

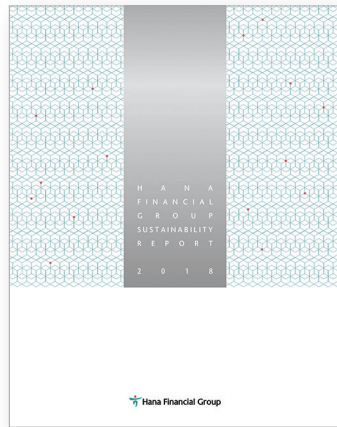


H A N A
F I N A N C I A L
G R O U P
S U S T A I N A B I L I T Y
R E P O R T
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ABOUT THIS REPORT

Hana Financial Group has been practicing sustainability management based on communication with various stakeholders in order to become a trusted premier global financial group trusted by customers. Hana Financial Group expanded its sustainability report, which has been published by KEB Hana Bank since 2011, to the group level and published this 12th report. Through this report, we reported the economic, environmental, and social activities of the group and our affiliates according to six sustainability management strategies. Representative issues among the six are described in detail in the Issue Paper of this report in detail. In addition, we emphasized our efforts for sustainable growth by sharing our current actions and future plans for each of the three global financial trends: Digital, Global, and Risk Management.

REPORTING PRINCIPLES

This report was written in accordance with the Global Reporting Initiative(GRI) Standards Core Option.

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 Alternative Asset Management, Hana Ventures, Hana Investors Services, Hana F&I, Hana TI, and Finng

REPORTING SCOPE

Economy(based on K-IFRS), society, and environment in general

REPORTING PERIOD

January 1, 2018 – December 31, 2018(including part of the performances of April 2019)

REPORTING CYCLE

Every year (Issuance of the previous report: May 2018)

ASSURANCE

Independent verification by a third party

INQUIRY

CSR Team, Hana Financial Group, 66, Eulji-ro, Jung-gu, Seoul, ROK Tel. +82-2-317-5927

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Power On Sustainable Way

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CEO Message



Despite the challenging situations we faced in the past year, Hana Financial Group earned its largest profits to date. We have transformed ourselves into a customer-focused data-oriented IT company and have been continuously broadening our market position as a global financial group. Moreover, we have been endeavoring to fulfill our duties as a corporate citizen in global society by supporting the principles of the United Nations Global Compact(UNGC) and partaking in a range of relevant activities to achieve the UN Sustainable Development Goals(SDGs) together with global business leaders, governments, and civil society.

In addition, we disclose information transparently by participating in the Dow Jones Sustainability Indices(DJSI), Carbon Disclosure Project(CDP), and other commitments. Hana Financial Group was selected as one of 28 global financial institutions in the Project for the Establishment of Responsible Banking Principles under the UN Environment Programme Finance Initiative. These are some of the ways we have been developing our sustainable management competencies.

This year's report introduces a variety of activities that we have been conducting to promote sustainable growth, with a specific focus on the three global financial trends(Digital, Global, and Risk Management), and the group's six sustainability management strategies. In particular, you may review our CSR activities relating to the SDGs in the Issue Paper.

Through sustainable strategies and open communication with our stakeholders, Hana Financial Group will generate social value for our coexistence with communities as well as the pursuit of profits. We will do our best to deliver financial services that ensure win-win growth and the spread of happiness.

We look forward to your continued concern for and interest in our journey to share happiness through financial services.

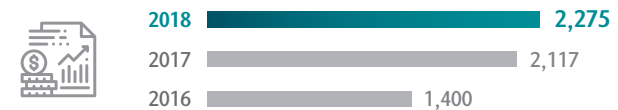
May 2019
Chairman of Hana Financial Group
Kim Jung-tai

Dear Stakeholders,

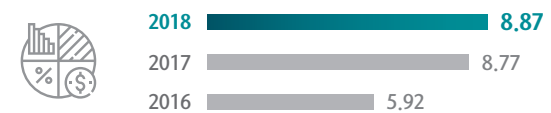
I would like to express my heartfelt gratitude to each of you. It is only thanks to your continuous support and concern that we have been able to issue our 12th sustainability report this year.

Key performances of sustainability management

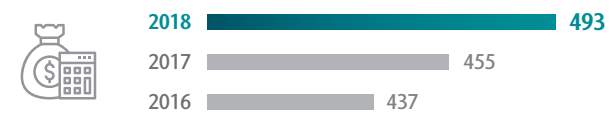
Net income(unit: a billion KRW)



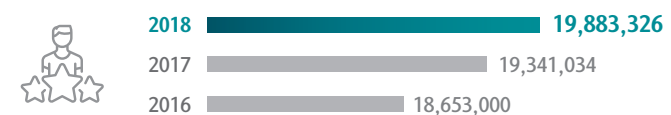
ROE _Return On Equity(unit: %)



Total Assets _including Trust fund(unit: a trillion KRW)



Number of Individual Customer*(unit: persons)



Total number of Employees(unit: persons)

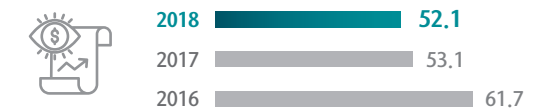


Dow Jones Sustainability Indices

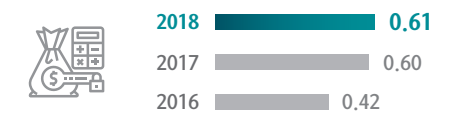
MEMBER OF
Dow Jones Sustainability Indices 2018 DJSI Asia Pacific
In Collaboration with RobecoSAM

*Based on data of KEB Hana Bank

CI Ratio(unit: %)



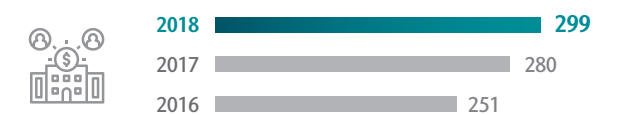
ROA _Return On Assets(unit: %)



2016-2018 No. of violations of Electronic Financial Transactions Act/ Monopoly Regulation and Fair Trade Act



SME Business Partners*(unit: thousand)



Number of HANA members(unit: persons)



CDP(Carbon Disclosure Project)

CDP (Carbon Disclosure Project) 2016~2017 Carbon Management Sector Honors

Introduction to Hana Financial Group

As a holding company operating 12 affiliates including KEB Hana Bank, Hana Financial Investment and KEB Hana Card, Hana Financial Group is handling group-wide management strategies, financial management, and the like. By creating synergy with the key competencies of all the affiliates, we are putting forth the efforts to furnish a specialized, comprehensive asset management system and realize our 2025 Vision, "Trusted Premier Global Financial Group."

GENERAL INFORMATION

(As of December 2018)

Enterprise	Hana Financial Group	Date of establishment	December 1, 2005
Headquarters	66, Eulji-ro, Jung-gu, Seoul, ROK	Chairman & CEO	Kim Jung-tai

CREDIT RATING

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

HANA NETWORK

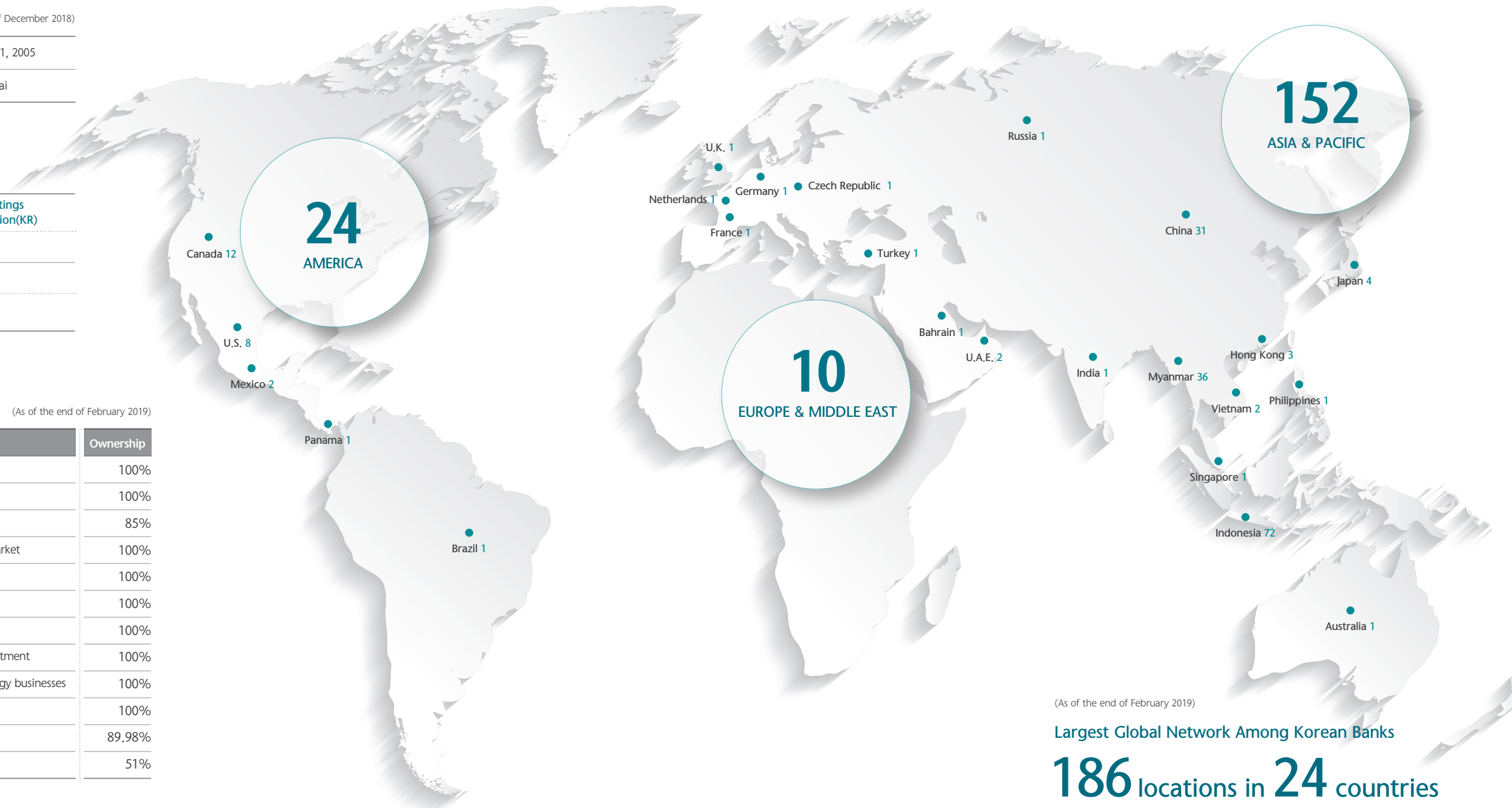
(As of the end of February 2019)

Affiliates	Business description	Ownership
KEB Hana Bank	Main distribution channel of HFG	100%
Hana Financial Investment	AM & IB ¹⁾	100%
KEB Hana Card	Global premier credit card services	85%
Hana Capital	Specialized products for the consumer finance market	100%
Hana Life	Optimized insurance products	100%
Hana Savings Bank	Financial channel focused on small-loan finance	100%
Hana Asset Trust	Real estate trust service	100%
Hana Alternative Asset Management	Asset management specialized in alternative investment	100%
Hana Ventures	Venture investment and finance for new technology businesses	100%
Hana Investors Services	Professional administrative management service	100%
Hana TI	IT support for HFG	89.98%
Finnq	Daily financial platform service	51%

1) AM: Open architecture based fund sales channel / IB: Delivery of IB specific products and services

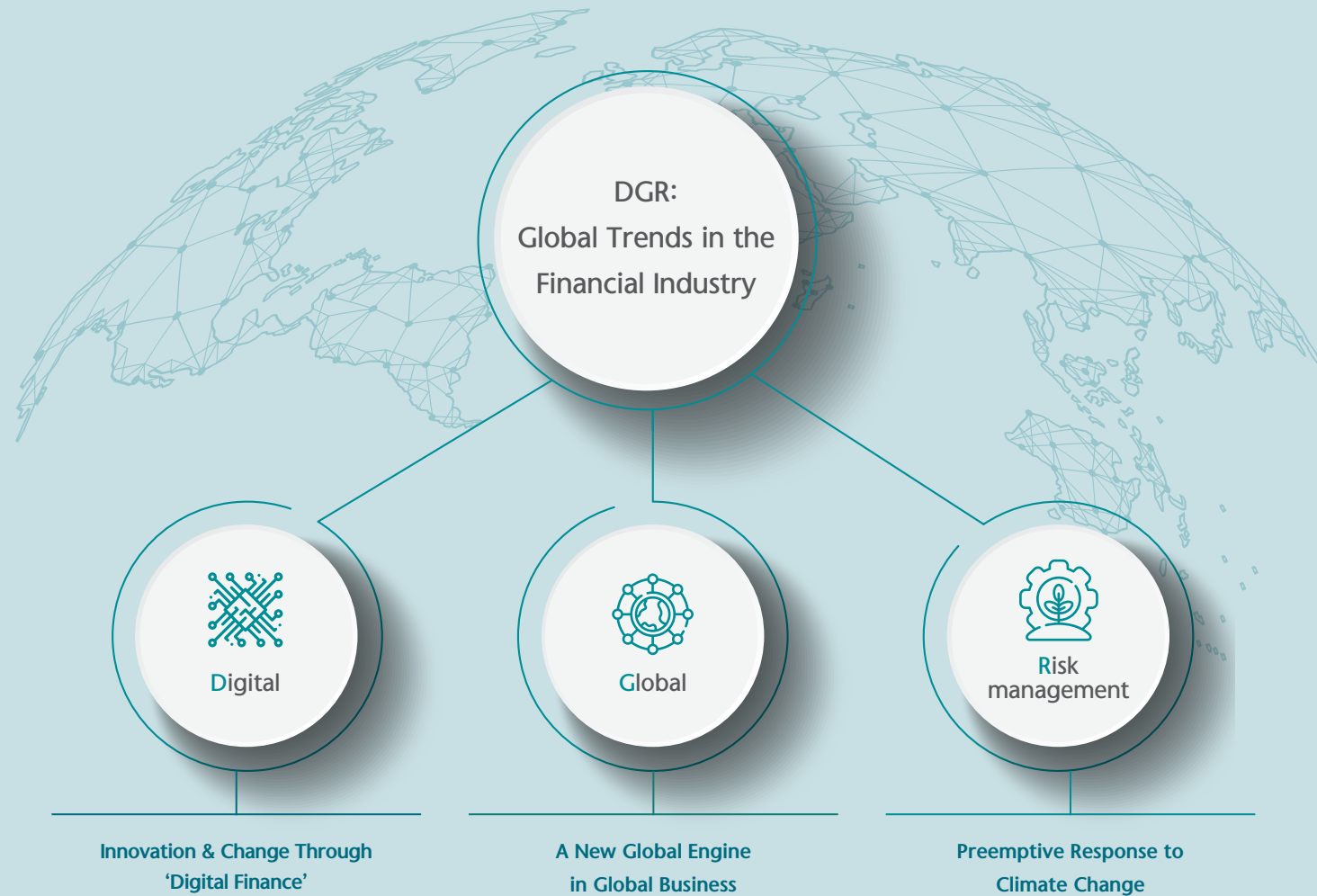
Global network

Hana Financial Group is taking the initiative in aggressive market expansion overseas in order to break through the saturation faced by the Korean financial industry. To increase the global profit rate to 40% by 2025, we are reinforcing our global sales activities and thoroughly implementing localization strategies in overseas offices, including China and Indonesia. In addition, we are making efforts to realize stable growth by utilizing and expanding our extensive international networks, and developing new global markets in non-banking sectors, with a focus on profitability.



DGR: Global Trends in the Financial Industry

The latest trends in the financial industry are Digital, Global, and Risk Management. As new markets are emerging and competition is getting fierce with IT development, enterprises should pursue continuous changes and innovations from this point on. Hana Financial Group suggests the adoption of a perspective on global financial trends and shared its responses, performances, and future plans with affiliates.



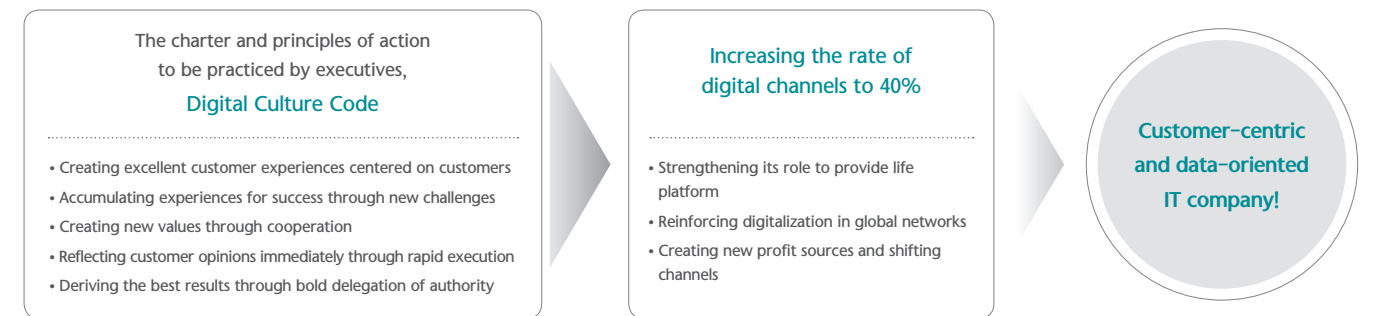
In modern society, IT influences are directly connected to the survival of businesses in all industries. In particular, the Fourth Industrial Revolution, represented by big data and AI, promotes P2P investment, spreads the sharing economy, and improves the accessibility to financial data, which enables the minimization of the work scope of banks. As competition between preexisting financial institutions becomes more intense, a consumer-centered service culture will spread wider.

The global economy is always in a flux, which results in risk. The U.S. was the only country that sustained an economic boom while other nations around the world experienced low growth. Although the U.S. economy was expected to be sluggish in 2018, there are still growing concerns over the global economy. With Brexit facing difficulties in negotiations and U.S.-China trade negotiations, the uncertainty of the global economy becomes more profound.

Natural disasters resulting from abnormal climate may severely hurt enterprises. In addition, shifting to a low-carbon economy that reduces greenhouse gas emissions and harmful substance discharges in the entire production processes requires a huge amount of expenditure and efforts. According to the report issued by the Task Force for Climate-related Financial Disclosures(TCFD) in 2018, up to \$43 trillion in assets may depreciate due to climate change in the 21st century.

Digital. Innovation & Change Through 'Digital Finance'

Hana Financial Group set 2018 as the first year of digital finance to proactively respond to the digital revolution. In October 2018, we declared our vision for a digital shift, "Customer-centric and Data-oriented IT Company" and established three strategies and five principles of action. Being aware that digital business will eventually become centered on humans and that humanity takes precedence over all else in our "Humanity culture," we will grow as a financial institution pursuing customers satisfaction even in a rapidly changing digital environment.



Hana Financial Group

DT Lab, which was an independent CIC(Company in Company) affiliated with Hana TI, was expanded and reorganized as the Hana Institute of Technology. The Hana Institute of Technology will support precedent studies for digital innovation technologies such as AI and big data. In May 2018, we formed the Digital Strategy Council to seek out proactive actions in response to digital trends. We newly introduced in our company the Chief Data Officer(CDO) responsible for data strategy execution, and appointed Vice President Kim Jung-han. To enhance our digital competence, we also increased our number of IT personnel from 1,800 to 3,500.

KEB Hana Bank

In April 2018, KEB Hana Bank declared 4C Strategies to strengthen its IoT-centered digital finance platform. 4C Strategies stand for connectivity, convenience, conversation, and collaboration. Based on such strategies, KEB Hana Bank is maximizing customer convenience in authentication processes and UX/UI and strengthening its development capacity through internal and external collaboration. In addition, we newly established an Innovation & ICT Group and Data Strategy Department to reinforce our innovation skills.

Hana Financial Investment

Hana Financial Investment is focusing on innovating business processes and minimizing customers' inconvenience by selecting five key projects: automation of manual work, paperless operation of branch offices, on-line service at branch offices, digitalization of product proposal channel, elimination of customers' inconvenience and upgrading our digital channels. In addition, we created a 'Data Strategy Team' made up of external data professionals to strengthen our capacity for digital conversion. We will continue to promote digital conversion and eliminate customers' inconvenience by developing next-generation MTS based on customer-centered UX/UI and adopting RPA(Robot Process Automation).

KEB Hana Card

In January 2018, KEB Hana Card announced its management slogan, "Digital New Leader". In addition, we suggested three strategies to lead digital finance: (1)Digitizing customer acquisition, assessment and call center in advance (2)Planning a participatory new life platform, and (3) Sourcing and fostering startups. As part of such strategies, we provided "My Pick" service using big data for a customer pattern analysis in February 2018. KEB Hana Card will develop a real-time digital marketing platform that connects owners of affiliated stores with customers.

Global. A New Growth Engine in Global Business

We must be able to satisfy our customers by ensuring stable, sustainable profits even amidst the anticipated risks stemming from climate change. In spite of lackluster global economic growth and rapidly changing environments, Hana Financial Group achieved its best-ever sales performance since the launch of the holding company, recording 2.275 trillion KRW in net income in 2018. We met with Ji Sung-kyu, President & CEO of KEB Hana Bank, to hear his views about the direction and performance of their global business.



Ji Sung-kyu _President & CEO of KEB Hana Bank

Q1. Please tell us about the performance of HFG global business in 2018.

In spite of slow global economic growth marked by growing uncertainty in the European economy last year stemming from the U.S.-China trade dispute and Brexit, Hana Financial Group recorded KRW 30,074 trillion in total assets in global business, an increase of KRW 1,345 trillion year on year(asset growth rate: 4.9% Y-o-Y), and KRW 289.2 billion in net income, an increase of KRW 53.9 billion(net income growth rate: 22.9% Y-o-Y). Its profits grew due to an increase in assets in China, one of its major markets(net income in 2017: KRW 37.3 billion → net income in 2018: KRW 54.4 billion), and in Indonesia, a new market for us. Among other profit drivers, HFG maintained the highest profitability among Korean banks located in traditional finance hubs like Hong Kong and Singapore; provided expedient lending decisions through its IB Desks installed at the London and Singapore Branches; and performed proactive risk management in the global market.

Q2. What is the global business direction of Hana Financial Group in 2019?

In 2019, Hana Financial Group will expand its business overseas in the following ways. First, HFG will ensure continued growth momentum and profitability by making inroads into new markets such as the Asean region. Rather than focus its sales efforts on Korean companies in other countries, HFG seeks to attract more local customers. To this end, we will continue to attract more local talent into our overseas offices.

To further diversify our global portfolio, which used to focus on banking, HFG will create company-wide synergy by expanding its non-banking business worldwide, including the credit card sector, alternative investments, and microfinance. Moreover, it will enter markets efficiently through aggressive investment, M&As, business partnerships, and cooperation with overseas enterprises such as promising fintech companies.

Q3. What is the mid and long-term vision of Hana Financial Group in global business?

Low growth and low margins have taken root in the Korean financial market. To proactively respond to such environmental changes, Hana Financial Group shifted its global business strategy from appearance to profit. Through the growth of its global business, Hana Financial Group wishes to establish a stable business portfolio that is not limited to the Korean market. To achieve this goal, HFG has positioned global business as its key growth engine. Reflecting this, it designated the catchword "Global 2540" as a means to propel its mission of boosting the ratio of global profits from 15% to 40% by 2025.

Total assets(Unit: 100 million KRW)



Net income(Unit: 100 million KRW)



* Except KEB Hana Global Finance Limited(KHGF)

Risk Management. Preemptive Response to Climate Change

Although the financial industry does not produce pollutants nor affect the environment directly, its corporate investment and loans have a significant influence on economic activities including corporate production, manufacturing, R&D and investment. From this perspective, Hana Financial Group has been making efforts to ensure sustainable development, protect the environment and respond to climate change. Through an interview with WWF(World Wide Fund for Nature) Senior Director Lee Jung-mi, we sought to establish detailed action plans to meet the TCFD recommendations.

Q1. Please tell us about the effects of climate change in Korea.

Following people's artificial activities such as fossil fuel based industrial activities and the excessive use of resources in the agriculture, fishery, and livestock industries, CO₂ emission exceeded the allowable absorption capacity of our planet. As a result, climate change has become a global issue not only pertaining to the Arctic. In Korea, we faced a variety of abnormal phenomena including heat waves from exceptionally high temperatures in the summer, which led to an increase in fatality rates as well. As we become increasingly aware of the severity of climate change, all nations and enterprises are engaged in various activities to reduce climate change based on the Paris Agreement.

Q2. What is the background of the appearance of the TCFD¹⁾?

Climate change and energy conversion are the major issues of the global economy. Natural disaster risks including floods and droughts become more frequent and severe, along with other risks from climate change-related regulations and reputation; all of which may lead to bank confidence risk, market risk and operational risk. To help financial investors and stakeholders understand a degree of corporate risk exposure related to climate, the Financial Stability Board²⁾ established the TCFD(Task Force on Climate-related Financial Disclosures) recommendations for the disclosure of financial information on climate change. The TCFD recommends that enterprises disclose their information in four fields: governance, strategy, risk management, and metrics and targets. As the global movement for such disclosure begins to expand, the importance of the TCFD grows as well.

1) Task Force on Climate-related Financial Disclosures(TCFD)

2) A body launched by G20 finance ministers, central bank governors, etc, for the stabilization of the global financial market

Q3. How should Hana Financial Group go forward according to the TCFD?

Bank portfolios are currently exposed to climate-related financial risk. If we do not manage risk well, the values of financial assets may depreciate in the recent global economic trends for a low-carbon future. As a result of an analysis of the corporate disclosure regulations applied in the Republic of Korea, it is found that information about financial impact resulting from climate change is not disclosed. Therefore, the general public may have difficulty identifying corporate risk. All the foreign investment companies in Korea demand information disclosure from Korean enterprises in accordance with the TCFD recommendations. To meet the TCFD recommendations, Hana Financial Group should set up strategies and a supervision system for climate change actions, and establish a risk management process for climate issues. In addition, I believe HFG needs consistent information disclosure based on clear metrics. HFG should check the disclosed financial information of enterprises on climate change, and its investment and credit rating team should have a system to apply such information to corporate and business investment evaluation. Furthermore, HFG should demand information disclosure from corporate clients and establish a decision-making process based on TCFD.

