selected as an excellent organization providing one-to-one financial education (Financial Supervisory Service)
	March 3, 2016	Selected as the 'Best Private Bank in Korea' (by Global Finance)
	May 20, 2016	Recognized as an excellent company for HR development (by Korean Employment & Career Association)
	June 10, 2016	Selected as one of the "Best Financial Support Institutions" (by World Class 300)
	June 14, 2016	Awarded the "Best Bank in Retirement Pension" at the 3rd Korea Pension Awards (by Money Today)
	July 13, 2016	Selected as the best bank in the Moment of Truth category at the 2016 Korean Standards Service Quality Index (KSQI) Awards (Korea Management Association Consulting)
	September 28, 2016	Selected as the Best FX Provider in Korea for 15 consecutive year and as the Best Sub-custodian Bank in Korea for six consecutive years (by Global Finance)
	October 8, 2016	Awarded the Korea's Best Bank Prize (by Global Finance)
	October 14, 2016	Awarded the Best PB Bank with the Most innovative Business Model in 2016 (by PBI)
	October 17, 2016	Received the Service Innovation Award in the banking sector at the Korea Financial Innovation Awards (Money Today)
	October 14, 2016	Received the Grand Prize in the banking sector at the 2016 Kore SNS Awards (Herald Business and Korea Association for Social
		Contents' Development)

	October 27, 2016	Awarded the FSS Governor's Prize in Financial Education Programs		
	200000000000000000000000000000000000000	at the 11th Financial Supervisory Service Awards (Financial Supervisory Service)		
	October 27, 2016	Ranked No. 1 in the banking (loan) sector in the 2016 Korea Sales Service Satisfaction Index for three consecutive years (Korea		
	November 18, 2016	Management Association Consulting) Hana Unification Expedition received the Film of the Year at the 2016 Korea CRS Film Festival		
	November 28, 2016	Received a citation from the Chairman of the Financial Services Commission on the 10th Anti-Money Laundering Day (Korea Financial Intelligence Unit of Financial Service Commission)		
	December 22, 2016	Selected as the Best Institution in supporting small– and medium- sized businesses at the 2016 Financial Supervisory Service Awards (Financial Supervisory Service)		
KEB Hana Card	January 28, 2016	Awarded the Grand Prize in the Mobile Card category at the 2016 National Consumer-Driven Brand Award (The Dong-A Ilbo)		
	October 14, 2016	Awarded the Grand Prizes in the Credit Card category and the Facebook of the Year (business) category at the 6th Korea SNS Awards (2016) (Herald Business and Korea Association for Social Contents' Development)		
	November 18, 2016	•		
	November 28, 2016	The Compliance Department Deputy Manager Lee Eun-jeong received a citation from the Commissioner of the National Tax Service on the Anti-Money Laundering Day		
	December 15, 2016	Awarded the Grand Prize in the Credit Card category at the I–Award 13th Web Award Korea		
Hana Financial Investment				
	January 19, 2016	Ranked No. 2 in the General category at the 2016 MK Economy Best Analysts (MK Economy, Maeil Business Newspaper, and Maeil Business TV)		
	January 21, 2016	Awarded the Grand Prize at the 2015 Korea Best Report Awards (Money Today)		
	January 27, 2016	Presented with a Gold Prize in the Corporate Analysis category at the 2016 MK Stocks Awards (Maeil Business Newspaper)		
	February 24, 2016	Selected as the Best Syndicated Loan Provider at the 13th Korea IB Awards (Money Today)		
	February 25, 2016	Selected as the PB of the Year at the 2016 Korea Wealth Management Awards (Money Today thebell and		
	April 19, 2016	thebell&Company) Awarded an excellent prize from the Chairman & CEO of the Korea Exchange in the Research category at the edaily Financial Investment Awards for two consecutive years (edaily)		
	June 23, 2016	Ranked No. 1 in ROR (Rate of Return) of Individual Stocks, Accuracy of Large Capital Stocks, and ROR of Large Capital Stocks at the 7th Korea Analysts Awards (MTN and WISEfn)		