Structure of TCFD recommendations



- The organization's governance around climate-related risks and opportunities
- The actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning
- The processes used by the organization to identify, assess, and manage climate-related risks
- The metrics and targets used to assess and manage relevant climate-related risks and opportunities

(Source: 2017 TCFD Final Report)

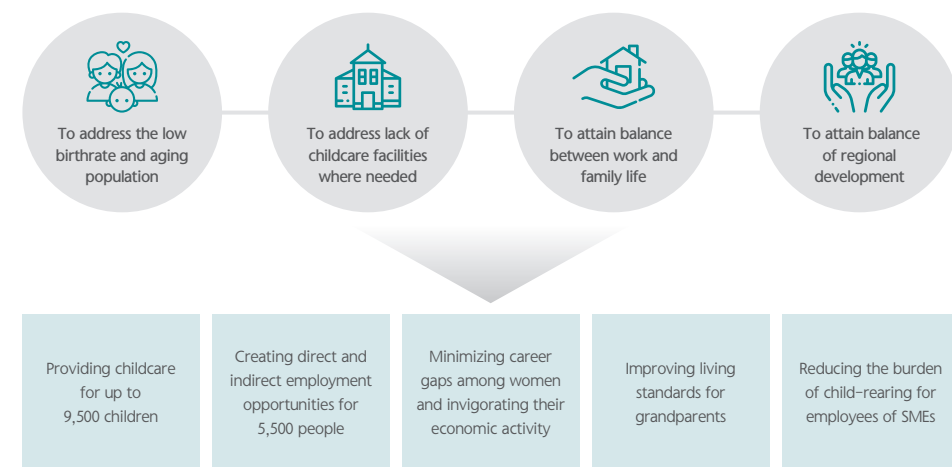
Issue Paper 01

Investment in Safe Childcare

Low birth rates and population aging not only brings about a decrease in population, but also pose major risks to our society's sustainable growth and economic development. In addition, the burden of childbirth and child-rearing greatly affects employees' welfare. In order to spread a culture of humanity throughout our company and community and to ensure sustainable growth of our society, Hana Financial Group approaches to solve low birth rates in terms of future investment.

In 2008, we built Hana Pureuni Singil Daycare Center which is Korea's first privately-funded childcare facility. We have been operating eight in-house daycare centers for our executives and employees and six national/public daycare centers for the community. Based on our experience, we signed a business agreement with 29 local governments in October 2018 with a goal of investing 150 billion KRW and opening 100 daycare centers in Korea by 2020.

Built in a child-centric, eco-friendly and digital environment, our first in-house daycare center, Myeong-dong Hana Daycare Center broke ground in May 2018 and opened its doors in March 2019, followed by Yeouido In-house Daycare Center in April. Considering children's health as a top priority, we used eco-friendly materials for the internal facilities of the daycare centers. We also installed digital-centric smart playgrounds so that children can get familiar with a digital environment in their childhood. In addition, we established a remote control system for real-time weather and fine dust monitoring in order to support children's safe indoor and outdoor activities. Applying a digital system to daycare centers' management, we enabled daycare center teachers to solely focus on childcare by reducing the time of administrative work.



Issue Paper 01. Investment in Safe Childcare

In addition, we concluded a business agreement with the Korea Workers' Compensation & Welfare Service for construction of corporate daycare centers that could induce win-win growth; and accordingly, we launched the project to build daycare centers that can be available for nearby SMEs as well as our employees. Strengthening our relationship in such a way, the two organizations will expand in-house daycare centers for the next three years and enhance win-win growth throughout our society.

In July 2018, the Social Contribution Committee was launched as an advisory body of Hana Financial Group. As a consultative and advisory body, the Committee counsels on mid- and long-term strategies for social contribution and sets the direction for activities, one of which is our childcare project to solve low birth rate and population aging issues and realize work-life balance.

To support child rearing and upbringing, we also hold a wide range of events and help children dream and build hope for their future. In September 2018, KEB Hana Bank held the 26th Love for Nature Art Contest and provided an opportunity for children to learn about the importance of the environment. In addition, we have been making efforts to eliminate dead zones of financial education through a variety of events such as Door-to-door Kids' Economic Musical Performance and a financial education camp called Hana Dream Camp. As a result, KEB Hana Bank won an Excellent Financial Education Program Award from the Financial Supervisory Service for three consecutive years.

We will continue to invest and pay group-wide attention to improve the childcare environment of our society, and reduce the burden of childbirth and child rearing so as to create a humanity-based culture in our families and communities. In addition, we will minimize the career disruption of female employees and contribute to creating a safe childcare environment.



**Investment of
150 billion KRW by 2020**
Goal of a 100 Daycare Centers

(10 in-house daycare centers, 90 national/public daycare centers)



Issue Paper 02

Enhanced Employee Satisfaction through Open Communication

Based on humanity with respect and love for humans, we pursue sustainability management in a way that raises employees' satisfaction, which eventually leads to customers' and society's happiness in a virtuous cycle. In particular, open communication and engagement among employees, and work-life balance are essential elements for creating a culture that brings about employees' happiness. Focusing on communication, engagement, and work-life balance, we have been putting forth the various efforts to create a culture best suited for our employees.

We newly installed a two-way communication channel in the group portal for free, horizontal conversation. KEB Hana Bank and Hana Financial Group operate Random Coffee, a weekly one-to-one conversation program to promote free communication and cooperation among departments. Hana Life also made efforts to spread a culture of open communication through Theme Coffee, Compliment Relay, etc. In 2018, Hana Savings Bank held a variety of small meetings for each position and duty, such as "Happy Coffee," "Want to Come Eat with Us?" and "Morning Talk." From such programs, we could create a corporate culture of sharing opinions. In 2019, Hana Savings Bank will continue a wide range of communication events from diverse plans as well.

In addition, we provided and expanded an engagement opportunity for our employees to freely participate in a variety of events and feel a sense of belonging and pride. We also opened a mobile lab where the employees use new services and share their opinions. At Hana Financial Hub on mobile, employees can also read corporate news anywhere and at anytime, and communicate with other colleagues. We remodeled the group portal in a more user-friendly way and promoted employees' participation through HFG Band(function for cooperation), Bulletin Board, etc.



Issue Paper 02.
Enhanced Employee Satisfaction through Open Communication

Above all, employees need to leave work on time to help realize a work-life balance. To achieve this, we have established institutional frameworks such as PC-off, Expanded Family Day, and Business Casual on Friday. In addition, we provided employees more opportunities to support their self-development and study after work. On the other hand, we operate Emotional Touch Program in four fields - Mind, Communication, Healing, and Family - along with Differentiated Hana Class, which is a program on operas, classical music, and arts to accumulate knowledge on humanities. We also newly established and expanded weekend self-training programs. By providing a wide range of educational contents through mobile devices, we sought to give more opportunities for employees to grow as experts.

To create a positive corporate culture, we expanded our award programs in which we found and complimented outstanding employees. We newly established the Monthly Hana Pride Awards at KEB Hana Bank and expanded quarterly Beautiful Hana Employee Awards to be held in other affiliates. In addition, we reformed the award system so that the prize winners of the awards could become the candidates of the Annual Excellent Hana Employee Awards. Moreover, we widely promoted the winners' stories through various channels to give motivation to our executives and employees.

Believing that our employees' satisfaction is a key to the happiness of both our customers and society as a whole, all of our affiliates are making efforts to create a happier workplace in a variety of ways.



Leave office on time

PC-off, Business Casual (Friday), etc.



'Beautiful Hana Employee Awards'

Selected 17 outstanding employees from affiliates



Random Coffee

A weekly one-to-one employees' conversation to promote free communication and cooperation



Introduced Hana Classes in diverse subjects

Issue Paper 03

Greater Synergy through Collaboration

Under HFG's limited competencies and resources, internal and external cooperation is an efficient way to strengthen the ability to respond to risk from digital trends, global instability, and climate change, and to improve customer satisfaction with our services. Upon the third year of our acquisition of Korea Exchange Bank, we internally set a goal of maximizing integration synergy in 2018. Based on cooperation with our affiliates and the business agreements with other organizations and enterprises, we are developing our ability to respond to risk and providing services that could maximize customers' satisfaction.

Finnq, a corporation founded by joint investment of Hana Financial Group and SK Telecom, is our representative case of external collaboration. Optimized for customers in their 20s and 30s, Finnq is an AI-based mobile financial service that analyzes spending habits that were not exactly noticed by the users, and easily shows their assets haphazardly spread across numerous accounts. Through this life financial platform, users can form money-making spending habits and efficiently manage their assets to an extent where they can improve their financial situations.

In September 2017, Finnq began to provide its official service by launching T Finnq Installment Savings. Once you sign up for a membership, you can create an account immediately and use one-stop financial services including wire transfer, payment, purchase of financial products, and asset management. In December 2018, Finnq launched a limited edition, Yoo Byung-jae Finnq Cards with unconventional design that won great support from people in their 20s or 30s. In April 2019, it also released Jeolmi Cards printed with the images of an Instagram celebrity dog and gained popularity. Likewise, Finnq provides innovative services and young generations form money-making spending habits. Being recognized as an excellent life financial platform, Finnq won a prize at the 2018 Korea Innovation Company Awards.

Changes in Finnq 2.0

<p>Applying friendly, sensational UX and design elements</p>	<p>My Finnq</p> <p>Providing unlimited, free wire transfer and awarding cashback corresponding to up to 2.0% in annual interest to Finnq account</p>	<p>AI Fingo</p> <p>A consumption evaluation that users evaluate their spending by case and receive a certain amount of rewards, Biweekly consumption report and consumption goal-setting functions added</p>	<p>Finnq Market</p> <p>Able to enjoy the lowest price shopping and purchase financial products with great benefits, Able to get an 8% discount on gifticons with your balance of Finnq account</p>
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Issue Paper 03. Greater Synergy through Collaboration

In the second half of 2019, Finnq is planning to launch high-interest installment savings, along with a telecommunication-finance integrated product, T Phone Wire Transfer, and expecting full-fledged synergy with SK Telecom.

In December 2017, KEB Hana Bank signed an agreement with Naver for "financial service based on AI image search." In the agreement, we combined our strength points in future finance and foreign exchange with Naver's smartphone-based AI search service. As the first outcome of our cooperative relationship, we launched a SmartLens-based currency recognition and exchange rate checking service in July 2018 for the first time among Korean financial institutions.

This service is the first product of the agreement for "financial service based on AI image search" signed by both enterprises in December 2017. Taking a photo of foreign cash using SmartLens of mobile Naver, you can check the issuance nation, types of money, exchange rates and expected exchange amount. Using this service, customers who have foreign currency can check its information and easily request for exchange anywhere and at anytime. It is also expected to increase the efficiency of employees' foreign exchange work.



Received recognition
at 2018 Korea Innovation
Company Awards



Korea's first
SmartLens based currency
recognition and exchange
rate checking service

Issue Paper 04

Promoting Social Values through Productive Finance

Productive finance means investing in or giving loans to activities that create economic values such as research, development, production, and manufacturing. Once productive finance is vitalized by financial institutions, we can provide opportunities for those who have to give up their dreams or ideas for lack of money in spite of their innovative ideas and potential. In this way, we can also create much more profit and values.

Expanding productive finance actively at the group level, we are aiming to create more social values and perform our most important role of using limited funds in the right place at the right time. We recruited enterprises for the 2nd Hana Power On Challenge, a promotion program for social innovation enterprises designed to resolve social issues innovatively through business. Then, we provided up to 120 million KRW per enterprise. This is Korea's largest support program for social innovation enterprises for which we also provided a customized growth support program for five selected enterprises.

KEB Hana Bank launched two productive financial products worth 3.5 trillion KRW to support promising enterprises with new growth engines relating to the Fourth Industrial Revolution. In August, for the first time among Korean banks, we invested 100 billion KRW in private motherfunds which will be operated by Korea Venture Investment, and contributed to the growth of unicorns valued at over 1 trillion KRW. We will expand productive finance to 15 trillion KRW for startups, excellent enterprises, promising SMEs, promising enterprises with new growth engines, and enterprises leading the Fourth Industrial Revolution by 2020. In addition, we will increase our technology financial product to at least 9 trillion KRW by 2020 to evaluate corporate technology, instead of corporate credit, in a loan appraisal.



Issue Paper 04.
Promoting Social Values through Productive Finance

Hana Financial Investment is participating in social impact investment in a direct and indirect way. Social impact investment means investing in enterprises that create social values with an innovative business model. In terms of social impact investment, participation in a capital increase with The Wells Investment is expected to create jobs for Korean and contribute to resolving social issues such as the aging population.

Hana Financial Group will do its best to perform productive finance so as to create synergy with the government's key policy, "Job Creation and Income-led Growth", and achieve two of the sustainable development goals: "Decent Work and Economic Growth" and "Industry, Innovation and Infrastructure."



120 million KRW

Support fund for 2nd Hana Power On Challenge



20 enterprises

Supported social innovation enterprises through Hana Power On Challenge Entrepreneur Program



3.5 trillion KRW

Launched 2 financial products for enterprises leading the Fourth Industrial Revolution



800 people

Helped job seekers develop their job competence through Gyeonggi-do SIB Haebom Project



Power On Transparent Fundamentals

22	Governance
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28	Stakeholders' Engagement
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Governance

In 2005, Hana Financial Group changed into a holding company to create synergies through our affiliates' collaboration and enhance operational efficiency. Striving to contribute to the development of Korea's financial system, HFG is enhancing management stability through transparency in decision-making and integrity of corporate governance.

Board of Directors with independence and expertise

The Board of Directors of Hana Financial Group is the supreme decision-making body consisting of nine members, including one inside director and eight outside directors(including auditors) as of March 2019. In accordance with Article 6(Chairperson of the Board) of the Internal Governance Standards, we exclude the CEO from the possible candidates and appoint one of the outside directors as the Chairman on the Board. In addition, we appoint at least three outside directors which account for more than half of the total members, so as to comply with the Article 5(Composition of Board of Directors) of the Internal Governance Standards. In appointing outside directors, we consider gender, age, educational background, nationality, expertise, etc. In particular, we have consistently selected female outside directors since 2010 to ensure gender balance; and, we had appointed foreign outside directors as well. In order to represent the balance of rights and interests of all stakeholders, including shareholders and others, we assure that our outside directors have high levels of ethics, professionalism and integrity, as well as a wealth of expertise in banking, economy, management, financial affairs and laws required for their duties. Furthermore, they cannot hold a position at any other companies for raising their job loyalty at HFG.










Operation of Board of Directors in 2018

The Board of Directors of Hana Financial Group holds a meeting on a regular basis to discuss management issues and calls a temporary meeting if necessary. In 2018, the BOD made strategic decisions on various agendas including sustainability management, such as the revision of the Internal Governance Standards, the enactment of the Regulations of Anti-money Laundering Work, the approval of an expansion of HFG childcare project, and HFG management plan in 2019 business year.

BOD Subcommittees and their roles

Hana Financial Group operates a total of eight committees under the Board of Directors in order to strengthen the independence of the BOD and ensure the efficiency and transparency of decision making.

Steering Committee	Deliberating on operation and procedures of BOD and internal committees, changes in BOD size, etc.
Audit Committee	Supervising tasks of directors and executives, and auditing appropriateness of internal control system, accounting and duties
Risk Management Committee	Establishing, approving, and managing policies and basic management plans for a variety of potential risks that may occur in business
Management Development & Compensation Committee	Establishing performance evaluation and compensation systems for group executives, etc., and managing appropriateness of the overall compensation system
Nomination Committee	Screening and recommending candidates for CEOs of major affiliates, and establishing a corporate succession plan
Outside Director Nomination Committee	Finding, screening, and recommending qualified outside directors
Auditor Nomination Committee	Selecting and recommending auditor candidates
Group CEO Nomination Committee	Establishing the CEO & Chairman candidate selection standards, screening and recommending candidates, and approving a corporate succession plan

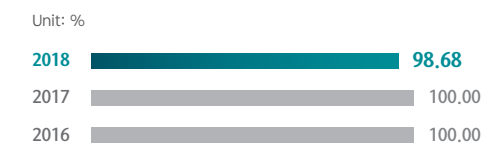
Type	Inside Director	Outside Director (BOD Chairman)	Outside Director						
Director									
Term	2021-03	2020-03	2020-03	2020-03	2020-03	2020-03	2020-03	2020-03	2020-03
Gender	Male	Male	Male	Female	Male	Male	Male	Male	Male



BOD remuneration system

Hana Financial Group's BOD remuneration system is designed to enhance corporate value through a continuous increase in shareholder value and long-term performance. In addition, we utilize diverse and reasonable compensation systems to secure excellent talents and enhance the competitiveness of our company. HFG Management Development and Compensation Committee is a conservative committee that establishes, manages and supervises compensation and performance evaluation systems for group executives. It is composed solely of outside directors to ensure independence and objectivity. Outside directors' remuneration consists of base pay and extra pay according to their BOD activities. On the other hand, executives' remuneration consists of base pay and performance-related pay. Designed to settle meritocracy, the performance-related pay is constituted of short-term performance bonuses for the previous year's evaluation results and long-term performance bonuses that have been assessed for three years and deferred.

Participation in BOD meetings



No. of BOD meetings held



2018 education sessions held for outside directors

9 times



Corporate Governance Evaluation Rates

A+



Governance part of Korea Corporate Governance Service's ESG evaluation in 2018

HIGHLIGHT

Implementation of the Stewardship Code, participated by five affiliates

In March 2019, Hana Financial Group's five major affiliates (KEB Hana Bank, Hana Financial Investment, Hana Life, Hana Alternative Asset Management, and Hana Ventures) decided to implement the Stewardship Code. Since 2017, HFG has reorganized the internal regulations and processes by inspecting the participating affiliates' internal operational systems and the features of each investment target, while obtaining advice from external agencies. From implementing the Stewardship Code to improve the profits of our customers and increase the medium- to long-term values of investment target enterprises, we will proactively carry out shareholder activities in a way that creates social values.

* What is the Stewardship Code?

It is a voluntary standard wherein major investors, who are also shareholders, faithfully perform their roles by taking an active part in a corporate decision making as a "steward" managing his owner's assets, and transparently disclose information to the owners of entrusted funds such as the public and customers.

Happiness Sharing Committee

Being aware that long-term investment is essential for sustainable growth, we operate a sustainability committee called 'Happiness Sharing Committee' under the direct control of CEO.

Operation of Happiness Sharing Committee

Since April 2013, Hana Financial Group has operated the Happiness Sharing Committee, and made it mandatory to hold a meeting at least once a year. With the Committee in place, we strive to realize our management mission, "Growing Together, Sharing Happiness" and fulfill our corporate social responsibility from childcare support, preparation for reunification, practice of social finance, support for the underprivileged and responses to climate change, along with sustainability management.

Composition of Happiness Sharing Committee

The Happiness Sharing Committee consists of HFG's supreme decision makers such as HFG Chairman and CEOs of affiliates.

To evolve into a global financial group through the Happiness Sharing Committee, we established a governance system that could meet stakeholders' expectations and realize advanced CSR management prioritizing trust with customers and communities.

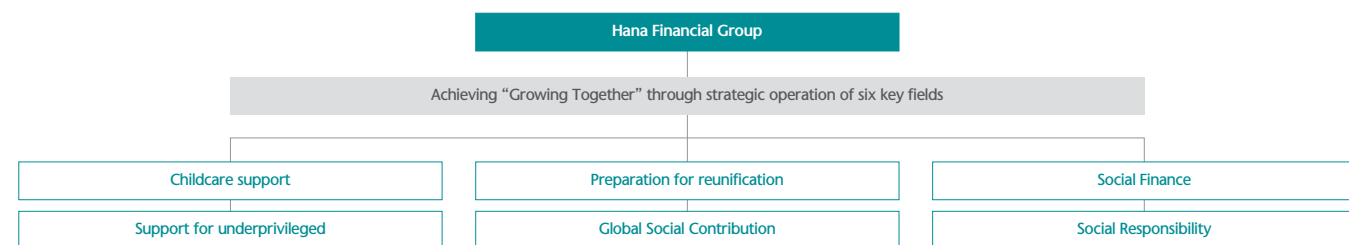
Reestablishment of CSR management system at HFG

In December 2018, the Happiness Sharing Committee held a meeting to discuss CSR strategies. In particular, we resolved the plans for each of the six key fields, including a project for construction of national/public and corporate childcare center.

2019 major project plans for six key fields

Childcare support	Constructing national/public and corporate childcare centers
Preparation for reunification	Supporting cultural and sports programs to spread a bond of sympathy of reunification
Social finance	Supporting social value creation programs
Support for the underprivileged	Pursuing humanity-based public services for communities
Global social contribution	Executing new southern policy and pursuing 'Hana Happy Class' project
Social responsibility	Sponsoring unpopular sports and traditional art, and increasing participation in initiatives on climate change

Key fields for social contribution



Risk Management Committee

As the foundation of sustainability management, risk management protects the financial assets of our customers and enables stable growth of our company.

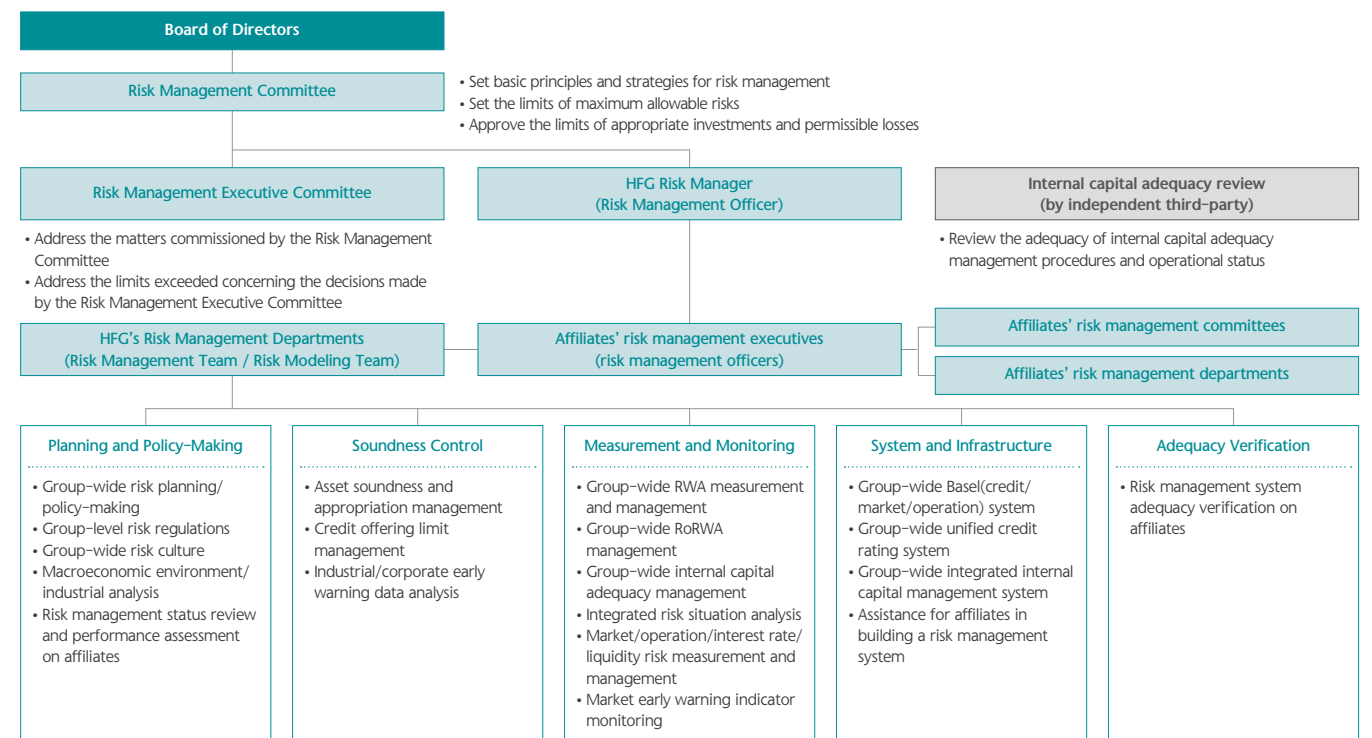
Risk management system at HFG

Hana Financial Group has installed and operated a comprehensive control system to systematically manage potential risks. Our Board of Directors has a risk management system and environment corresponding to business strategies and entrusts part of its responsibilities and authorities of risk management to the Risk Management Committee. As the supreme decision-making body of risk management, the Committee establishes and approves group-wide policies and management plans for potential business risks. By holding a monthly meeting of the Risk Management Executive Committee, we closely discuss current risk issues and control plans of each affiliate, and strive to operate a governance system by smooth communication.

Key performances on risk management

In 2018, the Risk Management Committee held seven meetings and discussed 37 items. With a goal to realize Korea's highest levels of asset quality and capital adequacy, we continuously improved non-performing loan ratios and default rates. By optimizing portfolios and enhancing the risk management system, we are maintaining high levels of asset quality and capital adequacy. In addition, we established management plans upon the inspection of risk factors following the financial crises of emerging countries and improved our emergency response capability.

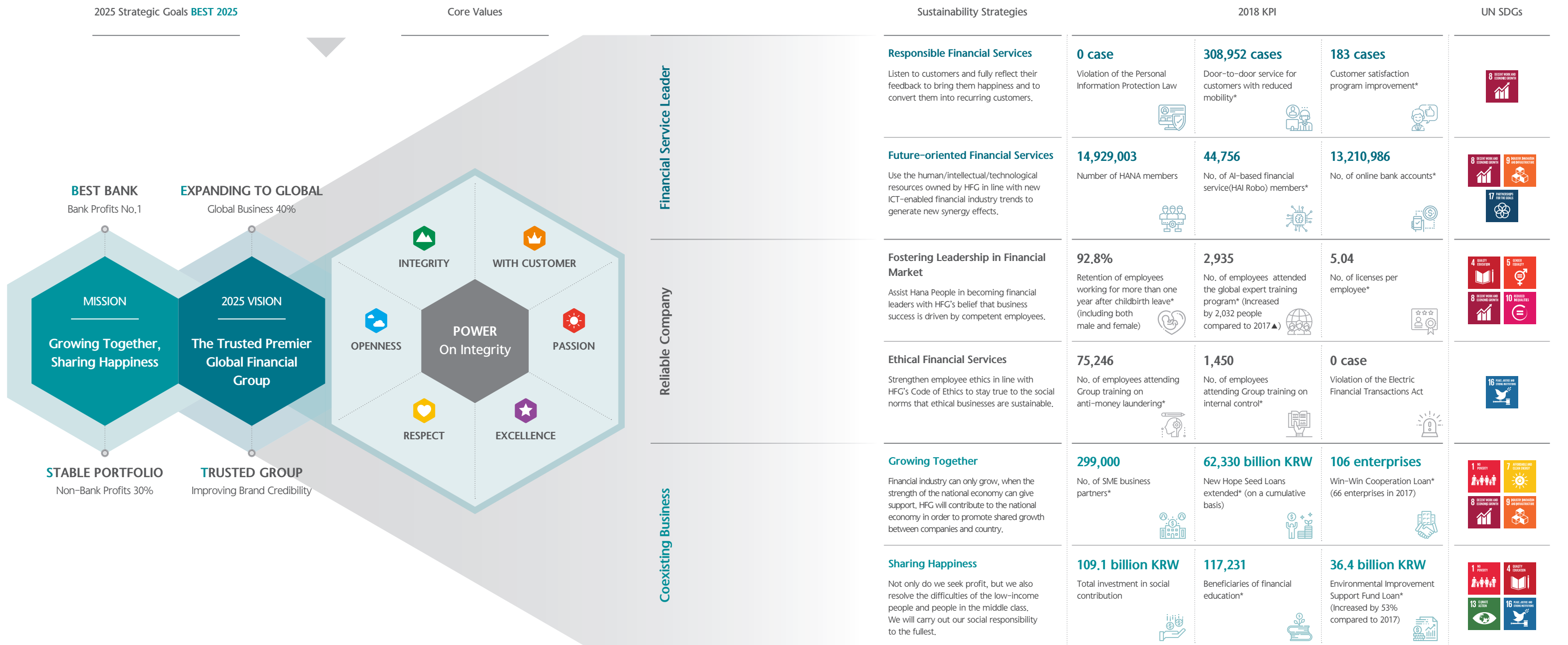
Risk Management System



Sustainability Strategies

By establishing the mission and vision for sustainability management, we strive to maintain a balance between corporate growth and social responsibility and to share growth profits with all stakeholders. In this way, we will ultimately create mutual values through finance and realize the well-being of our society.

By establishing sustainability strategies aligned with our corporate management system, we have redefined our management system as a strategy to respond to environmental changes. We have further enhanced our sustainability management by managing performance indicators and the UN SDGs from each of six sustainability strategies.



* Based on data of KEB Hana Bank

Stakeholders' Engagement

Hana Financial Group is making steady progress toward sustainability management by creating diverse communication channels for its stakeholders and listening to their feedback.

Stakeholders' communication channels

Hana Financial Group defines its customers, employees, business partners, central/local governments, shareholders/investors, and local communities as major stakeholders. Through customized communication channels, we gather stakeholders' opinions from each group and conduct an annual questionnaire survey to select their significant economic, social, and environmental issues.

Stakeholders	Engagement channels
Customers	<ul style="list-style-type: none"> Website Customer counseling center Customer discussion Customer Committee Hana Echo Postcard Customer satisfaction survey SNS
Employees	<ul style="list-style-type: none"> Employees' portal Labor Management Council Dialogue with upper management
Business partners	<ul style="list-style-type: none"> Meeting with business partners Website survey
Central/Local governments	<ul style="list-style-type: none"> Governmental policy briefing on finance Meeting organized by Financial Supervisory Service
Shareholders & Investors	<ul style="list-style-type: none"> Business report of General Shareholder Meeting Presentation on business performance Corporate and management disclosure
Local Communities	<ul style="list-style-type: none"> Social contribution website Hana Nanum Foundation website Community volunteer services Sports and cultural programs

2018 awareness survey on sustainability management

In March 2019, Hana Financial Group conducted an awareness survey on sustainability management with 443 internal and external stakeholders including customers, employees and business partners. Through the survey, we examined stakeholders' views and awareness of our sustainability management. Based on the results of the survey as below, we will strengthen our sustainability management focused on stakeholder values.

Please evaluate the empathy levels of the six sustainability management strategies of Hana Financial Group. <Rank>

1	2	3
Ethical Financial Services	Future-oriented Financial Services	Responsible Financial Services
4	5	6
Growing Together	Fostering Leadership in Financial Market	Sharing Happiness

What aspects of the UN SDGs do you think Hana Financial Group should achieve?

1	2	3
Partnerships for the goals: Revitalize the global partnership for sustainable development	Decent work and economic growth: Create productive employment and decent work	No poverty: Support the underprivileged financially
4	5	6
Reduced inequalities: Prevent all types of discrimination	Gender equality: Achieve gender equality and empower all women and girls	Quality education: Inclusive and equitable quality education

2019 Environmental Dialogue Talk with Employees

On April 11, 2019, Hana Financial Group held the 2019 Environmental Dialogue Talk with Employees in order to raise awareness among social contribution staff our affiliates on environmental issues and bring our efforts together on sustainability management. To improve our action on climate change, we invited external experts to learn about global enterprises' practices and the latest environmental trends in the financial industry, and held a session to hear about our employees' views on sustainability management.



The impact of climate change on finance



Lee Jung-mi, Senior Director of World Wide Fund for Nature(WWF)

Lee Jung-mi, WWF Senior Director, conducted the first lecture under the theme of "Climate Change & Finance." As climate change is becoming severe around the world and emphasis on corporate actions grows, we tried to help our attendees have a better understanding of the climate change impact on finance. First, she talked about the severity of climate change and global trend on initiatives. Then, she emphasized the necessity of setting up a corporate system to combat climate change, as she introduced about TCFD¹⁾ recommendations that demand corporate disclosure of climate change-related financial information on four fields: governance, strategy, risk management, and metrics and targets. From this lecture, we reflected on the direction of HFG to take for achieving sustainable finance and raised employees' awareness of climate change.

1) Task Force on Climate-related Financial Disclosures(TCFD)

Plan for green office



Song Gang-han, Global Green Growth Institute (GGGI) Team Leader

The following lecture was provided by Song Gang-han, GGGI Team Leader, under the theme of "Plan for Green Office". He shared GGGI's best practices on environmental management, ranging from employees' environmental activities and performance management system to the publication of GGGI newsletter "GREENISM" introducing the practices of overseas offices and the acquisition of LEED²⁾ for its office building. In particular, its environmental management system which monitors and updates the indoor air quality of the office in real time was a good case study case to implement in Hana Financial Group.

2) A U.S. eco-friendly architecture certification system that is applied globally

Share of stakeholder values

Customers | Interest payment¹⁾

Unit: 1 billion KRW



1) Deposit liabilities, interest on borrowings debentures, etc.

Shareholders | Dividends

Unit: 1 billion KRW



Executives and employees | Wages, etc.²⁾

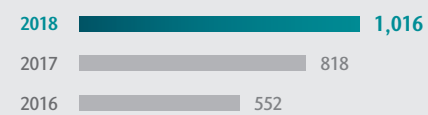
Unit: 1 billion KRW



2) Staffing costs, retirement payments, severance payments, and welfare benefits

Governments | Taxes³⁾

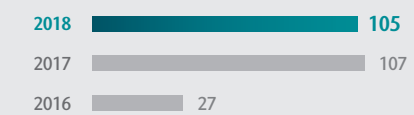
Unit: 1 billion KRW



3) Tax payments, utility payments, and corporate income tax

Local Communities/Associations | Donations, etc.⁴⁾

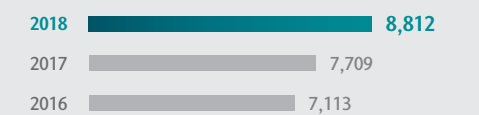
Unit: 1 billion KRW



4) Sum of financial donations (made for social contribution), volunteer hours converted into monetary value, in-kind donations, and business expenditures

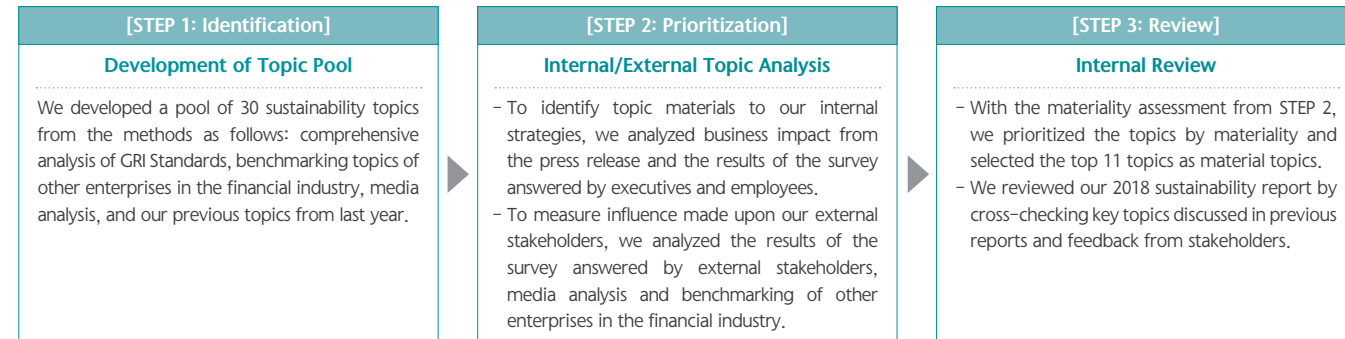
Total

Unit: 1 billion KRW

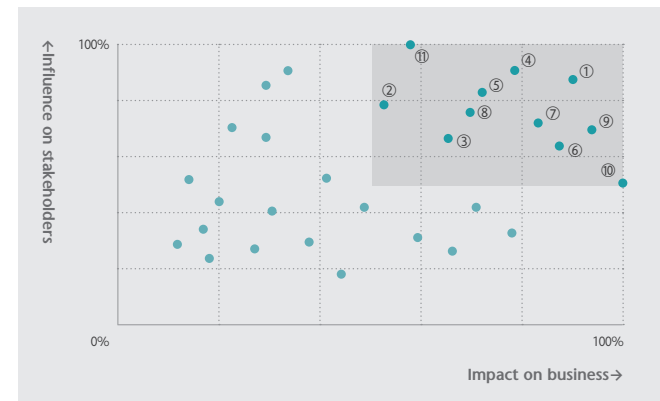


Material Topic Assessment

In 2018, Hana Financial Group selected 11 material topics on sustainability, by considering business impact material to internal strategies and influence made upon stakeholders. In selecting these topics, we carried out media analysis, benchmarking, and internal/external surveys, and accordingly examined our stakeholders' opinions from each tool. The outcome of such an assessment is to be utilized for improving our sustainability management.



Materiality Assessment Outcomes



- Responsible Financial Services**
 - ① Reinforcing the protection of customer information
 - ② Enhancing financial accessibility for the underprivileged
 - ③ Strengthening an ability to handle customer complaints and difficulties
- Future-oriented Financial Services**
 - ④ Strengthening data-oriented digital service
 - ⑤ Expanding global markets and businesses
 - ⑥ Leading the Fourth Industrial Revolution based IT financial technology
- Fostering Leadership in Financial Market**
 - ⑦ Creating a human-centric working environment and fostering talented individuals
 - ⑧ Providing fair opportunities and respecting diversity
- Ethical Financial Services**
 - ⑨ Eradicating all types of corruption and irregularities through ethics management
- Growing Together**
 - ⑩ Supporting corporate growth
- Sharing Happiness**
 - ⑪ Strengthening systematic social contribution activities

Rank	Topics	Strategies	Reporting boundary						
			Internal			External			
			Employees	Customers	Business partners	Central/Local Governments	Shareholders/Investors	Local Communities	
1	Reinforcing the protection of customer information	Responsible Financial Services		●				●	
2	Enhancing financial accessibility for the underprivileged	Responsible Financial Services		●					●
3	Strengthening an ability to handle customer complaints and difficulties	Responsible Financial Services		●					
4	Strengthening data-oriented digital service	Future-oriented Financial Services	●	●	●			●	
5	Expanding global markets and businesses	Future-oriented Financial Services	●	●	●	●		●	
6	Leading the Fourth Industrial Revolution based IT financial technology	Future-oriented Financial Services	●	●	●			●	
7	Creating a human-centric working environment and fostering talented individuals	Fostering Leadership in Financial Market	●						
8	Providing fair opportunities and respecting diversity	Fostering Leadership in Financial Market	●						
9	Eradicating all types of corruption and irregularities through ethics management	Ethical Financial Services	●		●	●			
10	Supporting corporate growth	Growing Together			●	●			●
11	Strengthening systematic social contribution activities	Sharing Happiness	●			●			●

Hana Financial Group and UN SDGs

Based on our mission, "Growing Together, Sharing Happiness", we are carrying out sustainability management under the six strategies that are aligned with 10 UN Sustainable Development Goals(SDGs¹⁾). In particular, we are focusing our resources and competencies on Goals 5, 8, and 13, and putting forth the efforts for gender equality, job creation, and responses to climate change.



5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

- Concluded a business agreement with 29 local governments with the goal of investing 150 billion KRW and opening 100 childcare centers all over the country by 2020
- Concluded a business agreement with the Korea Workers' Compensation & Welfare Service to construct corporate childcare centers for win-win growth, and formed a consortium with SMEs in Cheongna, Busan, and Gwangju
- Reduced working hours for parenting(for employees with children entering elementary school, high school seniors, etc.)

8 DECENT WORK AND ECONOMIC GROWTH

Promotes sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

- Invested 1 billion KRW in private equity funds to help social enterprises and revitalize the social economy
- Invested 100 million KRW in the SIB(Social Impact Bond) Project "Haebom" to help recipients of basic livelihood security in Gyeonggi-do to develop their job competence
- Completed the Hana Power On Challenge Entrepreneur Program to connect young designers who are looking for a job, with social enterprises and social ventures that require competent designers(participated by 31 enterprises, 122 jobs created, participating enterprises' sales doubled compared to the previous year)
- Carried out the 2nd Hana Power On Impact Program to help people with developmental disabilities cultivate job competence and support for their self-reliance(participated by nine innovative enterprises, internship program completed by 47 with developmental disabilities, 19 people employed as regular workers)

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

- Obtained ISO 14001 for the head office of KEB Hana Bank by introducing an environmental management system
- Provided environmental education for employees
- Established action plans by each department, such as using scrap paper and reusable cups and turning off the light during lunch break
- Selected as one of 28 global financial institutions of the UNEP FI(United Nations Environment Programme Finance Initiative) and participated in the Responsible Banking Principle Enactment Project as a member of the core group

¹⁾ The Sustainable Development Goals (SDGs) are the common goals that the United Nations and global society should accomplish from 2016 to 2030 so as to end global poverty and achieve sustainable development. The SDGs consist of 17 goals and 169 targets.

Issuance of Sustainability Bonds



KEB Hana Bank issued sustainability bonds



On January 30, 2019, KEB Hana Bank successfully issued sustainability bonds amounting to 600 million USD (bond maturity: 3/5 years, dual trench). With the primary goal to ensure an optimal financing opportunity and diversify investors including social value(ESG) investors, our sustainability bonds could also contribute to HFG's overall sustainability management for comprehensive and responsible finance.

Overview

Type	144A/Reg S
Amount of bonds issued	A total of 600 million USD
Date of issuance	2019.1.30
Stock market	Singapore
Spread	3T+87.5bp/5T+102.5bp
Bond maturity (type)	3/5 years, Dual trench
Date of maturity	2022.1.30 / 2024.1.30



Project implemented based on sustainability bonds

Use of funds	Green architecture
Correlation to UN SDGs	 
Goal of SDGs	A city applied with comprehensive policies and plans to increase resource efficiency and ease the resilience of climate change
Evaluation criteria	Green architecture criteria - LEED ¹⁾ Gold or higher - BREEAM ²⁾ Excellent or higher - G-SEED ³⁾ 2 or higher
Amount assigned	KEB Hana Bank Main Branch - Green Architecture (Jun. 30, 2017) G-Seed 1 - Construction cost: U\$123M (₩137,345 million) (@1,116.5, 1/30)

- 1) LEED (Leadership in Energy and Environmental Design) was established by the U.S. Green Building Council which is a U.S. non-profit foundation. It operates the design, construction, maintenance, and operation of residential and commercial buildings all over the world.
- 2) BREEAM (Building Research Establishment Environmental Assessment Method) is a green architecture certification system introduced from the U.K. in 1990.
- 3) G-SEED (Green Standard for Energy and Environmental Design) is a green architecture certification system of the Republic of Korea. It was first introduced in 2002 in accordance with the Green Building Development Support Act which was enacted in 2006 by the Korean government, and its application was expanded in 2016.



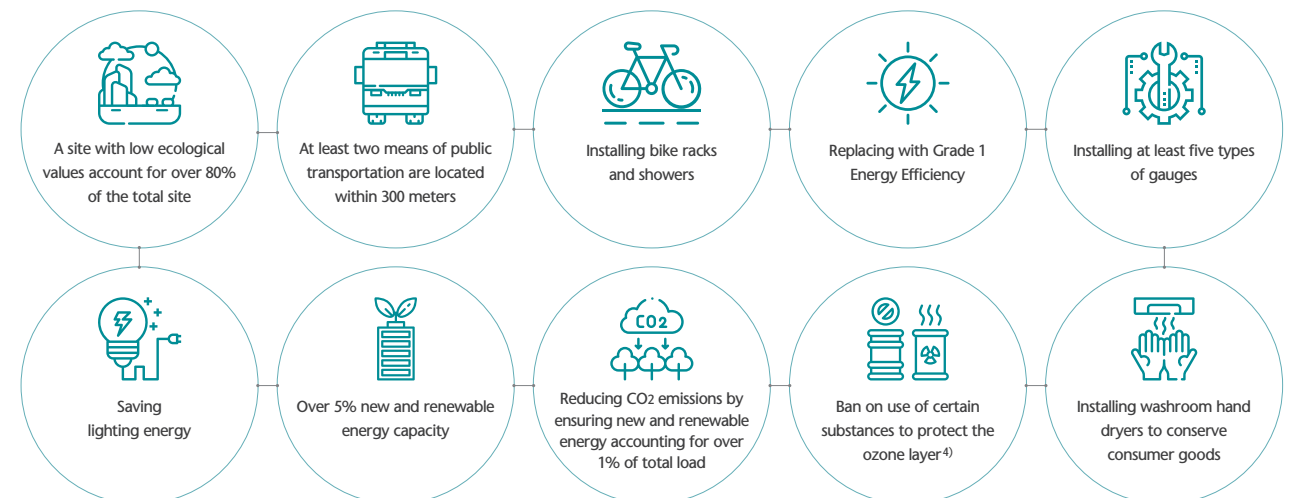
Impact on Environment

To obtain a green architecture certification, Hana Financial Group's Headquarters Office should meet a total of ten items, including the installation of bike racks and the improvement in energy efficiency grade. We have been making efforts to minimize environmental impact by installing 40 bike racks and lights, submitting simulation data for lighting floor plan, and are considering the use of steam boilers, system air conditioners and refrigerators.

Future plans for sustainability bonds

To issue sustainability bonds, we will assign and use the amount of sustainability bonds for businesses that comply with the standards of our Sustainable Finance Framework. We will also write and manage a register for sustainability bond business on a regular basis, and disclose it through our Investor Newsletter. With our sustainability strategy that pursues business growth and social responsibility to the fullest, we are planning to issue sustainability bonds in the global bond market every year. To achieve this, we will utilize the HFG Sustainable Finance Framework established in November 2018, as well as external feedback, and consider the issuance of subordinated bonds and sustainable borrowings if necessary. In addition, we will participate as a signatory to the PRB (Principles of Responsible Banking) of the UNEP FI and fulfill responsibilities and roles of the financial institution regarding climate change. Taking the initiative in CSR management as a leading global financial group, we will do our best to align our practices with the Paris Agreement and achieve UN SDGs (Sustainable Development Goals).

Major Evaluation Items by U.S. LEED



4) Use of halon-free fire extinguishers and eco-friendly refrigerants, and application of eco-friendly insulators

Power On Sustainable Business

- 
- 36 Strategy 1. Responsible Financial Services
 - 44 Strategy 2. Future-oriented Financial Services
 - 50 Strategy 3. Fostering Leadership in Financial Market
 - 56 Strategy 4. Ethical Financial Services
 - 62 Strategy 5. Growing Together
 - 68 Strategy 6. Sharing Happiness

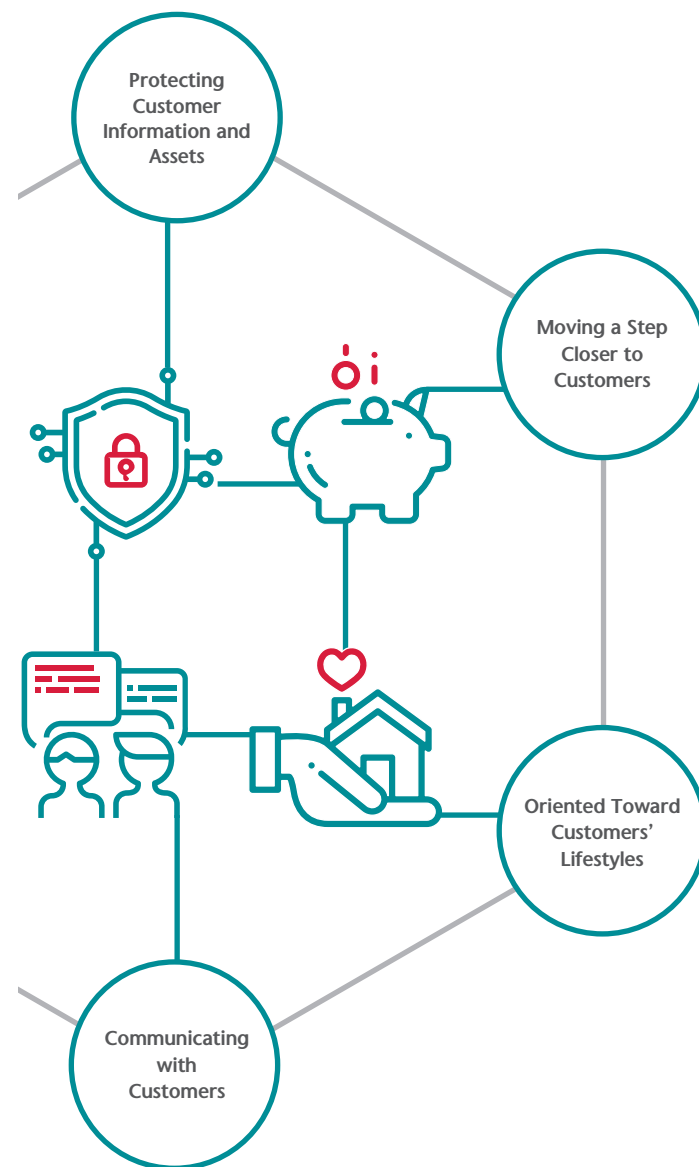
Strategy 1. Responsible Financial Services

PRIORITY ISSUES

Since an enterprise exists for customers, Hana Financial Group considers customers' happiness as a top priority. In our rapidly evolving modern society, past sales practice focusing on short-term results are not competitive anymore. For financial businesses are continue to exist, they should provide desirable customized services for customers. To achieve this, we should consider customers' perspectives one more time, carefully listen to their feedback, and keep making efforts for customer's satisfaction. Continuous efforts for customer satisfaction are the only way forward to ensuring our mid and long-term sustainability.

HANA FINANCIAL GROUP'S RESPONSES

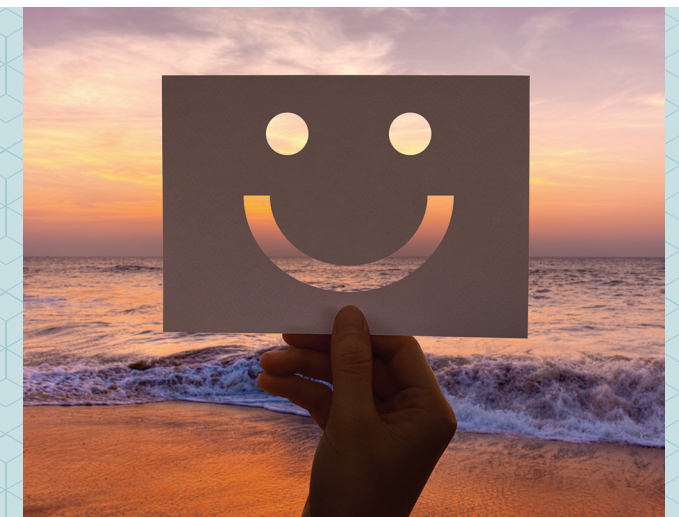
With an aim to safely protect customers' personal information, we operate a security system that is highly appraised for its excellence. Furthermore, we are carrying out our corporate social responsibility to the fullest by providing a variety of support for financially-underprivileged and vulnerable individuals so that everyone can easily and equally access to finance. We are protecting customers' assets to provide desirable financial services, while we proactively communicate with customers to address their inconveniences and provide services suited to their lifestyles. By continuously studying changing trends, we will establish a customer-centered management culture with customer satisfaction as a top priority.



Launched Hana Playform

Launched Customer Inconvenience Handling Committee
(Opened Customer Inconvenience Handling Plaza in the HFG portal)

* Based on data of KEB Hana Bank



We listen to the feedback of our customers and offer customized services to enhance their happiness.

OUR TARGETS FOR UN SDGS

8 DECENT WORK AND ECONOMIC GROWTH
8,10 _Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

Protecting Customer Information

High appraisals in Financial Customer Protection Evaluation for two consecutive years



In September 2018, KEB Hana Bank received “Satisfactory” or higher grades in the Financial Customer Protection Evaluation¹⁾ of the Financial Supervisory Service in all ten items for two consecutive years. Except for nine items that gained a “Satisfactory” level, KEB Hana Bank is the only bank that obtained an “Excellent” level for establishment and operation of civil complaint management system.

1) Introduced for a comprehensive evaluation of financial institutions’ customer protection in 2015

Information Security Management System(ISMS) Certification from Financial Security Institute



Since July 2017, Hana TI has been trying to obtain ISMS(Information Security Management System) Certification²⁾ for its Integrated Data Center so as to establish a more proactive information protection system. This certification certifies a management system for integrated security control and certified e-document service. To obtain this certification, Hana TI underwent an evaluation on 324 items according to 104 evaluation criteria. As a result, our Integrated Data Center obtained ISMS Certification in June 2018 for the first time among Korean financial holding companies. We will do our best to protect customer information assets by raising our employees’ awareness on information protection and safely protecting customer information.

2) Through the ISMS certification, the Financial Security Institute certifies an information protection management system established and operated by an enterprise so that it can prevent information leakage and protect information from internal and external threats.

Acquisition of ISMS certification



Hana TI

Obtained Information Security Management System(ISMS) Certification



Protecting Customer Assets

A letter of appreciation for employees who contributed to preventing financial fraud



To eradicate financial fraud, KEB Hana Bank established a well-organized collaboration system between the headquarters and branches as well as banking and police authorities, while providing trainings for our employees. In October 2018, employees who contributed to preventing financial fraud and arresting financial fraud criminals received a letter of appreciation from the Financial Supervisory Service.

In addition, we posted prevention and accident cases through our Fraudulent Bankbook 112 and became positioned as a bank with low financial fraud rates. Furthermore, we strengthened tellers’ fraud response ability by sharing how to respond to different types of financial fraud in real time and providing continuous employee training. As of the end of December 2018, KEB Hana Bank prevented 149 cases of withdrawal from bank windows and 15.455 billion KRW in damages.

Launching asset management brand “Gold Club”



In August 2018, Hana Financial Investment held the Gold Club Branch Launch Ceremony attended by 55 executives and employees of Hana Financial Investment and KEB Hana Bank. Gold Club, a unique brand of KEB Hana Bank, is also a private banking brand representing Hana Financial Group. By introducing Gold Club, Hana Financial Investment will provide one-stop financial services encompassing stocks and banking for men of property. In addition, we will enhance our competitiveness and strengthen our market status as a leading asset management company by providing differentiated products and fostering experts.

Operating the Counterfeiting Monitoring Center



KEB Hana Bank is the only banking institution that operates the Counterfeiting Monitoring Center to deliver safe-to-use bills to customers. We conduct full inspections on all bills we handle, while our counterfeiting experts visit branches to provide customized training to branch tellers to strengthen our capacity regarding counterfeit bill detection. As a result of such efforts, in December 2017, KEB Hana Bank became the world’s first to detect a new type of high-quality counterfeit bills that were not even reported yet to the INTERPOL, and improved its brand value as a bank specializing in foreign exchange. Using the remote image monitoring system, we supported exchange work at branches and prevented the distribution of counterfeit bills. In 2018, KEB Hana Bank detected 79 cases of counterfeit bills among a total of 544 cases requested. Aside from that, it saved 1.4 billion KRW by preventing the distribution and use of counterfeit bills and reusing them, fostered 11 counterfeit bill detection experts, and promoted the Currency Exhibit Hall to 1,500 people.

Hana Financial Investment launched asset management brand “Gold Club”



Moving a Step Closer to Customers

Reduced the burden on the financially underprivileged



KEB Hana Bank aimed to supply a total of 1.7 trillion KRW financial products for low-income people from 2016 to 2018. New Hope Seed Loan is one of the most representative financial products for the low-income class. KEB Hana Bank expanded the loan period of New Hope Seed Loan from five years to ten years, intended for use by the underprivileged such as people on welfare and single-parent families. It also newly opened loans for low-income people in mobile banking to strengthen its non-face-to-face loans, for the first time among banks. In 2018, KEB Hana Bank supplied 620 billion KRW in this kind of funding, which is the highest level in the financial industry.

Money trust agreement to protect the assets of the disabled



KEB Hana Bank signed a business agreement for trust operation with the Seoul Welfare Foundation in April 2018. Following the agreement, we begin to manage and protect the assets of 70 people with disabilities living in group homes in Seoul. Furthermore, KEB Hana Bank will provide trust-based property protection services by expanding the range of recipients from the underprivileged to the elderly and children.

Improving foreigners' accessibility to financial services



Due to the language barrier and cultural differences, foreigners residing in Korea face difficulties in financial life. To help them, KEB Hana Bank opened Easy-One Center in December 2018 which is a financial service center for foreign workers in Myeong-dong. It provided a variety of financial services such as foreign currency transfer and exchange, and launched language support service using Korea's first two-way language translation system.

Furthermore, KEB Hana Card provided financial education relating to monthly overseas transfer and financial fraud prevention for foreigners. We also carefully listened to their questions about finance and providing comprehensible answers.

Supporting North Korean defectors' stable financial transactions



In preparation for the reunification of Korea, KEB Hana Bank is helping North Korean defectors settle in South Korea. Since March 2017, it has exempted them from paying financial transaction fees, and in 2018, provided financial planning education for 800 North Korean defectors who first entered the Republic of Korea. KEB Hana Bank will continue its support projects for North Korean defectors so that they have a better understanding our life in our country and ultimately have a pride as a member of our society.

Obtaining ISO 20000



In December 2018, Hana Financial Investment obtained ISO 20000, an international IT service management standard for all of its services including 1Q MTS(Mobile Trading System) and 1Q HTS(Home Trading System). By obtaining ISO 20000, Hana Financial Investment established a foundation for evolving into a customer-centric, data-based information enterprise, providing better services for our customers.

Education for the financially underprivileged



In 2018, it explained about "Useful Financial Websites" to 20 members of the Korea Association of the Deaf's Mapo-gu Branch, and provided education entitled "Types of Financial Fraud and Prevention" for 60 members of the senior centers in apartments complexes including Magok M-Valley. For the next plan, Hana Financial Investment will expand financial education for the financially underprivileged such as the elderly and adolescents.

Financial Services Oriented Toward Customers' Lifestyles

Launching a child support trust for the first time in the financial industry



As the number of single-parent families is increasing and disputes about child support are intensifying, raising single-parent family children is becoming a serious social problem beyond individual dimensions. To provide a practical safeguard for children, KEB Hana Bank launched a child support trust for the first time in the financial industry. Considering that child support obligors do not trust their former spouses, this product was designed for obligors to manage child support through the trust and directly pay money to their minor children. As a result, KEB Hana Bank's child support trust could contribute to reducing possible legal disputes and quarrels related to child support expenses and creating a stable child-rearing environment.

"1Q My Style Card" for whatever consumers want



In June 2017, KEB Hana Card launched 1Q My Style Card consisting of five service types for different lifestyles. 1Q My Style Card offers a total of 31 benefits that customers can freely change through application, according to their needs.

Types of 1Q My Style Card

Type	Target customers	Mileage benefits
Trendy	Trendy women in their 20s or 30s	· Coffee · Social commerce · Taxi
Employees	Men in their 30s or 40s enjoying work and leisure	· Lunch · Convenience stores · Gas stations
Life	Parents in their 30s and 40s interested in their children's education	· Supermarkets · Bookstores · Private institutes
Well-being	People in their 50s interested in leisure and health	· Department stores · Golf · Hospitals
Traveler	Employees planning a trip	· Overseas · Social commerce · Plane tickets

AI financial assistant, HAI banking



KEB Hana Bank's HAI ROBO is a robo-advisor which is a compound word from merging "robot" and "investment advisor". HAI ROBO is an algorithm(robot) that automatically manages customers' assets by identifying their investment patterns and suggests customized investment portfolios. In 2018, KEB Hana Bank added speech recognition and deep learning technologies to HAI banking and realized one-to-one conversation financial services with no bounds on time and place. By entering simple texts or giving orders to AI financial assistant HAI by voice, customers can send or exchange money, or buy a financial product with ease.

Global Must Have



In June 2018, KEB Hana Card newly launched an overseas mobile platform, "Global Must Have". For this service, KEB Hana Card has consistently analyzed customers' spending patterns and data of overseas trips in order to provide differentiated quality services and customized services in each nation. It currently presents an overseas service platform that covers a wide range of benefits for overseas trips.

Benefits of Global Must Have

Overseas plane ticket	Overseas hotel
Up to 10% discount on all international flights	Up to 10% discount on Agoda, Expedia, etc.
Overseas rent-a-car	Overseas direct purchase
Up to 10% discount on Hertz and Rentalcars.com	Up to 20% discount on shipping fees and cashback

Communicating with Customers

KEB Hana 1Q Advisory Group



KEB Hana Bank holds a quarterly meeting of the Consumer Protection Council in which the heads of major departments review and coordinate current issues, and communicates following agendas with our customers through the Customer Committee. In 2016, KEB Hana Bank introduced the KEB Hana 1Q Advisory Group, an online customer panel group, to comprehensively gather customer feedback. The advisory group collected complaints, compliments, suggestions and recommendations through online channels, and stated 66 opinions in 2018.

1Q Bank Meeting with Smart Ambassadors



To share fresh ideas about 1Q Bank and digital marketing, KEB Hana Bank invited our 11th Smart Ambassadors and held a meeting in July 2018. At the meeting, KEB Hana Bank heard their views about selection standards on financial institution, along with their stories and comments on using our services. Such meeting as part of “young marketing” was a good opportunity to get closer to our young customers.

Hana Playform, a participatory cultural platform

In February 2018, Hana Financial Group launched “Hana Playform”, a participatory platform that provides new experiences to our customers in association with art instructors and small business owners. On White Day, Hana Playform provided painting contents for couples. Thanks to people who felt a thirst for new cultural experiences, tickets were sold out fast. In October and November, Hana Playform held a variety of events such as pop art and leather handicrafts for HFG executives in order to spread a DT(Digital Transformation) culture.

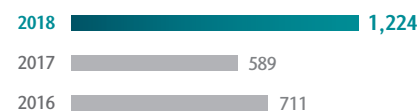
Hana Playform		
Providing online/offline channels for promising startups and talented instructors who need more chances to meet customers	Giving small business owners, who agonize over the use of their business properties, an opportunity to generate additional sales by providing space	Providing participants with a variety of cultural opportunities

KEB Hana Bank's Customer Satisfaction Initiatives

Customer satisfaction program improvement
unit _case



Hana Echo Postcards received
unit _case



Customer discussions and customer committee meetings
unit _case



Customer Inconvenience Handling Committee to create a customer-centric management culture

In August 2018, Hana Financial Group launched the Customer Inconvenience Handling Committee to create a customer-centric management culture. Through the committee, we will promote financial consumers' rights and interests by removing inconveniences in advance and improving relevant systems. To resolve customer inconveniences relating to our work process, we opened a Customer Inconvenience Handling Plaza in our portal. Since its opening in 2018, a total of 183 cases were submitted. The relevant department will review the suggestions and make improvements accordingly.

2018 Korea Internet Communication Satisfaction Awards for Hana Members

In November 2018, Hana Members, the Korea financial industry's first integrated membership service, won the grand prize at the 2018 Korea Internet Communication Satisfaction Awards in the smart service and membership category, for its utilization of branded contents using timely contents and characters. Focused on using Facebook, Hana Members communicate and build empathy with customers in their 20s or 30s through two-way interaction. We will continue to keep our efforts to spread a bond of sympathy with customers through communication in social media channels.

HIGHLIGHT



Our transformation into a financial cultural platform

Transforming idle space of our banks into a 'special culture zone exclusive to our neighborhood,' KEB Hana Bank offers a new paradigm as a 'bank that visits customers beyond bank windows' and operates specialized branches with diverse cultural contents. Such culture banks range from our CSR branch at Cheonan Station with the concept of global communication for 'foreign workers', to our Gwanghwamun Branch with Book & Beer under the concept of healing bookstores. Located in Samseong-dong, Seoul, our culture bank, PLACE1, operates a culture-finance platform wherein the local community and public can see, listen and experience numerous contents. We are also proud to demonstrate the unique exterior of PLACE1 that won many awards in architecture and design.

Culture Bank at Cheonan Station Branch



Panorama of PLACE1



©Cha Dong-hoon

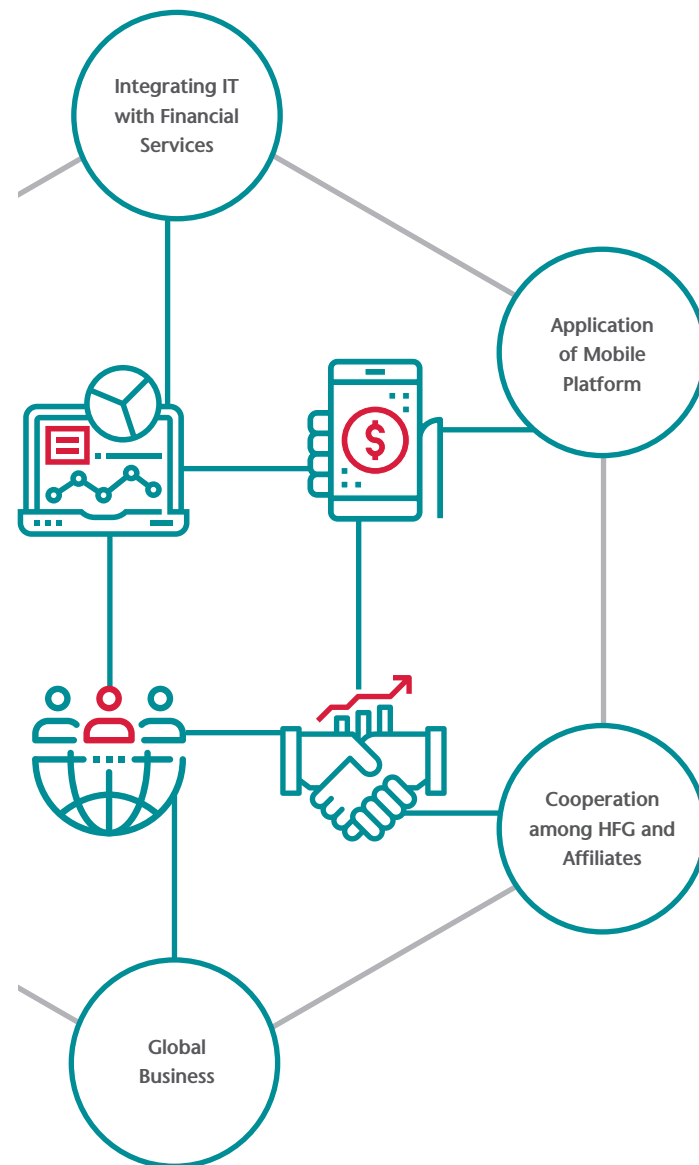
Strategy 2. Future-oriented Financial Services

PRIORITY ISSUES

With the advancement of information and communication technology, the financial market environment is changing every moment. In particular, banking expanded to online/mobile, non-face-to-face services and non-financial fields operations, not limited in offline fund brokerage. In addition, new internet service enterprises are competing with preexisting financial institutions. In such a rapidly changing digital era, we should make efforts for the sustainability of financial institutions. To do so, we should develop new markets through proactive responses, and understand a variety of customer needs by integrating the concept of traditional financial service and new technologies like AI and big data which are the major aspects of the Fourth Industrial Revolution.

HANA FINANCIAL GROUP'S RESPONSES

Hana Financial Group is putting forth the efforts to maximize its synergy potentials in the digital revolution, and to have technologies suited to customer needs. We are promoting organic cooperation and communication with affiliates based on the synergy council and the internal cloud system. In addition, we are approaching customers more effectively and proactively, by applying IT including AI, biometric information, and a robot-based work automation system and expanding our mobile platform. Cooperating with external partners flexibly with an open mind, we are creating synergy exceeding our competences and leading the financial service market. We will improve internal and external technology and services by enhancing the internal systems and strengthening our partnerships.



Opened the Group's official cloud service

First in the financial industry

Robo-advisor "HAI ROBO" 23rd MK Financial Products Awards

Won a special prize

Established Collabo Platform

Attracted digital-based non-direct customers*

Exceeded 100,000

No. of online bank accounts*

13,210,986

Net income in 2018

2.2752 trillion KRW
(2017 **2.116 trillion KRW**)

* Based on data of KEB Hana Bank



In the rapidly changing digital revolution, we are leading the financial services market through the utilization of new technology of the 4th Industrial Revolution.

OUR TARGETS FOR UN SDGS

- 8 DECENT WORK AND ECONOMIC GROWTH** 8.2 _Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** 9.5 _Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including encouraging innovation and substantially increasing the number of research and development workers and public and private research and development spending
- 17 PARTNERSHIPS FOR THE GOALS** 17.8 _Fully operationalize the technology bank and science, technology and innovation capacity-building mechanism for least developed countries and enhance the use of enabling technology, in particular information and communications technology

Integrating IT with Financial Services

Launching the group's official cloud service for the first time in the financial industry

In May 2018, Hana Financial Group launched our "group's official cloud service" for the first time in the financial industry. Our cloud service is a key technology to realize flexible digital transformation through a swift response to the rapidly changing IT environment. From this cloud service platform, our affiliates can freely utilize a variety of IT resources and information.

AI financial platform, HAI Project



KEB Hana Bank is utilizing our AI-based financial assistant service "HAI" to enhance customer satisfaction in the digital revolution. First launched in 2017, the robo-advisor "HAI ROBO" provides customized portfolios through AI's deep learning. In February 2018, KEB Hana Bank enhanced its asset management by launching HAI ROBO's Season 2 with a new pension management feature. In November 2018, it upgraded its conversation-based financial platform, "HAI banking" by adding STT¹⁾ and TTS²⁾ technologies that recognize voice and react. In addition, KEB Hana Bank added HAI lens camera service so that customers could search exchange rates and pay a utility bill by taking a picture of foreign money. KEB Hana Bank is planning to provide HAI services for home appliances such as smart refrigerators.

- 1) STT(Speech To Text): convert speech language into text data
- 2) TTS(Text to Speech): convert text data into speech language

Robo-advisor "HAI ROBO"

Won a special prize at the 23rd MK Financial Products Awards



Signing a business agreement with POSCO for finance RPA



Hana Financial Group and POSCO signed a business agreement for robotic process automation(RPA) of financial work and new digital technology business. A solution for automatically conducting defined work, RPA can swiftly handle simple work. As a result, employees will be able to focus on more creative work. As digital transformation is recently emerging as an industrial issue, RPA is expected to become a representative case for work process innovation.

Biometrics technology for finger vein payment service



KEB Hana Card concluded a partnership with LG Hitachi and NICE Information & Telecommunication to cooperate for non-medium payment service utilizing finger veins. Once customers register their finger vein through 1Q Pay Application, they can make payments by touching their finger on the terminal, without the need for a smartphone or a card. To protect customers' personal information, KEB Hana Card is developing a variety of ways to strengthen security.

No. of HAI ROBO members

unit_persons



Application of Mobile Platform

Attracting more digital customers through Exchange Wallet



As one of the most representative mobile platform-based services, Exchange Wallet enables customers to change money and keep foreign currency. They may re-exchange foreign money when the exchange rates for Korean currency rise, so as to increase their assets. This service is a good way to attract customers for digital foreign currency and exchange-only customers as actual bank customers. Two months after its official launch in November 2018, the number of daily transactions exceeded 1,000. As over 50% of customers are in their 20s, Exchange Wallet is a major opportunity to attract young customers. In 2019, Exchange Wallet will find and expand affiliated stores including travel agencies, airlines, duty free shops and fintech enterprises.

Winning the grand prize in the Mobile Website category



KEB Hana Card's mobile website won the grand prize in the Mobile Website category at the 2018 Web Award Korea hosted by the Korea Internet Professional Association, which awards the most innovative website of the year. KEB Hana Card's mobile website was highly appraised for its visual design elements and user-friendly image. In addition, its aesthetic and innovative aspects were highly rated because of its simple design, the clear identity of KEB Hana Card, and user-friendly UX information structure.

Hana Financial Group's mobile platforms

1Q Application (KEB Hana Bank)	Hana Members Application (6 affiliates)	1Q Pay Application (KEB Hana Card)
HAI ROBO (pension and fund management)	Exchange Wallet (exchange request and currency trade)	Mobile payment
HAI Banking (wire transfer, exchange rate information, financial product)	GLN Coupon Mall (Global Loyalty Network)	Finger vein payment service (scheduled)
Mobile Branch (household loans and opening of non face-to-face accounts)	Hana Playform (cultural lectures and ticket purchase)	

HIGHLIGHT



The number of digital-based non-direct customers exceeding 100,000

Called as mobile banking before, banking application is being emphasized by the Korean financial industry as daily financial platforms and mobile platforms that provide a wide range of app or website-based financial services. It is an essential strategy to engage customers in the digital revolution. KEB Hana Bank's mobile platform is based on Hana 1Q Application, linked to Hana Members Application which integrates membership services of six affiliates. Customers can easily use a variety of services such as Exchange Wallet and GLN Coupon Mall. In 2017, KEB Hana Bank launched its Mobile Branch in which customers can apply for a household loan, open a non-face-to-face bank account, and use other financial services without an authentication certificate or membership. Thanks to the diverse financial services, the number of digital-based non-direct customers exceeded 100,000 in December 2018. In particular, digital-based non-direct identification service accounts for 26.3% of the total increase in customers in the first half of 2018. Emerging as a way to attract new customers, this service enables them to open an account and use e-financial services without visiting a bank, 24 hours a day, 365 days a year. With the establishment of the digital financial transaction environment, the number of customers using this service is rapidly increasing because of its convenience. Being connected to this service, our affiliates' mobile financial services, such as Hana Members Application and 1Q Pay Application, can widen the range of available services and provide customized services for customers by creating synergy.

Cooperation among HFG Affiliates & Global Business

Group Synergy Marketing Council

The Group Synergy Marketing Council is responsible for creating financial synergy of Hana Financial Group and operating four subcommittees: Private Financing Committee, CIB Committee, Startup-Venture Investment Committee, and Non-sales Sector Committee. The council serves as a venue for group-wide discussions to strengthen HFG's competencies and drive the synergistic collaboration of comprehensive customer financial services, ranging from improving cooperation capacity within the group, promoting auto financing, providing organizational and evaluation compensation to strengthening cooperation between banks and financial investment, and managing and supporting HFG's real estate collaboration.

Collabo Platform

Hana Financial Group established a web-based cooperation system called "Collabo Platform" for affiliates' employees. Using Collabo Platform, our employees can rapidly connect customers to affiliates swiftly, and keep monitoring results and performances. Our management staff can monitor the status of HFG's collaboration by using the collaboration data visualization feature, and utilize information for rapid decision-making by controlling the processes. Collabo Platform realized a map-based collaboration diagram for the first time in the Korean financial industry. We will contribute to creating a voluntary collaboration ecosystem and maximize the group's synergy.

Group Collabo Award

-  Hana Life
-  Hana Alternative Asset Management

Hana Financial Group holds the Group Collabo Award to select excellent cooperation cases and give prizes. Yamada Denki Fund established by Hana Alternative Asset Management was selected as the excellent case of the year, and Hana Life and Hana Alternative Asset Management won the Group Collabo Award. Through this fund for lease income, customers can attain stable profits through investment in real estate in Japan. In addition to Hana Life and Hana Alternative Asset Management, other affiliates including KEB Hana Bank, Hana Financial Investment Private Banking Center, and Hana Capital also participated in the award program with capital investment.

Signing an MOU with Vietnam as part of Korea's New Southern Policy

-  KEB Hana Card

To evolve into a global credit card company, KEB Hana Card signed an MOU with NAPAS(National Payment Corporation of Vietnam) and BIDV(Bank For Investment and Development of Vietnam). Through this agreement, KEB Hana Bank established a foundation for cooperation with the leading enterprises of the Vietnamese payment market for credit card business. Considering that Vietnam is one of Korea's largest economic partners in Southeast Asia, KEB Hana Bank will achieve its goal of entering the Vietnamese payment market based on its 40-year experience and expertise in Korea.

GLN Service

Hana Financial Group decided a blockchain technology-based, digital asset financial system "GLN"(Global Loyalty Network) to be its key future global fintech business. GLN is an innovative integrated platform where customers can freely exchange or use their digital assets such as mileages and points all over the world. It first started in November 2017 with the formation of a consortium consisting of 30 enterprises from 10 nations in Seoul. Once GLN service is officially launched, the users of Hana Members that integrate membership of six HFG affiliates can purchase discount coupons or products using Hana Money around the world.

KEB Hana Bank opened a special GLN Coupon Mall in commemoration of the 2018 PyeongChang Winter Olympics and 2018 Jakarta Asian Games. In addition, it has signed a strategic partnership with a global IT enterprise, Oracle, and put forth efforts to provide quality services.

1Q Transfer Anywhere

-  KEB Hana Bank
-  Hana Financial Investment

Utilizing its digital competencies, KEB Hana Bank is making efforts so that customers can easily use expedient financial services anywhere in the world. We expanded our 1Q Transfer to the Philippines that

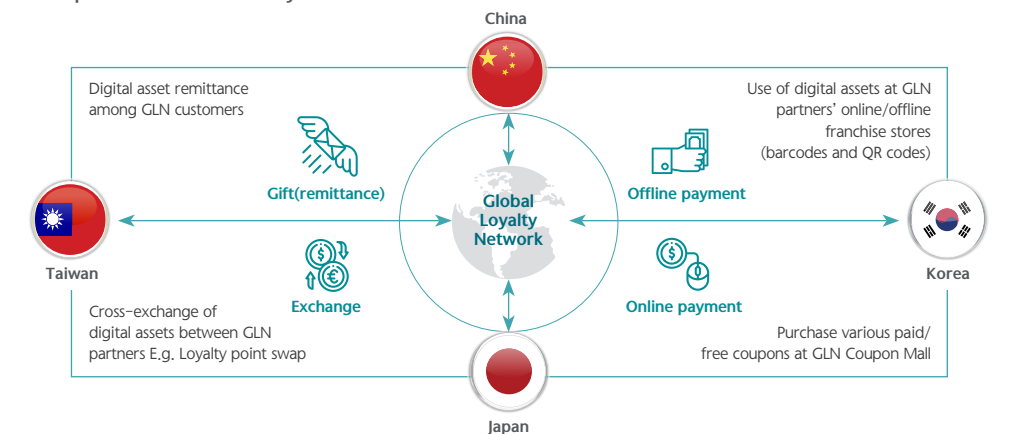
provides overseas wire transfer and receives services only through use of a mobile phone number. As of the end of 2018, you can use 1Q Transfer in 80 countries.

As the first innovative business with an open platform, KEB Hana Bank provides a tuition payment service for international students. It is Korea's first service to enable customers to pay tuition fees to Korean universities in CNY. Thanks to this service, Chinese students can pay their tuition fees in CNY in China to 80 Korean universities that signed a contract with KEB Hana Bank, based on the exchange rate at the time of payment.

Hana Financial Investment made profits of 22.9 billion KRW in the first half of 2018 through large-scale global investment such as investment in social overhead capital facilities and real estate. Profits greatly increased compared to the previous year's profits of 21.6 billion KRW. To maintain its business performance, Hana Financial Investment has established an information sharing channel by utilizing KEB Hana Bank's overseas network, and accelerated its global business such as alternative investment abroad.

Hana Financial Group has set its Best 2025 Strategy with the goal of expanding its global business profits by 40% and ranking among the top 40 global financial groups by 2025. We will grow with customers in the global stage, as well as in Korea, and bring about greater customer satisfaction and profits.

Example of use of Hana Money in GLN service network



Strategy 3.

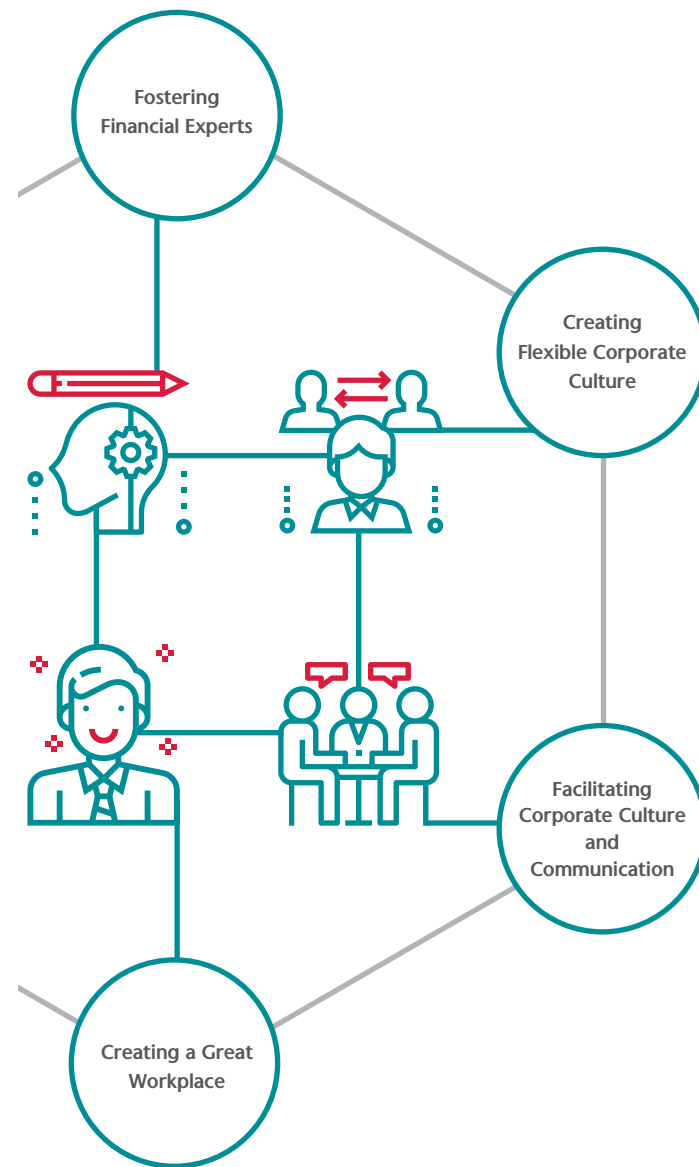
Fostering Leadership in Financial Market

PRIORITY ISSUES

A corporate culture of supporting employees' growth and respecting personal life is the foundation of a sustainable organization. Our employees' well-being can satisfy customers and consequently create a virtuous circle of sharing happiness throughout society. As our society has been giving more attention to quality of life in recent years, the importance of work-life balance has been emphasized. Along with job training provided to improve expertise, a corporate culture and systems that respect personal life should be considered important.

HANA FINANCIAL GROUP'S RESPONSES

"Happy Hana People" are at the center of Hana Financial Group. Hana Financial Group holds IT and DT workshops in order to provide education for fostering all Hana People as experts in a variety of financial fields, and to share its vision that is digital innovation. We create a corporate culture of communication and cooperation based on humanity. In addition, we support work-life balance in order to enhance work efficiency and assure proper quality of life within each individual.



No. of licenses per employees*

5.04

No. of employees who attended job competency training programs*

8,700

Retention of employees working for more than one year after childbirth leave* (including both male and female)

92.8%

Reorganized the HFG Portal
Opened in November 2018

New IT Training Center of Hana TI

130 persons

No. of male employees who took childcare/childbirth leave*

2018 _10 persons
(2017 _4 persons)

* Based on data of KEB Hana Bank



Through job training, we support employees' opportunities to enhance their expertise, and foster a culture marked by a work-life balance.

OUR TARGETS FOR UN SDGS

- 4 QUALITY EDUCATION** 4.4 _Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship
- 5 GENDER EQUALITY** 5.4 _Recognize and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate
- 8 DECENT WORK AND ECONOMIC GROWTH** 8.3 _Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation
- 10 REDUCED INEQUALITIES** 10.4 _Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality

Fostering Financial Experts

Career development programs

Hana Financial Group is providing systematic career development programs(CDP) so that all employees can grow as experts in a variety of financial fields regardless of their positions. To encourage self-directed learning, HFG provides 12 programs in three fields: "Sales", "Future Competency" and "Professional Work," from which employees can choose what they wish to take. Furthermore, we manage and develop customized programs, in which employees can select their major from banking operation subjects and their minor from global digital competency and future competency development subjects.

KEB Hana Academy

KEB Hana Bank

In April 2018, KEB Hana Bank founded KEB Hana Academy Curriculum in association with universities, so as to foster experts who will lead future finance. This 10-week curriculum consists of four courses: Advanced Asset Management of Seoul National University, Advanced Corporate Analysis & Risk Management of Yonsei University, Advanced Digital Marketing of KAIST, and Advanced Real Estate of Konkuk University. In 2018, 120 executives and employees attended these lectures provided by college professors

DT(Digital Transformation) mind transition training for all employees

Hana Financial Investment

Hana Financial Investment has conducted DT(Digital Transformation) mind transition training for all employees to foster digital professionals. In the first half of the year, 1,490 employees learned about the latest ICT trends through online lectures on the 4th Industrial Revolution, and discovered new business opportunities to be applied to current work. In the future, Hana Financial Investment will raise employees' awareness of digital conversion through DT online education, and nurture digital professionals through

step-by-step training such as beginning, advanced and expert courses on data analysis.

New IT Training Center

Hana TI

In June 2018, Hana Financial Group opened its New IT Training Center in order to accelerate digital innovation in all affiliates. The curriculum dealt with the new technologies of the Fourth Industrial Revolution such as AI, big data, cloud, and blockchain. For six months at Hana Financial Group's Integrated Data Center in Cheongna International City, Incheon, 130 IT employees of HFG affiliates including 76 KEB Hana Bank employees and 50 Hana TI employees learned about the theories and cases of new technologies and presented business ideas that incorporated them. Hana Financial Group will implement advanced courses and focus on developing internal competences for digital competitiveness.

Global Insight Program

KEB Hana Bank

KEB Hana Bank provided overseas training for employees of excellence to broaden their horizons and encourage changes. In 2018, under the theme of Global Insight, KEB Hana Bank contacted outstanding overseas enterprises leading the Fourth Industrial Revolution. In the first half of the year, 600 executives and employees visited Alibaba(China), Toyota(Japan) and Fanuc(Japan), and experienced their state-of-the-art robot technologies and innovative culture. In the second half of the year, all vice branch managers visited enterprises with an excellent digital environment and learned about paradigm changes in the financial industry. In October 2018, we selected 40 outstanding marketing employees to visit enterprises and universities located in Seattle and San Francisco, the U.S., and to learn decision-making skills and develop a challenging spirit for digital innovation.

Digital innovation course for the Bank's leaders

KEB Hana Bank

Recognizing digital innovation as an essential strategy for the survival of banks, KEB Hana Bank focuses on the roles of leaders. In September 2018, KEB Hana Bank concluded an MOU with the big data researchers of Seoul National University, and held seven sessions for 40 executives to learn about the Fourth Industrial Revolution technologies such as big data, deep learning, AI, and blockchain. To realize a human-centric digital bank, KEB Hana Bank will develop leaders' competencies and form a bond of sympathy with employees.

Reorganizing DT Lab (Digital Transformation Lab)

Hana TI

In October 2018, Hana Financial Group expanded and reorganized DT Lab founded in 2017 into the Hana Institute of Technology. By studying digital transformation and digital innovation technologies such as AI and big data, the Hana Institute of Technology will apply digital innovation to all fields and support the timely development of digital business.

Workshop for transition into a data-oriented IT company

KEB Hana Bank Hana Capital

In order to evolve into a data-oriented IT company beyond a typical financial institution, Hana Financial Group has set a goal of expanding its digital channels to 40%. In addition, HFG is making efforts to spread the digital culture of "agile" organization that embraces changes and pursues values for action and cooperation.

In August 2018, KEB Hana Bank held a digital transformation workshop for executives. During the workshop, the President & CEO and executives of KEB Hana Bank discussed the direction and tasks of digital transformation. The attendees emphasized the digital transition of all manual data and development of customized products using big data.

In November 2018, Hana Capital held a DT workshop for junior employees. The attendees shared HFG's digital innovation vision and emphasized the importance of DT in the new era with decreasing MOTs(Moment of Truth).

Facilitating Corporate Culture and Communication

Digital communication through HFG portal

In November 2018, Hana Financial Group redesigned the HFG portal to enhance the work efficiency of employees and strengthen a cooperative process. HFG is contributing to spreading a digital culture in the group by improving a search function and UI/UX for user convenience, and supporting rapid communication and execution through the mobile HFG portal.

Hana Financial Hub Mobile Lab

Hana Financial Group offers Mobile Lab via its mobile channel, Hana Financial Hub. Through Mobile Lab, employees can experience new or pilot services before the official launch, and suggest their opinions to improve service quality. Furthermore, Hana Financial Hub is expanding its services for active communication between executives and employees, including Hana Club, Idea Talk Talk, Field e-Answer, and other various participatory events.

Launching the 3rd Innovators

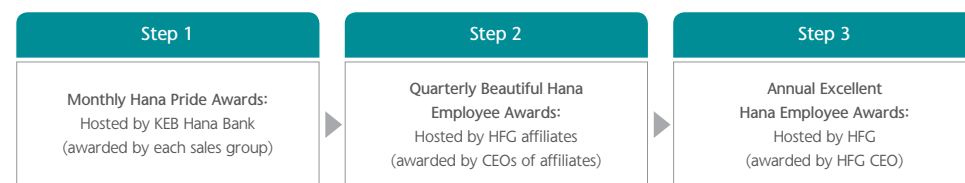


Selected by KEB Hana Bank, Innovators are young opinion leaders who find issues and improvement plans in the field. In 2018, a total of 151 Innovators directly delivered on-site feedback to the headquarters and the management. Some of the excellent ideas were applied to actual services.

Reforming HFG award programs

Since 1995, Hana Financial Group has been giving the Excellent Hana Employee Awards every year to employees who take the initiative in practicing the group mission and core values. In order to encourage more outstanding employees and create a positive corporate culture in 2018, HFG expanded the Quarterly Beautiful Hana Employee Awards, while KEB Hana Bank newly established the Monthly Hana Pride Awards. HFG reformed its award programs so that all award winners are automatically recommended as candidates for the Annual Excellent Hana Employee Awards. In addition, it newly founded the global segment to expand an opportunity for winning awards to the employees of overseas branches.

HFG awards for Hana employees



Creating a Great Workplace

Improving work process for work-life balance



As the maximum legal working hours reduced to 52 hours, Hana Financial Group is making efforts to reduce work processing time and improve work-life balance. In 2018, KEB Hana Bank, with its Process Innovation Division as the center, simplified the approval process, reduced the business hours of banks through smart windows, and introduced RPA to the headquarters and branches for replacing simple and repetitive tasks with robots. From such measures, KEB Hana Bank put forth the efforts to realize work-life balance in practice.

Family-friendly corporate culture



For the first time in the domestic banking industry, KEB Hana Bank reduced working hours for parenting. For 203 employees who have children entering elementary school, we allowed them to go to work one hour late until late April during the adaptation period for school; and, we had them get off work in the same time format without risking any decrease in their wages. Reduced working hours are also applied to employees with children who are high school seniors. In addition, KEB Hana Bank expanded Family Day, which used to be held only on a Wednesday, to Wednesday and Friday. In April 2018, it introduced no-tie work for the first time in the banking industry and encouraged employees not to wear a tie, in order to remove the conservative atmosphere and create a horizontal working environment.

Healing programs at Employee Well-being Center



The Employee Well-being Center, established by KEB Hana Bank in 2016, is providing a variety of programs for employees to enjoy productive time after work. In 2018, under the theme of "Healing for Youth", the Center provided hobbies and emotion-cultivation programs, and humanities lectures such as music, art, and classics. Through this, the Center was able to help employees enjoy learning and revitalize their lives.

KEB Hana Bank work-life balance programs

Theme	Programs
Healing	<ul style="list-style-type: none"> Creative Drawing & Painting Class Color Therapy Meditation based Mandala Plate Calligraphy using Brush Pen Heart-to-heart Flower Box
Competency Development	<ul style="list-style-type: none"> Parenting Education A Journey to Oneself
Humanities Knowledge	<ul style="list-style-type: none"> Differentiated Hana Class Conversation in the Dark

Strategy 4. Ethical Financial Services

PRIORITY ISSUES

Ethics management means that an enterprise conducts management activities conforming to social regulations by following systems and laws. With the development of media, especially social media, ethics management can directly affect corporate sustainability in a way that forms corporate reputation easily spread to customers, and eventually brings about customer attraction or defection. In recent years, social demand for laws and transparency in regard to social justice increases along with the enactment of Anti-graft Law. Enterprises can manage risk, enhance their corporate values, and strengthen their sustainability by establishing ethics management in their corporate culture.

HANA FINANCIAL GROUP'S RESPONSES

Since 2009, Hana Financial Group has established the code of ethics to be adopted by each affiliate and enhanced employees' awareness on ethics management. In 2016, we enacted Code One as our common Code of Ethics by integrating feedback from all Hana People. In early 2017, we established Core 7, covering seven principles of ethical conduct, in order to create a culture of ethics management. We assist all Hana People in making ethical decisions by defining a clear set of ethics standards. In addition, we reinforced our whistleblowing system and introduced an evaluation system to manage violation risks of ethics management. Furthermore, we are providing a wide range of education, workshops, and best practice awards to inform our employees of the ethics standards defined by HFG.



* Based on data of KEB Hana Bank



In line with the social demands of ethics management, we are strengthening our sustainability by internalizing our system for ethics management and managing the risks.

OUR TARGETS FOR UN SDGS

- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS** 16.3_Promote the rule of law at the national and international levels and ensure equal access to justice for all
- 16.5_Substantially reduce corruption and bribery in all their forms
- 16.6_Develop effective, accountable and transparent institutions at all levels

Well-defined Principles of Ethics

Principles of honesty

Hana Financial Group has been emphasizing the values of honesty so that all Hana People can perform their duties to the fullest as honest, upright financial experts based on a high sense of ethics. The values of honesty include making efforts for customers and corporate profits, yielding the best results through free communication, and gaining trust from customers, shareholders and society through transparent management.

Code of ethics and core principles of ethical conduct

Hana Financial Group established the code of ethics to be adopted by each affiliate in 2009. As we found the necessity to consistently raise our employees' awareness on ethics by consistency, we integrated and improved the codes of ethics of our affiliates. In January 2016, we enacted the group-wide Code of Ethics called "Code One," which consists of the Ethics Charter, Questions for Ethical Decisions and 25 Detailed Questions. In 2017, we established

Underpinning principles of Human Rights Declaration



seven core principles of ethical conduct based on the Code of Ethics. The principles entailed in Core 7 were determined according to the results of a questionnaire that we conducted with 9,800 employees, and of an internal analysis on ethics issues.

Human rights management

In December 2017, Hana Financial Group enacted and declared Human Rights Declaration so as to meet the international standards requiring human rights management and strengthen sustainability management. In Human Rights Declaration, we emphasized our mission, "Growing Together, Sharing Happiness", and systematically summarized a spirit of human rights management mentioned in our code of ethics. In addition, we prepared our Human Rights Declaration based on the Guiding Principles on Business and Human Rights of the United Nations Human Rights Council and the Human Rights Management Guidelines of the National Human Rights Commission of Korea.

Acting on Ethics Standards

Creating a culture of ethics management in the workplace

Hana Financial Group KEB Hana Bank

Hana Financial Group holds an ethics management workshop every year to establish an ethics culture centered on practice. This workshop was held by Hana Financial Group Compliance Support Team in March 2018. During the workshop, experts gave lectures under the themes of "Latest overseas and domestic trends of ethics management and counterstrategies", "Financial experts' attitude to approaching compliance for convergence of ethics and laws", "Corporate ethical dilemmas and solutions", etc. In the workshop, 80 leaders from 13 affiliates attended and became acquainted with an attitude to ethics management. On the other hand, KEB Hana Bank selects and awards cases that comply with HFG Code of Ethics and arouse empathy from employees, at the end of every year. In addition, it newly enacted the "Ethics Rules of Sales Activities" and held a pledge of compliance in order to realize a customer-centric sales process.



Pledge of Compliance for "Ethics Rules of Sales Activities"



Reinforcing an anti-money laundering system

KEB Hana Bank

In addition to preexisting RBA(Risk Based Approach) and its efforts to foster anti-money laundering experts, KEB Hana Bank established a plan to reinforce investment in compliance(internal control) through external consulting in 2019. In addition, it will establish a company-wide anti-money laundering process by increasing the number of anti-money laundering experts from 28 to 38.

Receiving citation on the 12th Anti-money Laundering Day

KEB Hana Card Hana Life

In November 2018, Hana Life received the Prime Minister's citation at the ceremony of the 12th Anti-money Laundering Day hosted by the Korea Financial Intelligence Unit. Hana Life consulted experts to establish a company-wide risk management system for money laundering. In addition, its company-wide efforts on anti-money laundering were highly regarded, including the improvement in the anti-money laundering system and the establishment of the risk-based system. KEB Hana Card won the Financial Services Commission Chairman Award that acknowledged its differentiated efforts compared to other enterprises, specifically the improvement in anti-money laundering systems and comprehensive evaluations on relevant system implementation.

12th Anti-money Laundering Day



Compliance and Ethics Management Systems

Whistleblowing system

whistleblowing system for ethics management called “Voice of Integrity(Healthy Voice)”, in order to prevent employees’ illegal and wrongful acts, including sexual harassment, and to quickly handle ethics management issues. The target cases to be reported in this system are as follows: violation of relevant laws or internal regulations, sexual harassment, sexual discrimination, non-compliance with HFG’s HR regulations, illegal acts, unfair instructions, violation of the Code of Ethics committed by superiors, cover-ups and delays in reporting incidents, and other cases deemed as incident signs.

This program guarantees whistleblowers anonymity and avoids potential disadvantages in advance by protecting their identities and making compliance surveillants report the cases directly. When reports bring about a significant contribution to business profits or prevention of corporate losses, the whistleblowers may receive up to 1 billion KRW in rewards.

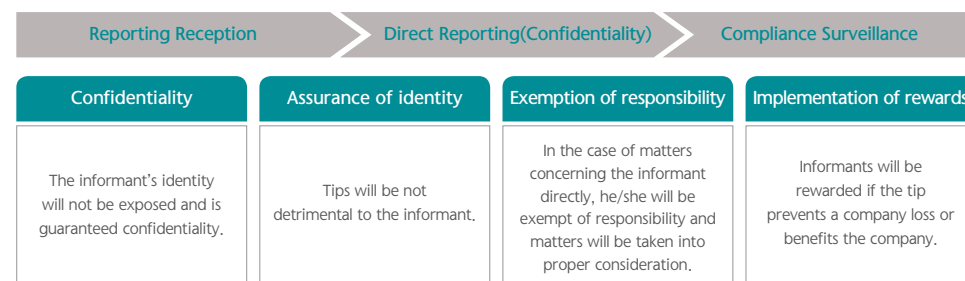
Internal whistleblowing system at Hana Financial Hub

In addition to the whistleblowing system for ethics management, Hana Financial Group is operating an internal whistleblowing system to “eliminate unfair instructions” and “facilitate whistleblowing”, which are the two main tasks of ethics management. This system is based on our mobile communication channel “Hana Financial Hub”, and reports submitted to this channel can be accessed only by responsible staff. This system guarantees whistleblowers anonymity with its “anonymity feature” which eliminates all information other than report contents and whistleblower’s organization, and “multiple reporting channels” in which whistleblowers can choose to report on either their own organization or HFG.

Reporting methods in “Healthy Voice”

Real-name Report	Anonymity Report
<ul style="list-style-type: none"> Guarantees confidentiality without exposing identity Notifies the processing results if desired 	<ul style="list-style-type: none"> Never collects the identity of whistleblowers, such as IP address Ensures confidentiality unless whistleblowers reveal the identity by themselves Possible to report anonymously through internal whistleblowing system of HFG Herb, e-mail and postal mail

“Healthy Voice” Process



Introducing upward appraisal system to eliminate unfair work practices



In 2018, KEB Hana Bank and Hana TI conducted an upward appraisal that includes new items on unfair instructions. In 2017, Hana Financial Group made efforts to add the same items to the annual upward appraisal systems of affiliates in consultation with their compliance and HR departments. As of now, KEB Hana Bank, Hana Financial Investment, Hana TI, Hana Investors Services, and Finq are conducting an upward appraisal; and other affiliates are planning to implement the upward appraisal system over the long run. HFG is putting forth the efforts

to create a culture of mutual respect, and to prevent subordinates from being unable to report superiors’ unfair instructions due to potential disadvantages.

Ethics management programs

Empathy	Voice of Integrity (Healthy Voice)	Pledge of compliance with Ethics Charter	Self-diagnosis of compliance with ethics regulations and laws	Contest of best practices of ethics management
Promote Code One and Core 7 via the group portal to employees	A whistleblowing program to receive reports on the illegal acts, unfair behaviors, and sexual harassment committed by employees	Hold a pledge of compliance with ethics charter at the beginning of the year to raise employees’ ethics awareness and establish a culture of ethics	Conduct a self-diagnosis of compliance with ethics regulations and laws with employees, and reflect their participation within the set period in the management evaluation	Gather best practices on the code of ethics from employees on an annual basis, award a prize to the selected cases, reward for the excellent cases, and publish an excellent case guidebook
Group education on ethics	Online ethics/ compliance training	Ethics & Compliance Newsletter	Pop-up posts of ethics management cases	
Provide group education for ethics education officers and new recruits including low-abiding monitors, new employees, and employees returning to office	Provide annual online training on ethics compliance, anti-money laundering, and protection of customer information for all employees	Post the work of the Compliance Support Team and its progress on the HFG portal bulletin board in the form of newsletter on a quarterly basis	Distribute pop-up posts for the desktop wallpaper to establish a culture of law compliance and ethics management practice of employees	



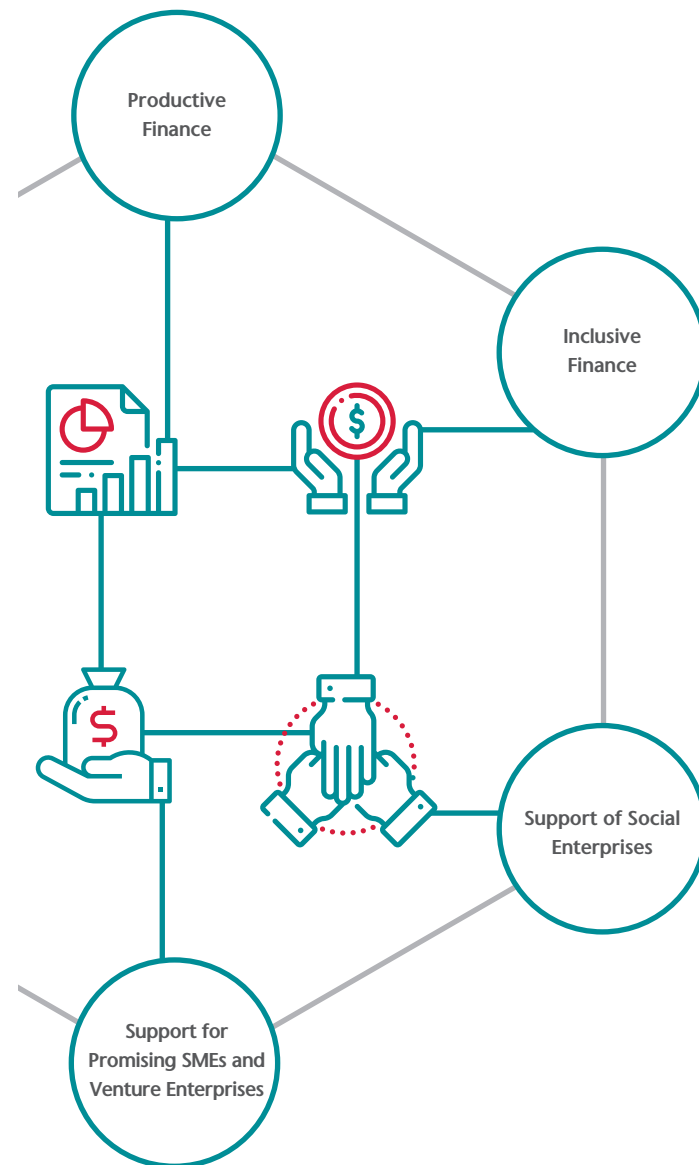
Strategy 5. Growing Together

PRIORITY ISSUES

Enterprises, as members of society, should carry out their social responsibilities to the fullest and grow with society. As we support diverse social groups such as SMEs and small business owners, resolve their difficulties and grow together in a balanced manner, we can also realize our own business development. Hana Financial Group has been practicing sustainability management based on communication with various stakeholders, in order to grow as a trusted premier global financial group. We are contributing to a financial virtuous circle by supporting SMEs and small business owners experiencing difficulties, and seeking to spread such practice to other financial institutions.

HANA FINANCIAL GROUP'S RESPONSES

Instead of pursuing short-term investment profits, Hana Financial Group is practicing productive finance and investing in innovative enterprises with high growth potential. From a perspective of inclusive finance, we approach small business owners who feel burdened due to an increase in minimum wages. In addition, we proactively source and foster social enterprises that are trying to resolve social issues. Based on our financial resources and experiences as a leading company, we will take an active part in resolving social issues that require joint efforts.



**Startups found*
2018(accumulated)**

54 startups

**Support for productive
finance¹⁾ (thru 2020)**

**Total of
15 trillion KRW**

**Conducted HIM
Project for small
business owners**

**Hana Alternative Asset
Management**

**Signed an MOU for
special asset fund
for photovoltaic
power plants**

**No. of SME business
partners***

**2018 _
299 thousand
(2017 _280 thousand)**

**Social Value
Festival**

* Based on data of KEB Hana Bank

¹⁾ Including direct/indirect investment in small and medium-sized ventures and support for enterprises with excellent technology, promising enterprises, enterprises with new growth engines, enterprises leading the Fourth Industrial Revolution, and enterprises creating jobs(startups)



We contribute to solving social problems through our support for various stakeholders including SMEs and small business owners.

OUR TARGETS FOR UN SDGS

- 1 NO POVERTY** 1.5 _Build the resilience and reduce exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
- 7 AFFORDABLE AND CLEAN ENERGY** 7.2 _By 2030, increase substantially the share of renewable energy in the global energy mix
- 8 DECENT WORK AND ECONOMIC GROWTH** 8.3 _Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the growth of small- and medium-sized enterprises
8.10 _Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE** 9.3 _Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets

Productive Finance

1Q Agile Lab



In June 2015, KEB Hana Bank founded a fintech startup mentoring center “1Q Agile Lab” for the first time in the banking industry. As of December 2018, KEB Hana Bank has sourced and fostered a total of 54 startups, which include 13 enterprises from the 6th 1Q Agile Lab and ten enterprises from the 7th 1Q Agile Lab. For the selected startups, it provides the office space of the Myeong-dong building and other types of support including cooperation with HFG departments, management and tax consulting, external experts’ consulting, and seed investment. Leading fintech business in the financial industry through smartphone banking, mobile e-wallet, and online Hana Bank, KEB Hana Bank will create a digital financial ecosystem through 1Q Agile Lab and establish a robust partnership with promising Korean startups for win-win growth.

Sourcing Korea’s best small and medium-sized ventures



In 2018, Hana Financial Investment held a briefing session to source Korea’s best small and medium-sized ventures for two consecutive years. During the briefing session, it introduced excellent, unlisted small and medium-sized ventures to customers who were looking for new investment targets, and shared unlisted market investment plans. Hana Financial Investment will provide full support for promising ventures.

Inauguration ceremony of 7th 1Q Agile Lab



Financial support agreement



In May 2018, KEB Hana Bank concluded a financial support agreement with the Korean Expressway Corporation to realize social values, such as job creation and support for second-class citizens. The Korean Expressway Corporation raises win-win cooperation funds and recommends SMEs and young startup owners, and KEB Hana Bank then provides low-interest loans. By 2020, KEB Hana Bank will aid job creation and income-led growth with a total of 15 trillion KRW for productive financial support.

Launch of special asset fund for photovoltaic power plants



In April 2018, Hana Alternative Asset Management signed an MOU with Gangwon-do, Korea East-West Power, Korean Energy Agency, etc., and launched Hana Alternative Asset Management Special Asset Investment Trust for Cheolwon Durumi Photovoltaic Plants. This project constructs 200MW photovoltaic power plants in Munhye-ri, Cheolwon-gun, whose residents invest in this win-win growth project for the first time in Korea and share plant profits over 20 years. By developing a product for public offering fund in installing and operating power plants, Hana Alternative Asset Management is making efforts for local residents to receive over 5 billion KRW benefits and create local jobs.

Support for productive finance

Field	Financial support (~2020)
· Direct/Indirect investment in small and medium-sized ventures	600 billion
· Support for enterprises with outstanding technology and promising enterprises (Based on technical finance)	9 trillion
· Enterprises with new growth engines · Enterprises leading the Fourth Industrial Revolution	4 trillion
· Startups & Enterprises creating jobs	1.5 trillion

Inclusive Finance

HIM Project for small business owners



In July 2018, KEB Hana Bank and KEB Hana Card conducted the HIM(Hana Integrated Market) Project for local small business owners. Utilizing the resources of HFG affiliates for win-win growth, this project provides our customers with additional benefits, and at the same time, advertises the stores of small business owners for free. The first project was “Power of Chungcheong-do,” which provided a discount at a popular water park and 13 restaurants in Chungcheong-do upon our customers’ payment with KEB Hana Card. Using the website of KEB Hana Card and its mobile app, we advertised with no cost on 56 restaurants that were recommended. Next, we will expand the target regions of the project to Gangwon-do, the Seoul Capital Area, etc., and continue our valuable programs for the coexistence of Hana Financial Group and local communities.

Happy Sharing Program



In February 2018, KEB Hana Bank provided financial support worth 1.5 trillion KRW and reduced lending rates by up to 2% for small business owners having difficulties due to an increase in minimum wages, as well as for productive enterprises creating jobs, through the Happy Sharing Program. By providing tax, labor, and accounting consulting, KEB Hana Bank strengthened the competencies of small business owners and SMEs, and carried out its social responsibility as a financial institution.

Inclusive financial products and relevant performance

Type	Product	Performance
Support for the financially underprivileged	KEB Hana Miso Drim Savings	2018: 200 million KRW 2017: 400 million KRW
	New Hope Seed Loan(accumulated)	2018: 62.33 trillion KRW 2017: 2.46 trillion KRW
	Change Your Dream Loan (accumulated)	2018: 980 billion KRW 2017: 465 billion KRW
	Sunshine Loan*	2018: 117.5 billion KRW 2017: 96.8 billion KRW
	Saitdol*	2018: 2.9 billion KRW 2017: 1 billion KRW
	Easy Save Loan	2018: 1.5 billion KRW 2017: 2.5 billion KRW
	Hope Growth Savings Account I & II Tomorrow Growth Savings Account	2018: 250 billion KRW 2017: 202.6 billion KRW
Support for mutual cooperation with business partners	Win-win Cooperation Loan	2018: 189 enterprises 2017: 181 enterprises
	Shared Growth Loan	2018: 106 enterprises 2017: 66 enterprises
Green loan	Hana Solar Loan	2018: 17.3 billion KRW 2017: 20.2 billion KRW

*Policy financial products

Support for Social Enterprises

Launch of 2nd Hana Power On Impact

Under the mission of “Growing Together, Sharing Happiness,” Hana Financial Group is actively conducting social contribution activities. In April 2018, we launched “2nd Hana Power On Impact Project” in order to create new values and raise social awareness. The goals of the first program were to develop the job competence of people with developmental disabilities and to create jobs for their independence. In the second program, we focused on establishing a system for their sustainable employment. In addition to providing welfare benefits, the Hana Power On Impact Project establishes a sustainable system for cooperation in social contribution and continues to provide practical and systematic support.

The 2nd Hana Power On Impact Project is divided into Special Group and Champion Group. The Special Group selects nine social innovation enterprises that can directly or indirectly create jobs for people with developmental disabilities, and develops new duties that use the strengths of those people. In the Champion Group, participating enterprises conduct various projects to expand the sustainable employment of people with developmental disabilities. We will continue to support the independence of the beneficiaries and promote social economy by creating more jobs.

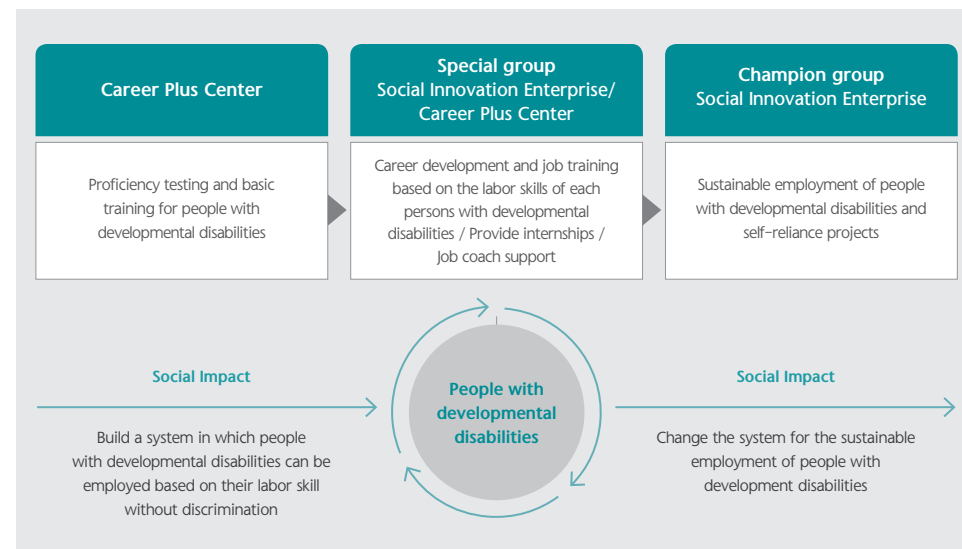
Hana Power On Challenge Entrepreneur Program

In May 2018, Hana Financial Group held the social venture contest “Hana Power On Challenge Entrepreneur Program.” Through this program, college students and young entrepreneurs who dream of social innovation had an opportunity to evaluate their business potential in the global market. We selected 20 teams from college student unions and social innovation enterprises that have been founded within three years, through an application review process and interview. From this program, we could provide a foundation for enterprises creating social values to enter the global market beyond the domestic market.

Social Value Festival

In November 2018, Hana Financial Group held the 2018 Social Value Festival in the Myeong-dong office to share resolution for social issue and value creation stories of social innovation enterprises. Around 50 social innovation enterprises, who had been collaborating with Hana Financial Group to realize social values, participated in this event. These enterprises established a cooperation network and discussed issues such as plastic waste, creation of eco-friendly values, and support for the stable sales of small business owners and social enterprises.

Competency Development Process of Hana Power On Impact



13th Asia Social Ventures Contest



2018 Hana Social Value Festival



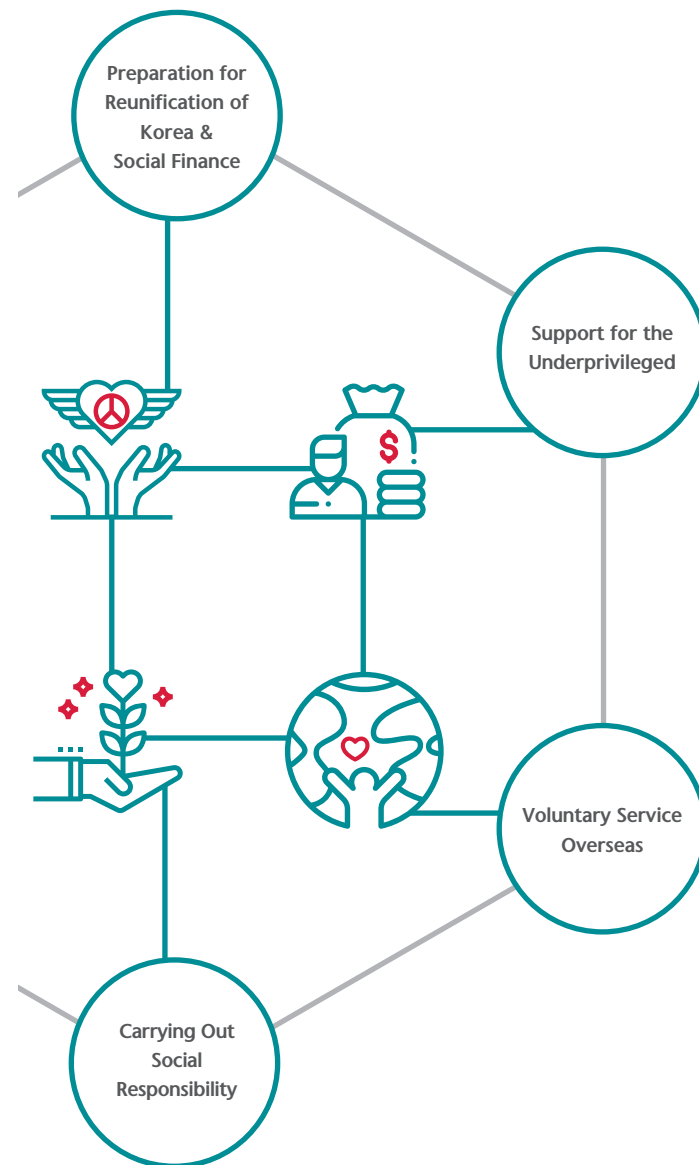
Strategy 6. Sharing Happiness

PRIORITY ISSUES

The demand for and interest in corporate social responsibility are growing globally. Compared to the past when enterprises used to simply pursue profit, they are now expanding their management activities in their own fields for win-win growth with stakeholders to keep the pace with changing global trends. Carrying out social responsibility to the fullest now became an essential element to operate a sustainable enterprise. The financial industry is conducting a variety of community support programs in order to return its profits to society. Social responsibility activities improve corporate image and contribute to resolving social issues. Along with management activities, social responsibility activities are becoming important in sharing happiness throughout society.

HANA FINANCIAL GROUP'S RESPONSES

Hana Financial Group is conducting a variety of support programs to create a society of sharing happiness by understanding the difficulties and issues of different social strata including the disabled and the underprivileged. We are continuously providing full support for social integration and happiness of our society for the future, by preparing for reunification through relevant events, supporting the disabled, adolescents and the underprivileged, and conducting domestic and overseas social contribution activities.



No. of employees who participated in volunteer work*

2018 **_ 18,681**
(2017 **_ 13,812**)

Total investment in social contribution

2018 **_ 1,091 billion KRW**
(2017 **_ 106.5 billion KRW**)

No. of beneficiaries of financial education*

2018 **_ 117,231**
(2017 **_ 46,631**)

Greenhouse gas (GHG) emissions*

70,417 tCO₂-eq

Eco-friendly Product

5 billion KRW
(Savings and installment savings to encourage the use of public transportation)

Support for disabled sports

(Asian Para Games, Korea Paralympic Committee, etc.)

* Based on data of KEB Hana Bank



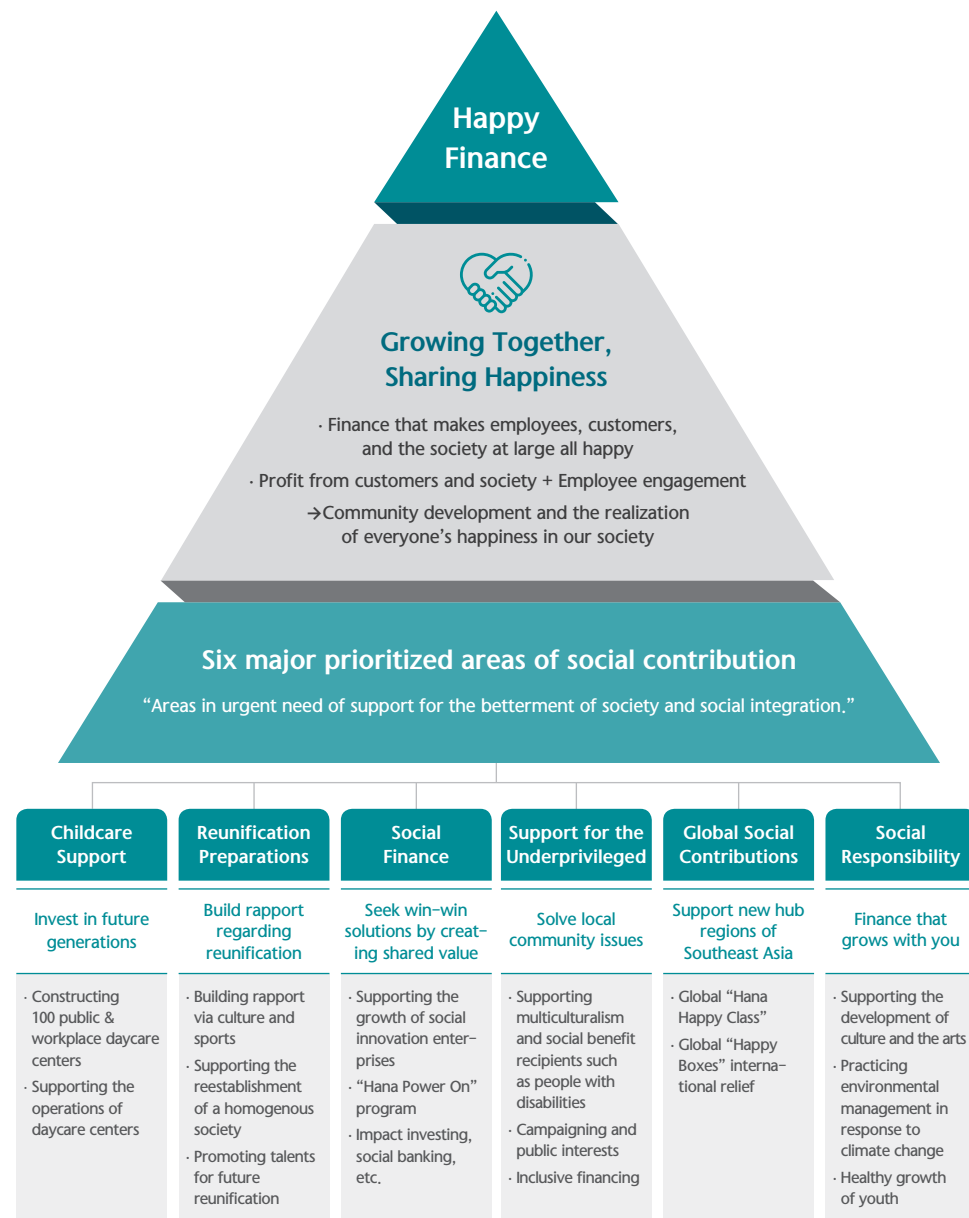
Our social responsibility is guided by an understanding of the difficulties among various strata of society and continuous support for them.

OUR TARGETS FOR UN SDGS

- 1 NO POVERTY** 1.3 _Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable
- 1.4** _Ensure that all men and women have equal rights to economic resources, as well as access to basic services, natural resources, appropriate new technology and financial services, including microfinance
- 4 QUALITY EDUCATION** 1.5 _Build the resilience and reduce exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters
- 4.7** _Ensure that all learners acquire the knowledge and skills needed to promote sustainable development
- 13 CLIMATE ACTION** 13.1 _Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS** 16.6 _Develop effective, accountable and transparent institutions at all levels

Hana Financial Group's Social Contribution Philosophy and Vision

Based on our group mission, "Growing together and sharing happiness," Hana Financial Group is promoting various social contribution activities to grow with society as a responsible corporate citizen. Operating the Social Contribution Committee composed of outside experts and Happiness Sharing Committee composed of our executives, we are striving to carry out social responsibility management by collecting feedback from internal and external stakeholders.



Preparation for Reunification of Korea & Social Finance

Social integration activities

KEB Hana Bank

Preparing for reunification of Korea, KEB Hana Bank helps young North Korean defectors get jobs and settle in society through the Hana Hari Project, and operates Hana Unification Expedition which is a choir consisting of young North Korean defectors. In addition, the Hana One Regular Financial Education provides financial education to assist their settlement in our society and economy. Since 2012, KEB Hana Bank has been sponsoring the DMZ International Documentary Film Festival every year. It is contributing to the development of local economy and culture by spreading the values of peace, life, and communication and branding the DMZ.

Operating a task force team for a Unified Economy

Hana Financial Investment

Hana Financial Investment reinforced monitoring of North Korean issues, and established a "Task Force Team for Unified Economy on the Korean Peninsula" to analyze the economic and financial market effects of inter-Korean economic cooperation and provide relevant investment information. Composed of internal analysts and external experts, the task force team successfully held the 'Economic Forum on Korean Peninsula Unification' in 2018, and published issue reports("Project Korea," "Currently in Yanbian," "Currently in Dandong") after regular internal consultation and external activities(visiting the border region of Northern China).

Financial planning education for North Korean defectors



Sponsoring Haebom Project

KEB Hana Bank

The Gyeonggi-do SIB Haebom Project is one of our sponsored programs that pursues both economic and social values at the same time. In this project, we provide an opportunity to empower participants for self-reliance. The project improves the individual job competencies of 800 general beneficiaries among people eligible for assistances in Gyeonggi-do, through one-to-one case management. By investing in SIB(Social Impact Bond), KEB Hana Bank supported project operations and contributed to resolving social issues, with the goal of helping 20% of the beneficiaries get a job and discontinuing their assistance for one year as they maintain median earnings.

Showing gratitude to soldiers for South-North Korea joint recovery operation

Hana Financial Investment

Hana Financial Investment invited and showed gratitude to 62 soldiers of the 5th Infantry Division of ROK Army who participated in the mine removal mission at the South-North Korea joint recovery operation site. At this site, the soldiers removed mines while wearing over 20kg of protective equipment. Thanks to their hard work, the discovered remains could return to their families. Hana Financial Investment will keep supporting Korean soldiers who devote themselves to the nation and their families.

Participation in Social Impact Bond Haebom Project



Support for the Underprivileged

Enhancing welfare for the disabled

To enhance welfare for the disabled, Hana Financial Group, held a painting exhibition in December 2018 and showcased 40 paintings drawn by people from all over the world who are suffering from autism, including works of art painted by five artists with autism. Aside from this, Hana Nanum Foundation provided 10 compact cars in December 2018 for group homes for the disabled to use welfare services such as medical and daily service when needed. Furthermore, we selected wheelchair-bound fencer Kim Sun-mi as our brand model to eliminate bias and discrimination towards the disabled in our society.

Supporting descendants of patriots and veterans

In February 2019, Hana Financial Group donated 200 million KRW to the Association of Families of Patriots and Veterans to Independence, so as to commemorate the spirit of self-sacrifice of Korean independence activists and to support their descendants' livelihood and education. In March 2019, we delivered Happy Boxes containing a variety of gifts wishing long, healthy life to 35 patriots and veterans devoted to independence and 200 descendants. From this activity, sought to recall the historical significance of the March 1st Independence Movement and the Provisional Government of the Republic of Korea upon the 100th anniversary, and to express our gratitude.

Exhibition of works from artists with autism



Happy Boxes for the underprivileged & Relay for Sharing Community Happiness

KEB Hana Bank

At KEB Hana Bank, the employees are voluntarily participating in "Volunteer for Sharing Community Happiness" every year for the underprivileged in our community. In celebration of Chuseok in 2018, the employees of our Gangnam Business Division made 100 Happy Boxes containing daily necessities, and delivered them to Hasang Rehabilitation Center. In addition, 111 employees of KEB Hana Bank Main Office made 333 Happy Boxes containing blankets, clothes, flashlights, etc. to help flood victims in Laos. To encourage all employees to participate in community service, KEB Hana Bank will continue its Relay for Sharing Happiness at all business divisions and branches.

Sharing Rice of Love for the underprivileged and the vulnerable

Hana Savings Bank

Since 2013, Hana Savings Bank has held "Sharing Rice of Love" three to four times a year. Hana Savings Bank purchases rice from social enterprises, and its employees personally visit the underprivileged and the vulnerable in person to deliver rice and communicate with them. It has been continuing a variety of social contribution activities such as "Sharing Briquettes of Love" and "Free Meals." As a result, Hana Savings Bank was selected as an "excellent enterprise for social contribution adding happiness" in 2019 for two consecutive years.

Public campaign marking the 100th anniversary of the March 1st Independence Movement



Social Contribution Abroad

Global Young Barista Projects

KEB Hana Bank

Through various global projects, KEB Hana Bank supports the dreams of the youth in underdeveloped nations and suggests activities to improve local sanitary conditions. It provided the barista training program for Nepalese youth, and conducted a global coffee brand development project for the youth of Rwanda. Through these projects, KEB Hana Bank promoted the coffee products of underdeveloped nations worldwide, and supported the dreams and hopes of the youth.

IT education in Southeast Asia

Hana Financial Group KEB Hana Bank

Hana Financial Group Smart Ambassadors and KEB Hana Bank conducted volunteer work known as "Hana Happy Class Indonesia" to spread a humanity-based sharing culture in Indonesia. Hana Financial Group Ambassadors supported IT education by installing Hana Happy Class equipped with computer facilities. The volunteer group consisting of 30 employees of KEB Hana Bank visited a local elementary school, built a library, and donated 1,850 books. Seeking to provide equal education opportunities for everyone, we also implemented Hana Happy Class in eight schools in underdeveloped regions of Southeast Asia including Indonesia, Vietnam, Myanmar, and Cambodia.

KEB Hana Bank's volunteer program "Hana Happy Class Indonesia"



Regional projects in Africa

KEB Hana Bank

KEB Hana Bank provided agricultural machinery for an agricultural technology university in Tanzania in order to foster agricultural experts in underdeveloped nations of Africa and vitalize local economies. In May 2018, it provided cash necessary for purchasing tractors. By providing an opportunity to utilize agricultural machinery for college students and local farmers, KEB Hana Bank created jobs for young people and contributed to the development of rural areas.

Emergency relief activities for earthquake and tsunami victims

KEB Hana Bank

KEB Hana Bank supported emergency relief activities to help Indonesians in need of help following the strong earthquake and tsunami that occurred in August and September 2018. In October 2018, we donated approximately 19.3 million KRW and living necessities to the victims of the disasters in the Palu and Donggala regions. In addition, in November 2018, we donated 100 million KRW to the province of Sulawesi and relieved the economic burdens and difficulties of disaster victims.

Carrying Out Social Responsibility

Support for disabled athletes

Hana Financial Group KEB Hana Bank

Hana Financial Group held the “Sponsoring Ceremony for 2018 Winter Paralympics National Team” in order to contribute to the success of the 2018 Winter Paralympics. Our sponsoring events included curling, ice hockey, biathlon, cross-country skiing, snowboarding, and alpine skiing. We provided 1 billion KRW to promote sports for the disabled, which have been relatively neglected. In addition, we provided support for facilities such as elevators and washrooms in Korea House to improve the convenience of handicapped spectators. Furthermore, KEB Hana Bank delivered 500 million KRW funds to the Korea Paralympic Committee encourage the 50 national team players participating in the 2018 Asian Para Games. HFG and KEB Hana Bank drew people’s attention to the Asian Para Games and supported disabled athletes who have sought to overcome their disabilities through sports and realize their dreams. Based on humanity, Hana Financial Group will continue to provide support to sponsor sports for the disabled and improve people’s awareness of the disabled.

Musical performance on finance for children



Financial education and aid program

Hana Financial Group KEB Hana Bank

In October 2018, Hana Financial Group selected high school students and college students from low-income families with high grades, and provided Hana Scholarships worth around 500 million KRW. In June, we launched the 11th Smart Ambassadors consisting of adolescents and provided support so that they could experience social contribution activities and a wide range of work including banking, securities, and insurance. KEB Hana Bank visited elementary, middle, and high schools and provided “One Company, One School Financial Literacy Education.” In recognition of such activities, KEB Hana Bank won the Financial Supervisory Service Governor’s Prize for three consecutive years. In addition, KEB Hana Bank held an economic musical performance for children all over the country around 40 times from May to December.

Yeouido’s Dreaming Economy Bus

Hana Financial Investment

Yeouido’s Dreaming Economy Bus is one of Hana Financial Investment’s representative social contribution programs. Through this program, elementary, middle, and high school students can learn practical knowledge on the economy by riding a bus as they travel around Yeouido, the center of finance and securities. The bus has been running every Friday since March 2010. In 2018, 1,331 students from 37 schools traveled on Dreaming Yeouido Economy Bus.

Results of One Company One School Financial Literacy Education

581 schools
with sisterhood ties across the nation

24,738
student participants in training



Entire installation of Paperless Smart Windows

KEB Hana Bank

KEB Hana Bank realized Paperless Smart Windows by installing tablet PCs at all bank teller windows. Competitively introduced by banks, smart windows create a green banking environment by reducing paper document production and storage costs to a great extent.

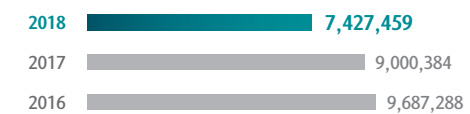
Love for Nature Art Contest

KEB Hana Bank

In September 2018, KEB Hana Bank held its “Love for Nature Art Contest” for children to learn the importance of nature and environmental protection. This contest has been held for 26 years since 1996 under the theme of nature and environment, with the support of the Ministry of Environment, Seoul Museum of Art, and Korea Forest Service. In 2018, the contest was attended by as many as 200 children, and 18,000 paintings were selected through a preliminary screening. Considering children’s love for nature, KEB Hana Bank collected 1,000 KRW per painting and donated a total of 18 million KRW in support funds to an environmental protection agency.

Annual energy consumption*

unit_KWh



*Based on data of KEB Hana Bank

Eco-friendly financial products

KEB Hana Bank

KEB Hana Bank is providing eco-friendly financial products in a variety of fields such as investment and funds, including savings and installment savings plans encouraging the use of public transportation. In 2018, it recorded 5 billion KRW in savings and installment savings, 14.8 billion KRW in investment trusts, and 776.4 billion KRW in investment in new and renewable energy enterprises located overseas, as well as funds.

Listed on the Dow Jones Sustainability Index Asia-Pacific for three consecutive years

Hana Financial Group has established an environment for sustainability management and strengthened its risk management. In recognition of its efforts, HFG was listed on the Dow Jones Sustainability Index Asia-Pacific for three consecutive years. Each year, the DJSI evaluates the top 2,500 companies in the world(based on market capitalization) for their general business activities as a means to select over-achievers in the sustainability management sector. Hana Financial Group promises to improve its business fundamentals and realize social values such as fair trade and win-win growth.

Hana Financial Group

Listed on the DJSI
Asia Pacific for three
consecutive years



Power On Hana Network



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Hana Financial Group

Under the leadership of Hana Financial Group as the holding company, we are building our own Value Chain across the entire financial industry. In order to become a trusted premier global financial group, Hana Financial Group emphasizes five virtues in digital culture code: “customer-focused, challenging, cooperation, implementation, and initiative”. We will provide long-term satisfaction to our customers, create a better working environment for our employees, and build a solid relationship of trust with all of them.

Hana Financial Group Festival, ‘All Hana Day’

All Hana Day Campaign is Hana Financial Group’s social contribution festival held for two months, from November 11 to January 11 in following year (the dates consisting of 1 – hana in Korean – only). During this festival period, 20,000 HFG employees actively participate in volunteer work and sharing activities. In 2018, HFG focused on a variety of support activities for the disabled under the theme of humanity so that they could be financially independent without being discriminated. As part of such activities, Hana Financial Group included the paintings of five artists with autism in its 2019 calendar, and delivered donations to support their art work. The five artists with autism have been participating in the project “Becomes a Butterfly” of artist Ahn Yun-mo since 2010. Through this project, they are overcoming differences and widening a bond of sympathy to grow as members of healthy society. In addition, HFG selected wheelchair-bound fencer Kim Sun-mi as its official model for the first time in the financial industry. HFG has been making efforts to expand a variety of its differentiated social contribution activities for the disabled so as to spread humanity based on win-win growth and companionship.

Launching ‘Social Contribution Committee’

In July 2018, Hana Financial Group launched social contribution advisory body “Social Contribution Committee” in order to proactively realize its group mission “Growing Together, Sharing Happiness.” The Committee will hold a regular meeting at least every quarter in order to determine the direction of the group-wide social contribution activities in the mid to long term and advise on various issues. Committee members will discuss a variety of issues such as “childcare projects for a work-family balance,” “preparation for reunification including support for North Korean defectors,” “creation of jobs for youth and reinforcement of social finance,” “social contribution such as support for the underprivileged,” and “compliance with global environmental standards and environmental preservation activities.” Founding a social contribution advisory body, HFG will strengthen its corporate culture of sharing happiness with communities based on respect for humanity.

Eco-friendly management

Hana Financial Group is making efforts to minimize greenhouse gas emissions in order to practice green management by responding to climate change. To manage environmental indexes systematically and increase energy efficiency, Hana Financial Group and KEB Hana Bank introduced an environmental management system. In August 2018, HFG obtained ISO14001:2015, the international standard for environmental management systems.

In addition, HFG was selected as one of 28 global financial institutions of the UNEP FI (United Nations Environment Programme Finance Initiative); and HFG participated in the Responsible Banking Principle Enactment Project as a member of the core group. HFG will contribute to achieving UN SDG 13(Climate action) by actively participating in establishing an action plan to respond to climate change.

Preparing for reunification of Korea

Hana Financial Group is conducting a variety of reunification activities so as to prepare for reunification and contribute to social integration through support for North Korean defectors. In 2018, HFG formed Hana Unification Expedition consisting of young North Korean defectors and young South Koreans. During the 2018 Winter Olympics and Paralympics when all eyes all over the world were on the winter sports festivals, Hana Unification Expedition gave a choir performance for reunification at KTX Gangneung Station and Olympic Park’s Korea House. In addition, HFG is providing schooling expenses for adolescents and medical expenses for North Korean defectors whose livelihood is in danger, by donating social settlement support funds to the Korea Hana Foundation for North Korean defectors’ settlement in South Korean society.

Inauguration ceremony of Hana Financial Group Social Contribution Committee



KEB Hana Bank

KEB Hana Bank offers deposits, loans, and trust services, and makes efforts to be “Wholly Dedicated to Only One Goal—the Happiness of Our Customers.” Advancing globally with digital wings, we will emerge as global top-tier bank that achieves 40% of global profits, which is HFG’s strategic goal, by expanding collaboration with affiliated companies that link global networks.

Hana Happy Class’s overseas volunteer work

Starting with volunteer work in Myanmar in 2015, KEB Hana Bank has been conducting a variety of activities such as library installations, support of computer labs, and provision of school supplies in Vietnam, China, Cambodia, and other countries in the region, so as to improve the education environment for Korean and foreign children, especially for children in poor education environments. In 2018, 30 KEB Hana Bank employees built a library at an elementary school in Sukabumi, Indonesia, and donated 1,850 books. In addition, they made Hana Garden in the school so that local residents and students could cultivate and harvest some crops and vegetables for food. KEB Hana Bank will keep striving to improve the education environment of underdeveloped regions.

One Company, One School Financial Literacy Education

KEB Hana Bank has been providing One Company, One School Financial Education with the Financial Supervisory Service to teach financial knowledge to adolescents. As a result, KEB Hana Bank won the Financial Supervisory Service Governor’s Prize for three consecutive years. KEB Hana Bank branches set up a sisterhood link with 450 schools all over the country. 30 instructors including retired employees provided financial education for adolescents at students’ knowledge level. In addition, KEB Hana Bank gave an economic musical performance at elementary schools so that children could learn finance in a fun and easy way. Through Hana One Financial Education, KEB helped North Korean defectors settle in South Korean society by providing financial planning education for 800 North Korean defectors.

Financial Supervisory Service Governor’s Prize for four consecutive years



KEB Hana Bank Relay for Sharing Regional Happiness

Employees of KEB Hana Bank business divisions and branches are playing a key role in the Relay for Sharing Regional Happiness with communities through social contribution activities. In 2018, 5,840 employees participated in volunteer work.

To contribute to communities and help the underprivileged, KEB Hana Bank is continuously conducting a variety of volunteer work such as Happy Box making, and volunteering at welfare centers, soup kitchens, etc.

Humanity-based social contribution activities

Based on its humanity-centric corporate culture, KEB Hana Bank is giving its full support to the disabled, traditional art, and unpopular sports, so as to practice the major task of Hana Financial Group’s “Growing Together.” Following its sponsorship for the national team of the 2018 Winter Olympics, KEB Hana Bank donated 500 million KRW to the Korea Paralympic Committee in order to actively encourage the national team of the 2018 Asian Para Games and support national team players who have tried to overcome their disabilities and realize their dreams.

In addition, KEB Hana Bank sponsored the Society for Preservation of Shin Kwae-dong Style Geomungo Sanjo, Onnara Gukak Contest, and Society for Preservation of Gochang Nongak(Farm Music of Gochang). By doing so, it supports the spread of traditional art, expands its foundation, develops high-quality traditional cultural contents, and popularizes traditional art.

Hana Financial Investment

Hana Financial Investment has been at the forefront of the Korean capital market for over 40 years. In spite of the uncertain business environment, we have been striving to create new value through the spirit of 3S(Speed from rapid execution, Simple easy solution, Spirit strong mentality) and confident awareness on ethics. In addition, we will make a company that is widely embraced by our customers, that employees are proud of, and the most significant company arousing esteem in the financial industry. Furthermore, we are making a company that satisfies customers and employees while growing together with society.

Empowerment through ‘Collaboration’

Hana Financial Investment is focusing on three collaboration strategies to be one of the top 5 stock companies in 2020: expansion of One IB, solid settlement of One WM, and global IB empowerment. To lead the IB Big Deal market, it is currently expanding IB collaboration from its bank to all the affiliates of the group, and supplying special products for HNW(High Net Worth) customers and the products customized for risk types of customers to the retail channel inside the group. Also, it is promoting the One WM strategy which is win-win for both customers and the company by offering collective asset management service in the bank’s BIB. Hereafter, it is aiming to strengthen the global IB capability by building up the Deal Sourcing Pipeline related to major international IB desks(New York, London, Hong Kong). Also, it will preemptively respond to ever-changing market environments, concentrate on risk management, and endeavor to upgrade the capacity of the entire business.

Joint Support of ‘HFI Hope Cheering Team’ in PyeongChang Paralympics

To carry out Humanity and support success of the 2018 Winter Paralympics, Hana Financial Investment organized a “HFI Hope Cheering Team” and conducted cultural experiences and participation in the opening ceremony. The team consists of 30 children, including children from the disabled children’s facility, “Amsa Rehabilitation Center” and those from broken homes via nursery facility “Dream Nest,” all of which have set up a sisterhood relationship with Hana Financial Investment. It will continue to prepare various social contribution programs and put forth the efforts to realize happy finance that grows alongside its neighbors.

Encouragement Event for the Soldiers from the North-South Joint Recovery Operation



Introducing Paperless ‘Digital Window System’

Hana Financial Investment has introduced the “digital window system” for one of the Digital Transformation strategies. By substituting window work using paper for electronic documents, it increased security, safety, and the processing speed of business, which has satisfied customers in turn. With the introduction of the digital window system, Hana Financial Investment is moving one step closer to digital finance. It will continue its efforts to maximize convenience and efficiency of the system to satisfy customers.

Hosting ‘Forum on Unified Economy of Korean Peninsula’

Catching up with changing situations on the Korean peninsula, Hana Financial Investment has kept monitoring issues about North Korea and newly created a TF team for the “unified economy of Korean peninsula” to facilitate investment into a variety of upcoming business opportunities. In August 2018, it hosted the first “Forum on Unified Economy of Korean Peninsula” to diagnose the situation on our peninsula and forecast directions of economic development of a unified Korea. In the forum, participants reviewed bills related to investing in North Korea and the future of the special economic development zone in North Korea. Reflecting high expectations for unification of the Korean Peninsula, approximately 600 agencies and individual investors participated in the forum.

Introduction of Paperless ‘Digital Window System’



KEB Hana Card

Since its establishment as Korea’s first credit card company in 1978, Hana Card has been leading changes and innovations of credit card by leading the mobile era and launching first membership service in the financial industry. Hana Card is fully aware of the competitive composition of the payment business such as non-financial platform operators, the digital-based trend and the nature of the credit card business. Focusing on tradition and innovation capabilities, Hana Card will continue to lead “smart changes in finance” that can satisfy both customers and employees.

Innovation through Digital, Global, and Collaboration

To become a data-oriented IT company, KEB Hana Card selected Digital, Global, and Collaboration as its three management keywords. KEB Hana Card will increase efficiency through digital and enhance customer satisfaction by improving its customer management system. It will also develop new business in the global market such as in Vietnam and Indonesia. By expanding its cooperation with other affiliates and strengthening its customer foundation, KEB Hana Card will lead “Smart Changes in Finance” for customer satisfaction.

HanaCard Digital University for fostering digital experts

In April 2018, KEB Hana Card launched a digital expert fostering program called HDU(HanaCard Digital University). For the 1st HDU curriculum, it selected 60 employees for its big data course and 20 employees for its digital business course. Then, it conducted phased education, such as beginner, intermediate, and advanced levels, and selected outstanding employees among those who completed the program. For these employees, we carried out joint projects with the VISA Singapore team for the first time as a domestic credit card company. This project was held for three months in Korea and abroad under the theme of “App Development of Overseas Remittance Service.” Beyond simple education through this project, Hana Card could experience a cooperative way of working with global companies and improve digital problem-solving skills. In 2019, Hana Card will endeavor to foster digital specialists by conducting its 2nd HDU curriculum.

HanaCard Digital University Entrance Ceremony



Developing cultural content business

KEB Hana Card is taking the initiative in developing business regarding cultural contents and making continuous investment in musicals, plays and performances. Utilizing big data for investment in cultural performances, KEB Hana Card advertises performances and provides relevant benefits for customer groups seeking performances. Cooperating with Dream Maker, SM Entertainment’s performance planning agency, KEB Hana Card is operating as a production investor for large-scale performance contents such as foreign artists’ performances in Korea and EDM festivals. KEB Hana Card will keep pursuing cultural content business that can secure new growth engines and promote public interest by developing cultural business at the same time.

Hana Card Employees’ Volunteer Corps

Since 2018, Hana Card has been organizing and operating its own volunteer corps to voluntarily implement “Sharing Happiness.” In 2018, as many as 150 employees participated as volunteers. Of the total attendees, around 60~70% participated in the monthly happiness sharing volunteer services held in the Myeong-dong office building by HFG for the underprivileged of the community. In 2019, Hana Card will continue to operate employees’ volunteer corps to develop a culture of sharing happiness that can flourish throughout the company.

Customer-centric management through ‘Customer Panel System’

Hana Card has been operating its customer panel system since 2017 to reflect the lively opinions of customers throughout its products and services. In 2018, it selected a 2nd customer panel consisting of 15 guests in their 20s to 50s, and held a number of regular and impromptu meetings for 10 months. The meeting focused on activities for financial consumer protection and customer-centric digital promotion, such as 1Q pay and mobile consultation channels for improving convenience. Through this, a total of 256 suggestions were derived and 150 of them were adopted and improved. These activities have made a great contribution to winning the top prize of Mobile Web at Web Awards Korea in 2018. Hana Card plans to continue its customer-centric management by continuously operating and developing the customer panel system, and deeply understanding their perspective.

Hana Capital

Hana Capital is a credit finance corporation specializing in lease financing, installment financing, and loan business, and aims to become a Value Network that maximizes the win-win growth of customers, shareholders, partner companies and employees.

Full-fledged start of digital management

According to the digital vision of Hana Financial Group, Hana Capital converted its management into a full-fledged digital system, growing out of the existing analog system. Hana Capital first introduced “Docu One-click” system that allows customers to submit documentary evidence on-line. By bypassing the need to visit a branch with paper documentation, the service increased the convenience of customers. Conducting paperless business from a contract to its execution, Hana Capital will no longer use paper documents, but instead offer simpler and safer financial services to customers by increasing productivity with digital management.

Staff exchange training with its Indonesian Corporation

According to the government’s New Southern Policy, Hana Capital conducted staff exchange training with its Indonesia corporation from May 1 to 5, 2018, in order to strengthen global financial capacity in Southeast Asia. 20 outstanding employees, selected as the overseas training group of Hana Capital, visited “Sinarmas Hana Finance” at the Indonesia Corporation and underwent training about the environments of global financial markets. Hana Capital is aiming to localize the Indonesian corporation to lead the market and expand sales in Southeast Asia.

Staff Exchange Training with the Indonesian Corporation



Hana Life

Hana Life leverages the combination of its nation-wide operational channels and advanced insurance technology to grow as a reliable insurance provider. We will maximize customer satisfaction and practice the spirit of love for humanity.

Program to Realize a Great Workplace

Hana Life is implementing the “Program to Realize a Great Workplace” for the work-life balance of employees. Based on humanity, which Hana Financial Group has emphasized, it facilitated enjoyable and smooth communications among the employees through the programs including “Theme Coffee,” “Compliment Relay” and “Leave Work on Time,” and so on. With the belief that employees with a happy mindset can make customers truly satisfied, it has placed the happiness of employees as the top priority of Hana Life.

Creating ‘Happy Forest’ at Haneul Park

On May 2018, about 120 people including the CEOs and employees of Hana Life and Hana TI gathered at Haneul Park in Sangam-dong, Seoul and began cultivating the “Happy Forest” by planting 640 trees. They volunteered to tidy up the surrounding forest and donate to the “Friends of Noeul Park” for creating the forest and to take better care of the forest in general. After collaborative volunteering with the affiliates, Hana Life is seeking to perform a variety of social contribution activities like co-managing and enlarging the Happy Forest.

Creating the ‘Happy Forest’ at Haneul Park



Hana Savings Bank

To be a reliable supporter of customers, Hana Savings Bank seeks to become Korea’s leading savings bank that carries out productive financing for SMEs, and inclusive financial support for the financially underprivileged.

Inclusive financing for the mainstream

Hana Savings Bank is invigorating loans related to growth and expanding inclusive financing for the mainstream. Including the policy financing products, “Sunshine Loan” and “Saitdol Loan 2,” it is supplying mid-interest loan products of the interest rate in the teens, in order to offer broad financial opportunities to under-privileged, low-income groups and to act as the bridgehead of commoners’ financial growth. It has developed related systems with Hana Bank, Hana Card, etc. to form a virtuous cycle by having new customers from the affiliates. Also, it is planning to develop a related system application for non-face-to-face channels for customers to induce synergy effects, and expand the adoption of financial practices by offering funds for customers who have trouble getting loans.

Happy Hana Day with Families

Hana Savings Bank has received the “Family-friendly Enterprise” certification from the Ministry of Gender Equality and Family for the 5th time since 2014. It is continuously promoting family-friendly programs for coexistence of workplace and family, by expanding “Family Day” on every Wednesday to two days a week. Furthermore, it hosted “Happy Hana Day” events with families twice in 2018. The family picnic event was held with about 140 staff and family members at Everland, while a family culture event was held with about 190 staff and family members to watch a KOOZA circus performance at the end of the year. It will remain as a family-friendly company by planning programs for staff and their family members and supporting coexistence of work and family.

Happy Hana Day with Family



Hana Asset Trust

Hana Asset Trust provides differentiated services combining advanced financial know-how and network. We will respond to the expectations of customers and the market by expanding one-stop service even in the uncertain real estate industry.

Housing welfare to settle social disparities

Hana Asset Trust is creating social and financial values by supporting housing welfare, which is the top project of the government. By supplying rental houses using REITs from 2016, it has supplied 1,762 households as of the end of 2018, and it is planning to supply 8,258 households until 2020. Also, it supplied 2,009 households of 2030 Youth Housing around the station, promoted by Seoul Metropolitan Government, with REITs of the year 2018. Hana Asset Trust will continue to uphold government policies and keep supporting housing welfare business to fulfill social responsibilities.

Hana Alternative Asset Management

By launching a real estate public offering fund, Hana Alternative Asset Management makes opportunities to expand investors' foundation. In addition, we are taking the lead in proactively diversifying our portfolio in the alternative investment industry such as launching aircraft and solar funds.

Hosting a meeting on digital transformation

In August 2018, Hana Alternative Asset Management hosted the Digital Transformation Meeting to form a consensus about digital transformation, considering the fact that it deals with a large amount of investment. The meeting consisted of watching videos and discussions, and the executives and staff suggested a few ideas for mid/long-term new business based on digital transformation, such as establishing a commercial real estate brokerage platform, expanding public goods of small amounts through P2P as well as crowdfunding. Hana Alternative Asset Management is planning to review M&A of PM firms to expand external database outsourcing and develop a data-based investment analysis system.

Sharing profits from solar power generation facility with local residents

Hana Alternative Asset Management invested in Durumi Solar Power Plant in Cheorwon-gun, Gangwon-do and released the community participation fund to share its profit with local residents. Cheorwon Durumi Solar Power Plant is the success model that the local government, residents and business cooperated in with 100% participation of residents. Hana Alternative Asset Management will keep extending supplies of productive financial products to provide more benefits for local residents.

Signed an MOU for photovoltaic power plants



Hana Ventures

Our financial group's affiliate, Hana Ventures, is the first specialized new-technology financial company in Korea. Based on digital transformation, we aim to create jobs through venture ecosystems and improve synergies among group affiliates.

Establishing Hana Ventures to create an innovative venture ecosystem

Hana Ventures was established as the first CVC(corporate venture capital) in Hana Financial Group on December 2018, hoping to contribute to innovative development by activating private investment such as SMEs and venture business. Hana Ventures is planning to employ a small/medium and venture business fund of 1 trillion KRW until 2021, and invest in the 4th industrial revolution business centering on ICT, bio and health care. Hana Financial Group will keep supporting and investing to form an innovative venture ecosystem through Hana Ventures.

Hana Investors Services

With the standard price calculation of collective investment organization as a basic business, Hana Investors Services provides various supplementary services and systems related to investment asset compliance, performance analysis, risk management, order management and operation.

Volunteer services for low-income families

Volunteers of Hana Investors Services participated in our "Ever-warm Briquettes" volunteering event for low-income families in Sanggye-dong, Nowon-gu with about 130 employees of Happy People and Hana Financial Group participating. While delivering 3,000 briquettes and happy boxes filled with necessities for low-income families, they extended their warm hearts for neighbors in need. The volunteering event was held on a very cold day, but they felt rewarding feelings by helping neighbors who had trouble getting through cold winter.

Conducting "Ever-warm Briquettes" Volunteering Event



Hana F&I

Hana F&I supports stabilization of financial institutions' asset soundness and corporate restructuring by investing in NPL(non-performing loan). In addition, we contribute to strengthening domestic liquidity by inducing a virtuous cycle of non-performing assets.

Delivering Happy Boxes to the underprivileged

In March 2018, 100 employees from Hana Financial Group KEB, including Hana Bank, Hana F&I, etc., gathered at the Myeong-dong office building in Seoul to make Happy Boxes for disadvantaged groups in the local community. They made 120 Happy Boxes filled with handmade pencil cases, eco-bags, stationery, snacks, etc., and delivered them to Dobong Korea's Child Welfare Center Association, Gwanak-gu's Yangji Child Welfare Center, Hanam's Global Multicultural Center, etc. With the Happy Box event, they were able to share with neighbors in need and enhance communication with other employees.

Visiting House of Raphayel to share happiness

As part of the All Hana Day initiative, our employees have been assisting the House of Raphayel for the past 8 years which accommodates children with severe disabilities, and sharing their warmth by making financial and in-kind donations. In conjunction with Nanoom Korea, Hana F&I is also engaged in various programs to care for underprivileged and vulnerable individuals in our society. We plan to continue with our current sponsorships while diversifying our volunteer and sharing programs. At the same time, we will continue encouraging the volunteer work performed by Hana Financial Group.

Delivering Money and Materials to House of Raphayel



Hana TI

Hana TI has built various IT systems in the field of financial expertise, and plans to play a pivotal role in new technology-based “Digital Transformation” and the advancement of the global market in the future of the Fourth Industrial Revolution.

Selected as an Excellent Company that practices work-life balance by Incheon Metropolitan City

Hana TI was selected as an Excellent Company by Incheon Metropolitan City for its effort on attaining work-life balance. Incheon Metropolitan City and Jungbu Regional Employment and Labor Administration have selected excellent companies that improved working processes and cultures, supported work-life balance environments of employees, and increased work efficiency and productivity.

As a leading IT company, Hana TI has actively made improvements to increase work-life balance and satisfaction of employees by creating innovative and creative culture and increasing work efficiency. It is operating a variety of programs to enhance the existing systems and cultures, such as flexible working, a monthly leaving-early day for outstanding employees(able to return home riding the CEO’s car), not saying good-bye when leaving, etc. It is providing opportunities for employees to experience culture and art, and to refresh themselves with “Cheong Live at Noon,” the in-house concert with Incheon Concert Chamber, “Empathy Plus,” the lecture on humanity in the in-house library.

Winning the Prime Minister Prize at the Korea Safety Awards

Hana TI opened the global Chungra Hana Financial Group Data Center in 2017, emphasizing the atmosphere and culture to increase employees’ awareness of safety. For improving response capability to handle a crisis, we hold a fire drill for the employees twice a year, along with external lectures about space safety. Such efforts for voluntary safety management were recognized, winning the Prime Minister Prize at the Korea Safety Awards held in November 2018.

Won the Prime Minister Prize in Korea Safety Award



Finnq

As a lifestyle financial platform, Finnq facilitates desirable saving habits and asset formation opportunities, targeting people in their 20s or 30s that relatively have low disposable income and little experience in systematic management of their spending.

Winning the Grand Prize at the Korea Innovative Company Brand Awards in 2018

Finnq was awarded with the Grand Prize at the Korea Innovative Company Brand Awards in 2018, and recognized as the best life finance platform that offers innovative services and cultivates money-making and spending habits for young generations. Finnq is a data-oriented artificial intelligence(AI) financial service company established for “a financial service centering on consumers.” It started its first service in September 2017 and launched a renewed version of “Money-making and Spending Habit Finnq 2.0” in May 2018, receiving positive responses. It is currently reinforcing its service to provide customers in their 20s and 30s with opportunities to form good spending habits and grow their assets. With partnership with various industries, it is aiming to expand the service range so that customers can receive financial benefits in their daily lives.

Launching the P2P Investment Service

As the mobile financial service based on AI, Finnq is offering “P2P Investment Guide” to grow credible investment environments so that novice investors can attain proper investment experiences. The P2P Investment Guide helps its users to make reasonable investments by offering valuable information including monthly performance indicators of P2P companies, P2P investment reviews, P2P investment guide contents, etc. By cultivating a variety of partnerships that is necessary for financial life like P2P, it will create an innovative service to form a new financial market.

P2P Investment Guide

Monthly Performance Indicators of P2P Company	P2P Investment Review	P2P Investment Guide Content
Offering major monthly performance indicators of P2P company that needs to be reviewed when selecting an investment product as well as introduction about P2P partner companies.	Offering investment reviews on each product from its real investors	Offering expert advice for people who want to know about investing, like novice investors (Understanding P2P, essential things you should know before investment, know-how for actual investment, etc.)