	July 13, 2016	Ranked No. 1 as a Best Brokerage Firms in the First Half of 2016
	July 28, 2016	(Hankyung Business) Ranked No. 1 in the Personalized Services category and the Contents category at the 6th Korea MTS Awards
	December 6, 2016	(The Korea Economic Daily and Hankyung.Com) Won an excellent prize in Research at the 2016 Asia Capital Investment Awards (The Asia Economy Daily)
	December 8, 2016	Presented with an excellent prize in Research at the 2016 Market Leader Awards (etoday)
	December 15, 2016	Selected as the best derived financial institution at the 12th KOSDA Awards (Korea Options, Swaps & Derivatives Association)
Hana I&S	June 22, 2016	Awarded the Grand Prize at the Industrial Security Awards (JoongAng Ilbo, KAIS)
	November 4, 2016	Won the Excellent Prize as a company with good balance between work and life at the 2016 Southern Gyeonggi Work–Life Balance Awards (Gyeonggi District Employment and Labor Office of the Ministry of Employment and Labor)
Hana Life	October 25, 2016	Presented with a prize from the Money Today CEO at the 5th Homo-hundred Era Financial Business Awards (MTN)
Hana Asset Management	June 22, 2016	Selected as the Real Estate Fund of the Year at the 1st Korea Real Estate Finance Awards (The Seoul Economic Daily)
Hana Savings Bank	February 25, 2016	Presented with the Grand Prize in Best Savings at the 2016 Best Banker Awards (The Seoul Economic Daily and Seoul Economic Network SEN)

POWER ON SUSTAINABLE WAY POWER ON RESPONSIBLE BUSINESS POWER ON TRANSPARENT FUNDAMENTALS

APPENDIX

Third Party's Assurance Statement

To the Readers of Hana Financial Group Sustainability Report 2016

Foreword

Korea Management Registrar Inc. (hereinafter "KMR") has been requested by Hana Financial Group to verify the contents of its Sustainability Report 2016 (hereinafter "the Report"). Hana Financial Group is responsible for the collection and presentation of information included in the Report, KMR'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 corporate social responsibility activities in the Report, KMR performed a Type 2. moderate level of assurance using AA1000AS (2008) of AccountAbility as an assurance standard. KMR's assurance team(hereinafter "the team") evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI G4 indices as below, where professional judgment of the team was exercised as materiality criteria.

- GRI Reporting Principles
- General Disclosures
- DMA and indicators for Material Aspects as below:
- Economic Performance: EC1, EC2
- Market Presence: EC6
- Indirect Economic Impacts: EC7, EC8
- Energy: EN3, EN4
- Water: EN8
- Emissions: EN15, EN16, EN19
- Products and Services: EN27
- Overall: EN31
- Employment: LA1, LA3
- Labor/Management Relations: LA4
- Occupational Health and Safety: LA5, LA6, LA8
- Training and Education: LA9
- Diversity and Equal Opportunity: LA12
- Equal Remuneration for Women and Men: LA13
- Labor Practices Grievance Mechanisms: LA16
- Child Labor: HR5
- Forced or Compulsory Labor: HR6
- Human Rights Grievance Mechanisms: HR12
- Local Communities: SO1
- Anti-corruption: SO4
- Product and Service Labeling: PR5
- Customer Privacy: PR8
- Compliance: PR9

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).

POWER ON RESPONSIBLE BUSINESS

POWER ON TRANSPARENT FUNDAMENTALS

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 overall report
- Reviewed materiality test process and methodology
- Reviewed sustainability management strategies and targets
- Reviewed stakeholder engagement activities
- Interviewed people in charge of preparing the Report

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 in regard 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 Hana Financial 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

KMR recommends that the report published by Hana Financial Group will be actively used as a tool for stakeholder communication and continuous improvement.

■ Construct a data system composed of various indicators: Hana Financial Group has been reporting its indicators far beyond meeting the G4 Core Option. In future reports, it is recommended to configure a company system with a variety of indicators and scopes based on GRI, DJSI, ISO26000, and SDGs. Through this, Hana Financial Group can respond more effectively to communication with stakeholders who need more

Our independence

KMR has no involvement in Hana Financial Group's business activities other than providing third party assurance services and maintains independence to avoid conflicts of interest.

April, 28th, 2017





UN Global Compact



In 2007, Hana Financial Group joined the UN Global Compact which is a voluntary CSR initiative and declared its support for the Ten Principles of Human Rights, Labour, the Environment and Anti–corruption. The Group complies with the Ten Principles of the UN Global Compact and discloses its performances to the UNGC every year.



The Ten Principles of UN Global Compact

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and Principle 9: encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

UN Sustainable Development Goals

Build resilient infrastructure,

promote inclusive and sustainable industrialization, and foster innovation

Industry,



The SDGs are the common goals the United Nations and the international society should accomplish from 2016 to 2030. The SDGs consist of 17 goals and 169 targets in the three fields of inclusive societies, economic growth, and sustainable environment, considering human–centered values as a priority. Hana Financial Group contributes to achieving the SDGs based on its six material issues of sustainability management.