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Data Center

Consolidated Financial Statement in Summary

(Unit: KRW million)

Item	2016	2017	2018
Total assets	348,177,491	360,089,349	385,008,620
Total liabilities	324,787,453	335,261,405	357,900,160
Total equity	23,390,038	24,827,944	27,108,460
Total liabilities and capital	348,177,491	360,089,349	385,008,620

Consolidated Income Statement in Summary

(Unit: KRW million)

Item	2016	2017	2018
Gross operating income	7,200,999	8,390,541	8,287,417
Net operating income	6,393,398	7,443,045	7,821,374
Operating income	1,614,107	2,718,137	3,152,180
Net income before income tax	1,819,995	2,798,665	3,149,744
Consolidated net income	1,399,744	2,116,622	2,275,152
Consolidated comprehensive income	947,555	1,804,806	2,501,848

Credit Rating*

(Unit: Rating)

Rating Agency	2016	2017	2018
National Information & Credit Evaluation(NICE)	AAA	AAA	AAA
Korea Investors Service(KIS)	AAA	AAA	AAA
Korea Ratings Corporation(KR)	AAA	AAA	AAA

* Based on KEB Hana Bank

Income Tax Data

(Unit: KRW million, %)

Item	2016	2017	2018
EBT	1,819,995	2,798,665	3,149,744
Income tax(income statement)	420,251	682,043	874,592
Income tax/EBT(%)	23.1	24.4	27.8
Income tax expenses(statement of cash flow)	180,880	356,947	1,203,726
Income tax expenses/EBT(%)	9.9	12.8	38.2

Tax on Foreign Income

(Unit: KRW million)

Item	2016	2017	2018
Total tax on foreign income	33,002	34,058	31,102
U.S.	-	5,213	3,083
China	-	4,952	7,248
Indonesia	-	3,207	2,834
Others	-	20,686	17,937

Ethics Management and Compliance Training*

(Unit: No. of persons)

Training	2016	2017	2018
Group training on anti-money laundering	73,098	68,136	75,246
Online training on anti-money laundering	14,175	25,768	12,465
Online ethics training	14,175	12,580	12,140
Group training on internal control	1,737	1,545	1,450

* Based on KEB Hana Bank

Employee Data

(Unit: No. of persons, %)

Category	2016	2017	2018
Total employees	20,615	20,444	20,539
By position			
Executives	201	224	203
Managers(head of department/team)	2,231	2,271	2,624
Assistant Team Managers	6,914	6,810	6,364
Rank-and-file(tellers)	11,277	11,139	11,348
By employment type			
Regular workers	18,705	18,576	18,556
Unlimited contract workers	248	278	268
(except executives) Contract workers	1,461	1,366	1,512
Social minority groups			
Contract workers	9,517	9,228	7,535
Females(in manager or higher positions)*	-	247	237
People with disabilities	118	114	88
Ratio of unionized employees**	86.6	86.5	84.4

* Added as new indicators and disclosed as such from 2017 onwards ** Based on KEB Hana Bank

Ratio of Female Employees*

(Unit: %)

Category	2016	2017	2018
Female employees	58.1	58.8	58.2
Female managers	10.2	11.9	13.7
Female middle-managers	42.7	45.2	47.9
Females in top management positions	4.7	3.1	4.2
Female managers in positions that generate	12.0	9.9	11.9

* Based on KEB Hana Bank

Employee Remuneration

(Unit: KRW million)

Item	2016	2017	2018
Average wage*	103	117	117
Median wage*	105	119	116
Highest wage/average wage*	12.82	10.62	14.98
Highest wage/median wage*	12.58	10.44	15.11
Average base pay for executives(male/female)**	160/153	166/155	163/165
Average base pay for managers(male/female)**	105/90	107/94	117/102
Average wage for managers(base pay+bonus, etc.)(male/female)**	111/95	124/109	125/109
Average base pay for non-managers(male/female)**	53/43	60/51	65/57

* Based on Hana Financial Group ** Based on KEB Hana Bank

Employee Recruitment*

(Unit: No. of persons)

Category	2016	2017	2018
New recruits(male)**	919	505	108
New recruits(female)**	-	159	74

* Based on KEB Hana Bank **Data on new recruits is disclosed by gender from 2017 onwards

Employees Reinstated after Childcare Leave and Their Continued Service*

(Unit: No. of persons, %)

Item	2016	2017	2018
Employees who took childcare/childbirth leave(male/female)	11/1,016	4/1,064	10/1,076
Employees working after reinstatement(as of the end of the year)(male/female)	94,74/97.54	91,67/94.36	80,0/92.9
Employees working after reinstatement(as of the end of the year)(total)	94.47	94.32	92.8

* Based on KEB Hana Bank

Occupational Injury and Absenteeism

(Unit: No. of persons, %)

Item	2015	2016	2017	2018
Injured employees*	8	2	4	1
Injury rates*	0.04	0.01	0.02	0.01
Total absenteeism** No. of days	6,996	5,984	5,799	4,664
Data coverage(revenue, no. of employees, etc.)	0.18	0.17	0.18	0.15

* Based on Ministry of Employment and Labor report ** Based on KEB Hana Bank

Locally-hired Managers*

(Unit: No. of persons, %)

Item	2016	2017	2018
Locally-hired employees	2,834	2,920	3,306
Expatriates	117	114	118
Locally-hired managers	88	89	104
Ratio of locally-hired managers	3.1	3.0	3.15

* Based on KEB Hana Bank

Employee Training*

(Unit: No. licenses and persons)

Item	2016	2017	2018
Number of basic-level license acquisition(redundancies counted)	54,271	53,947	51,356
Number of advanced-level license acquisition(redundancies counted)	16,704	17,253	13,224
Number of professional license acquisition(redundancies counted)	1,679	1,646	1,746
Employees who attended the global expert training program	633	903	2,935
Employee who attended job competency training programs	18,948	9,856	8,700

* Based on KEB Hana Bank

Energy Consumption*

(Unit: TJ)

Item	2015	2016	2017	2018	2019(Target)
Fuel consumption	109	136	154	159	151
Electricity consumption	1,450	1,356	1,193	1,246	1,184
Steam consumption	-	1	12	8	7
Total consumption	1,559	1,494	1,360	1,413	1,342

* KEB Hana Bank HQ, sales branch, and affiliates in Myeong-dong building(Data range: HFG 3.74%, KEB Hana Bank 71.84%, KEB Hana Card 8.14%, Others 2.43%)

GHG Emissions*

(Unit: tCO₂-eq)

Item	2015	2016	2017	2018	2019(Target)
Direct emissions(Scope 1)	6,789	8,625	9,442	9,579	9,100
Indirect emissions(Scope 2)	70,390	65,909	58,500	60,838	57,796
Other indirect emissions**(Scope 3)	-	-	-	6,660	6,327
Total emissions(Scope1, 2)	77,179	74,534	67,942	69,996	66,896

* KEB Hana Bank HQ, sales branch, and affiliates in Myeong-dong building(Data range: HFG 3.74%, KEB Hana Bank 71.84%, KEB Hana Card 8.14%, Others 2.43%)

** Business trip by employees

Key Environmental/Social Performance Indicator Outcomes

Item	Unit	2015	2016	2017	2018
GHG emissions(Scope 1, 2) intensity*	tCO ₂ -eq/Persons	5.05	5.30	5.05	4.04
Paper consumption**	No. of box	58,291	75,393	77,731	74,164
Waste discharge**	100L	4,320	4,199	8,561	12,626
(based on the garbage	20L	0	103	180	576
bags purchased)	Others(50L)	350	1,760	2,476	19,752
Business trip by employees(flight)**	km	-	1,759,254	2,728,138	3,983,478

* Based on HFG Myeong-dong building, newly built KEB Hana Bank HQ ** Based on KEB Hana Bank *** Based on Hana Financial Group

External Customer Satisfaction Evaluation*

(Unit: Scores, Rankings)

Item	2016	2017	2018
Korea Customer Satisfaction Index(Korea Productivity Center)	76	78.1	76
Korea Customer Satisfaction Index(Korea Productivity Center)	-	3	3
Korea Service Quality Index(Korea Management Association Consulting)	1	1	1
Korean Net Promoter Score(Korea Management Association Consulting)	59.9	63.1	68.7
Customer satisfaction ranking in the bank loan sector (Korea Management Association Consulting)	1	1	1
KS-Service Quality Index(Korean Standards Association)	73.6	74.8	75.1

* Based on KEB Hana Bank

Social Contribution Data

(Unit: KRW 100 million, No. of persons, No. of hours)

Item	2016	2017	2018	2019(Target)
Total social contribution investment	266	1,065	1,091	1,200
Employees who volunteered	15,920	13,812	18,681	2,000
Volunteer hours	47,636	41,436	78,592	80,000
Beneficiaries of the One Company One School financial literacy education*	40,250	32,875	24,738	25,000
Volunteer hours translated into monetary value (employees who volunteered during their work hours)*	4.7	12.3	37.7	40
Former employees who were recruited as lecturers for teenager financial literacy education*	30	30	30	30
Financial donations made*	179.5	192.3	580.7	650
In-kind donations made*	0.04	0.02	0.97	-
Project expenses(management cost)*	62.3	238.0	432.1	-

* Based on KEB Hana Bank

Project/Deal Data*

(Unit: %, No. of cases)

Item	2016	2017	2018
Ratio of projects/deals reviewed against total projects/deals	100	100	100
Projects/deals approved	22	11	15
Projects/deals approved under specific conditions	0	0	0
Projects/deals not approved	1	0	0

* Based on KEB Hana Bank

Contributions and Membership Fees*

(Unit: KRW million)

Item	2015	2016	2017	2018
Total	5,003	5,901	6,052	6,888
Korea Federation of Banks	2,214	2,814	2,892	2,991
Employee contributions to the Korea Institute of Finance	2,137	2,174	2,461	2,669
Korea Center for International Finance	280	334	346	420
Membership fees to the Korea Chamber of Commerce& Industry	91	97	91	308

* Based on KEB Hana Bank (No political sponsorship and donations)

Eco-friendly Funds

(Unit: KRW 100 million)

Type	Fund Name	2018
Investment in companies and funds related to domestic new and renewable energies	Ulrich Specialized Private Equity Securities Fund No. K1	4.2
	Shinhan BNPP the USA Nevada Solar Power Plant Specialized Special Private Equity Assets Fund	397
	Shinhan BNPP Green Energy Specialized Special Private Equity Assets Fund No. 5	130
	KB Gunsan Waste-to-energy Plant Specialized Special Private Equity Assets Fund	65
	Multi Asset Global Clean Energy Bond Fund[Stock]	25
	Samsung Global Clean Energy Bond Fund No. 1[Stock-FoF]	0.5
	Samsung Good Responsibility Investment Portfolio Fund No. 1[Stock]	101
	Midas Responsibility Investment Portfolio Fund(Stock)	22
	Hanwha the U.K. Regulated Asset Infra Specialized Special Private Equity Assets Fund No. 2	2,468
	Investment in companies and funds related to overseas new and renewable energies	Samchully Midstream Specialized Private Equity Fund No. 5-1
Samchully Midstream Specialized Private Equity Fund No. 5-3 and 5-4		1,661
AI Partners Midstream Specialized Special Private Equity Assets Fund No. 2		470
KB Spain Solar Power Plant Specialized Special Private Equity Assets Fund		962
Mirae Asset Global New Renewable Energy Specialized Special Private Equity Assets Fund No. 3		940
Shinhan AIM Infra Specialized Private Equity Fund No. 2		493

Other Eco-friendly Products

(Unit: KRW)

Type	Fund Name	2018
Regular and installment savings to encourage the use of public transportation	Young Hana Installment Savings	4,378,964,604
	My Wish Installment Savings	4,450,778,048
	Challenge 365 Installment Savings	27,821,175,004
	Main Hana Monthly Compound Interest Installment Savings	13,773,476,179

UNEP FI Banking Principle



1. We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks. We will focus our efforts where we have the most significant impact.
2. We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.
3. We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.
4. We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.
5. We will implement our commitment to these Principles through effective governance and a culture of responsible banking, demonstrating ambition and accountability by setting public targets relating to our most significant impacts.
6. We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Tax Strategy

The Tax Principles



- ◆ Recognizes that complying with tax laws is part and parcel of sustainable management.
- ◆ Diligently files tax reports and pays its fair share of taxes in accordance with responsible tax principles.
- ◆ Takes no advantage of the favorable tax laws of certain countries.
- ◆ Evaluates the validity of prior prices in accordance with fair price principles.
- ◆ Operates no legal entities in offshore financial centers for the purpose of evading taxes.
- ◆ Endeavors to maintain a mutually cooperative and constructive relationship with the tax authorities.
- ◆ Conducts proactive tax management and monitoring with an eye toward reducing tax risks.

Tax Management Policy



- ◆ Tax management policies and regulations shall be established and documented, and any changes in tax laws shall be promptly reflected in the policies.
- ◆ Tax issues shall be resolved in consultation with external tax experts.
- ◆ Complex tax issues of great importance shall be resolved with the help of an authoritative interpretation acquired through consultation with the tax authorities.
- ◆ Tax diagnostic review shall be conducted by external tax experts at regular intervals as a form of preemptive tax risk management.

GRI Content Index

General Disclosures 2016




GRI Standard	Disclosure	Reporting pages and contents	Assurance	ISO 26000	UN SDGs	
Organizational profile	102-1	Name of the organization	6p	●		
	102-2	Activities, brands, products, and services	6p	●		
	102-3	Location of headquarters	6p	●		
	102-4	Location of operations	7p	●		
	102-5	Ownership and legal form	6p	●		
	102-6	Markets served	7p	●		
	102-7	Scale of the organization	5p, 7p, 88p	●	6.3.10/ 6.4.1-6.4.2/ 6.4.3/6.4.4/ 6.4.5/6.8.5/7.8	
	102-8	Information on employees and other workers	89p	●		
	102-9	Supply chain	HFG cooperates with a range of business partners through outsourcing concerning computer systems and IT security, procurement, professional counseling, external auditing, etc.	●		
	102-10	Significant changes to the organization and its supply chain	-100% share purchase of Hana Capital -Officially launched Hana Ventures	●		
	102-11	Precautionary Principle or approach	25p	●		
	102-12	External initiatives	31p, 92p, 97p	●		
	Strategy	102-13	Membership of associations	UN Global Compact, UNEP FI	●	
102-14		Statement from senior decision-maker	4p	●	4.7/6.2/7.4.2	
Ethics and Integrity	102-15	Key impacts, risks, and opportunities	8-11p, 12-19p	●		
	102-16	Values, principles, standards, and norms of behavior	26-27p, 56p	●	4.4/6.6.3	
Governance	102-18	Governance structure	22p	●	6.2/7.4.3/7.7.5	
	102-22	Composition of the highest governance body and its committees	22p	●		
	102-23	Chair of the highest governance body	22p	●		
	102-28	Evaluating the highest governance body's performance	23p	●		
	102-30	Effectiveness of risk management processes	25p	●		
	102-32	Highest governance body's role in sustainability reporting	24p	●		
	102-35	Remuneration policies	23p	●		
Stakeholder Engagement	102-36	Process for determining remuneration	23p	●		
	102-40	List of stakeholder groups	28p	●		
	102-41	Collective bargaining agreements	89p	●		
	102-42	Identifying and selecting stakeholders	28p	●	5.3	
	102-43	Approach to stakeholder engagement	28-30p	●		
Reporting Practice	102-44	Key topics and concerns raised	30p	●		
	102-45	Entities included in the consolidated financial statements	2018 HFG Business Report 143-145p	●		
	102-46	Defining report content and topic boundaries	30p, 95-96p	●		
	102-47	List of material topics	30p	●	5.2/7.3.2/7.3.3/ 7.3.4	
	102-48	Restatements of information	Not applicable	●		
	102-49	Changes in reporting	About this report	●		
	102-50	Reporting period	About this report	●		
	102-51	Date of most recent report	About this report	●		
	102-52	Reporting cycle	About this report	●		
	102-53	Contact point for questions regarding the report	About this report	●	7.5.3/7.6.2	
102-54	Claims of reporting in accordance with the GRI Standards	About this report	●			
102-55	GRI content index	94-96p	●			
102-56	External assurance	98-99p	●			

Topic-specific Disclosures

GRI Standard	Disclosure	Reporting pages and contents	Assurance	ISO 26000	UN SDGs	
Priority Topics from Materiality Test						
Topic 1: Supporting corporate growth						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	62-63p	●	6.3.9/6.6.6/6.6.7/ 6.7.8/6.8.1-6.8.2/ 6.8.5/6.8.7/6.8.9	
Approach 2016	103-3	Evaluation of the management approach				
Indirect Economic Impacts	203-2	Significant indirect economic impacts	64-67p	●		
Topic 2: Eradicating all types of corruption and irregularities through ethics management						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	56-57p	●		
Approach 2016	103-3	Evaluation of the management approach			6.6.1-6.6.2/6.6.3	
Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	60-61p, 88p	●		
Topic 3: Reinforcing the protection of customer information						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	36-37p	●		
Approach 2016	103-3	Evaluation of the management approach			6.7.1-6.7.2/6.7.7	
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	27p, 37p	●		
Topic 4: Strengthening data-oriented digital service						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	44-45p	●		
Approach 2016	103-3	Evaluation of the management approach				
-	-	Utilization of mobile platform	47p	●		
Topic 5: Expanding global markets and businesses						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	44-45p	●		
Approach 2016	103-3	Evaluation of the management approach				
-	-	Expansion of share on global profits	10p, 48-49p	●		
Topic 6: Strengthening systematic social contribution activities						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	68-69p	●	6.3.9/6.5.1-6.5.2/6.5.3/6.8	
Approach 2016	103-3	Evaluation of the management approach				
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	71-75p	●		
Topic 7: Creating a human-centric working environment and fostering talented individuals						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	50-51p	●	6.4.7/6.8.5	
Approach 2016	103-3	Evaluation of the management approach				
Training And Education	404-1	Average hours of training per year per employee	52p, 88p	●		
Topic 8: Providing fair opportunities and respecting diversity						
GRI 103:	103-1	Explanation of the material topic and its Boundary				
Management	103-2	The management approach and its components	50-51p	●	6.3.7/6.3.10/ 6.4.3/6.4.4	
Approach 2016	103-3	Evaluation of the management approach				
Diversity And Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	89p	●		

UN Global Compact

Topic-specific Disclosures

GRI Standard	Disclosure	Reporting pages and contents	Assurance	ISO 26000	UN SDGs
Priority Topics from Materiality Test					
Topic 9: Leading the Fourth Industrial Revolution based IT financial technology					
GRI 103:	103-1	Explanation of the material topic and its Boundary			
Management	103-2	The management approach and its components	44-45p	●	
Approach 2016	103-3	Evaluation of the management approach			
-	-	Fusion of IT and finance	46p, 47p, 52p	●	
Topic 10: Enhancing financial accessibility for the underprivileged					
GRI 103:	103-1	Explanation of the material topic and its Boundary			
Management	103-2	The management approach and its components	36-37p	●	
Approach 2016	103-3	Evaluation of the management approach			
-	-	Accessibility for the financial vulnerable expansion	39p	●	
Topic 11: Strengthening an ability to handle customer complaints and difficulties					
GRI 103:	103-1	Explanation of the material topic and its Boundary			
Management	103-2	The management approach and its components	36-37p	●	
Approach 2016	103-3	Evaluation of the management approach			
-	-	Improvement in customer satisfaction systems	42-43p	●	
Other Topics from Materiality Test					
Economic Performance	201-1	Direct economic value generated and distributed	28-29p	●	6.8.1-6.8.2/ 6.8.3/6.8.7/6.8.9
Energy	302-1	Energy consumption within the organization	75p, 90p	●	6.5.4
Emissions	305-1	Direct (Scope 1) GHG emissions		●	
	305-2	Energy indirect (Scope 2) GHG emissions	90p	●	6.5.5
	305-3	Other indirect (Scope 3) GHG emissions		●	
Employment	401-1	New employee hires and employee turnover	89p	●	6.4.3
	401-3	Parental leave	27p, 51p, 89p	●	6.4.4

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 the 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.



Third Party Assurance

To the Readers of Hana Financial Group Sustainability Report 2018:

Foreword

Korea Management Registrar Inc. (hereinafter “KMR”) has been requested by of Hana Financial Group Sustainability Report 2018 to verify the contents of its 2018 Sustainability Report (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 type2, moderate level of assurance using AA1000AS (2008) and SRV1000 from KMR Global Sustainability Committee as assurance standards. KMR’s assurance team(hereinafter “the team”) evaluated the adherence to Principles of Inclusivity, Materiality and Responsiveness, and the reliability of the selected GRI Standard indices as below, where professional judgment of the team was exercised as materiality criteria.

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

- ◆ GRI Reporting Principles
- ◆ Universal Standards
- ◆ Topic Specific Standards
 - Management approach of Topic Specific Standards
 - Economic Performance: 201-1
 - Indirect Economic Impacts: 203-2
 - Anti-corruption: 205-2
 - Energy: 302-1
 - Emissions: 305-1, 305-2, 305-3
 - Employment: 401-1, 401-3
 - Training and Education: 404-1
 - Diversity and Equal Opportunity: 405-2
 - Local Communities: 413-1
 - Customer Privacy: 418-1

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

Our approach

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

- ◆ Reviewed 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

Our conclusion

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

- ◆ **Inclusivity** _Inclusivity is the participation of stakeholders in developing and achieving an accountable and strategic response to sustainability.
Hana Financial Group is developing and maintaining stakeholder communication channels in various forms and levels in order to make a commitment to be responsible for the stakeholders. The assurance team could not find any critical stakeholder 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 standards.

Recommendation for improvement

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

Hana Financial Group has established a sustainable management system and offers a report on the performance indicators of individual strategic projects in a consistent and continuous way. In the future, the organization is advised to expand the existing key performance indicators with a goal of creating a culture of corporate social responsibility (CSR) and reinforcing the communication with stakeholders.

Our independence

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

May, 15th, 2019

Awards to Hana Financial Group in 2018

Hana Financial Group

Date	Prize Title	Organizer
Nov 29, 2018	Awarded the Prize of the President of Financial Services Commission in the Society to Live Together section of Korea CSR Film Festival 2018	KOSRI, ETODAY

KEB Hana Bank

Date	Prize Title	Organizer
Jan 17, 2018	Awarded the Prize of Best Trade Finance Bank in Korea(the 17th time)	Global Finance
Feb 7, 2018	Awarded for being the Best PB Bank in the field of Digital Client Solutions (3 consecutive years of being awarded the PB bank prize)	Global Finance
Feb 27, 2018	Awarded the Prize from the President of Financial Supervisory Service for '1 Company 1 School Financial Education'(3 consecutive years)	Financial Supervisory Service
Mar 15, 2018	Awarded the Special Prize in Maekyung Financial Product Awards for HAI Robo	MAEKYUNG MEDIA GROUP
Mar 27, 2018	Awarded the Prize of Best Product Development in Korea Best Banker Awards 2018	The Seoul Economic Daily, Seoul Economic Network(SEN)
Jul 18, 2018	Won 1st place in the Bank Industry for the Customer Interaction section of the Korea Service Quality Index(KSQI) 2018(1st place for 3 consecutive years)	Korea Management Association Consulting(KMAC)
Sep 4, 2018	Awarded the Grand Prize of Architecture by Seoul Metropolitan Government for 'PLACE 1' in Samsung-dong	Seoul Metropolitan Government
Sep 18, 2018	Awarded the Grand Prize of Bank Product section in Hankyung Life Portfolio Management Awards 2018	The Korea Economic Daily
Sep 28, 2018	Won 1st place among large bank groups for the Performance Evaluation of its echnology Financing for the first half of 2018(Reclaimed the overall 1st place after a one year gap)	Financial Services Commission
Oct 12, 2018	Awarded the Prize of Excellent PB Bank in Global Innovative Business Model 2018	Private Banker International(PBI)
Oct 12, 2018	Awarded the Prize of Excellent PB Bank in South Asia Region	Private Banker International(PBI)
Oct 12, 2018	Awarded the Prize of Excellent PB Bank for having growth strategies through M&A	Private Banker International(PBI)
Oct 23, 2018	Awarded the Prize for Financial Product-Service Banks at the Korea Financial Innovation Awards 2018	Money Today
Oct 24, 2018	Awarded the Prize of Best Trust Bank in Korea(the 10th time)	Global Finance
Oct 24, 2018	Awarded the Prize from the President of Financial Services Commission in Homo-hundred Financial Awards	MTN, Korean Academy of Financial Consumers
Oct 31, 2018	Awarded the Excellent Prize for Excellent Financial Education Program (3 consecutive years)	Financial Supervisory Service
Nov 5, 2018	Awarded the Group Citation from the President in Foreign Investment Promotion 2018	Ministry of Trade, Industry and Energy
Nov 7, 2018	Awarded the Prize of Best PB Bank in Korea(the 11th time)	Euromoney(Financial Magazine)
Nov 12, 2018	Won 1st Place of Bank Loan section in KSSI(1th place for 5 consecutive years)	Korea Management Association Consulting(KMAC)
Nov 13, 2018	Awarded the Prize of Best Foreign Exchange Provider in Korea (18 consecutive years)	Global Finance
Nov 22, 2018	Awarded the Prize from the President of the Korea Federation of Banks in Smart Financial Awards 2018(reclaimed the prize in 2 years)	Newspim, Financial Supervisory Service
Dec 13, 2018	Awarded the Prize of Excellent Financial Agency for activating social finance	Financial Supervisory Service

Hana Financial Investment

Date	Prize Title	Organizer
Feb 8, 2018	Awarded the Gold Prize of Company Analysis in Maekyung Stock Awards 2018	MAEKYUNG MEDIA GROUP
Feb 22, 2018	Awarded the Prize of Derivative Linked Securities of the Year in Korea Wealth Management Awards 2018	The Bell, the Bell & Company
Feb 27, 2018	Awarded the Prize of Alternative Investment section in the 9th Korea IB Awards	The Korea Economic Daily
May 17, 2018	Awarded the Prize of e-Service in Herald Business Capital Market Awards 2018	Herald Business
Jul 10, 2018	Awarded the Grand Prize of Best Stock Company in the Best Stock Company and Analyst Awards in the first half of 2018	Hankyung Business
Sep 12, 2018	Awarded the Prize of Korea House of the Year 2018(the first time that a stock company won in 7 years)	Asia Risk
Sep18, 2018	Awarded the Prize of Maximum Coverage in Herald Business Best Report Awards 2018	Herald Business
Oct 4, 2018	Awarded the Grand Prize IB section in Asia Today Financial Awards 2018	Asia Today
Oct 22, 2018	Awarded the Grand Prize of Convenience section in the 8th Asia Mobile Trading System Awards	Asia Economy
Oct 24, 2018	Awarded the Excellent Prize of Stock section in Homo-hundred Financial Awards	MTN, Korean Academy of Financial Consumers
Nov 20, 2018	Awarded the Excellent Prize of Design section in the 6th Best MTS Awards	Money Today
Nov 26, 2018	Awarded the Prize of Best Sellers in Herald Fund Awards 2018	Herald Business
Nov 27, 2018	Awarded the Prize of Best Stock Company in Alternative Investment section in Korea Stock Awards 2018	Seoul Economic Daily
Dec 18, 2018	Awarded the Prize of Stock Company of the Year in the Retail section in Newsis Stock and IR Awards	Korea Exchange, Newsis
Dec 20, 2018	Awarded the Prize from the President of Financial Investment Association in the Alternative Investment section in Market Leader Awards 2018	ETODAY Media

KEB Hana Card

Date	Prize Title	Organizer
Nov 28, 2018	Awarded the Prize from the President of Financial Services Commission in the 12th Anti-Money Laundering Day Awards	Korea Financial Intelligence Unit
Dec 13, 2018	Awarded the Grand Prize of Mobile Web in Web Awards Korea 2018	Korea Internet Professional Association Inc.

Hana Life

Date	Prize Title	Organizer
Nov 28, 2018	Awarded the Prize from the Prime Minister in the 12th Anti-Money Laundering Day Awards	Korea Financial Intelligence Unit

Hana TI

Date	Prize Title	Organizer
Jul 12, 2018	Awarded the Grand Prize in the IT section in National-Class Brand Awards 2018	MAEKYUNG MEDIA GROUP
Nov 16, 2018	Awarded the Prize from the Prime Minister in the 17th Korea Safety Award	Korea Institute of Safety Certification, Korea Fire Institute, Korea Fire Safety Institute

Finnq

Date	Prize Title	Organizer
May 18, 2018	Won the Grand Prize in Korea Innovative Company Brand Award in 2018	The Korea Times

Footprints on Hana Financial Group's Sustainability Reports



Hana Bank Sustainability Report 2006



Hana Bank Sustainability Report 2008



Hana Bank Sustainability Report 2009



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This Report was Prepared by

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, Compliance Team, IR Team

KEB Hana Bank

Customer Management Support Department, Global Business Division, Customer Financial Protection Department, Marketing Department, Corporate Business Department, Labor Relations Department, Digital Marketing Division, Retail Marketing Division, Retail Product Department, Secretary's Office, CSR Department, Business Process Improvement Division, Credit Loan Planning Division, HR Department, HR Development Department, Financial Planning Department, Information Protection Division, Compliance Department, VC Financing Division, Channel Strategy Department, General Affairs Department, Investment Financing Division

Hana Financial Investment PR Office	KEB Hana Card HR Department	Hana Capital HR Team	Hana Life Customer Protection Department
Hana Savings Bank Future Strategy Team	Hana Asset Trust Management Support Team	Hana Alternative Asset Management Management