	SDG	Description		SDG	Description
1 Sun Modified	SDG-1 No Poverty	End poverty in all its forms everywhere	10	SDG-10 Reduce Inequalities	Reduce inequality within and among countries
2 Kal	SDG-2 Zero Hunger	End hunger, achieve food security and improve nutrition, and promote sustainable agriculture	11 2000	SDG-11 Sustainable Cities and Communities	Make cities and human settlements inclusive, safe, resilient, and sustainable
3 ************************************	SDG-3 Good Health and Well-being	Ensure healthy lives and promote well- being for all ages	∞	SDG-12 Responsible Consumption and Production	Ensure sustainable consumption and production patterns
4 mars	SDG-4 Quality Education	Ensure inclusive and equitable quality education and promote life-long learning opportunities for all	13 ::MT	SDG-13 Climate Action	Take urgent action to combat climate change and its impacts
5 ©	SDG-5 Gender Equality	Achieve gender equality and empower all women and girls	14 finan	SDG-14 Life below Water	Conserve and sustainably use the oceans, seas, and marine resources for sustainable development
E supporte	SDG-6 Clean Water and Sanitation	Ensure availability and sustainable management of water and sanitation for all	15 Ala <u>•</u> **	SDG-15 Life on Land	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss
7 streets on	SDG-7 Affordable and Clean Energy	Ensure access to affordable, reliable, sustainable, and modern energy for all	16 Not area	SDG-16 Peace, Justice, and Strong Institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels
8 SECTION NO.	SDG-8 Decent Work and Economic Growth	Promotes sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all	17 117 117	SDG-17 Partnerships for the Goals	Strengthen the means of implementation and revitalize the global partnership for sustainable development
Behrindered	SDG-9	D. T. L. and T. Carrier and T. Carri			

Footprints on Hana Financial Group's Sustainability Reports



Hana Bank Sustainability Report 2006



Hana Bank Sustainability Report 2008



Hana Bank Sustainability Report 2009



Hana Bank Sustainability Report 2010



Hana Financial Group Sustainability Report 2011



Hana Financial Group Sustainability Report 2012



Hana Financial Group Sustainability Report 2013



Hana Financial Group Sustainability Report 2014



Hana Financial Group Sustainability Report 2015



Hana Financial Group Sustainability Report 2016

We sincerely appreciate the holding company and affiliates' efforts in publishing the 10th Hana Financial Group Sustainability Report.

Hana Financial Group

Management Support Team, Global Strategy Team, Corporate Culture Team, Risk Management Team, Future Finance Planning & Support Team, Synergy Facilitation Team, Strategic HR Management Team, Financial Planning Team, Strategic Planning Team, Information Security Team, and Compliance Team

KEB Hana Bank

SB Business Department, Customer Management Support Department, Customer Financial Protection Department, Technical Finance Department, Corporate Business Department, Labor Relations Department, Retail Business Department, Retail Product Department, Future Financial Business Department, Secretary's Office, Social Contribution Department, HR Department, HR Development Department, Financial Planning Department, Compliance Department, Employees Wellbeing Center, Channel Strategy Department, General Affairs Department, and Project Finance Division

KEB Hana Card

Membership Operation Department, Product Department, HR Department, and Strategic Planning Department

Hana Financial Investment

e-Business Office, SOC Office, Management Planning Office, Retail Business Office, Marketing Office, Real Estate Finance Office, Asset Analysis Office, and PR Office

Hana I&

IT Research Center, IT Security Center, Strategic Planning Team, and Electronic Document Center

Hana Institute of Finance

Business Management Team

Hana Capital

Management Planning Team

Hana Life

Customer Protection Team

ana Asset Trust

Management Planning Team and REITs Business Team

Hana Asset Management

Management Support Team

Hana F&I

Management Support Department

Hana Investors Services

Management Support Department

Hana Savings Bank

Management Support Department

Hana Nanum Foundation

You can download this report in a PDF file format via the website of Hana Financial Group.

Contact us for further details on Hana Financial Group's sustainability management, using the contact information below.

55, Eulji-ro, Jung-gu, Seoul Hana Financial Group Corporate Culture Team Tel. +82-2-2002-1753 www.hanafn.com



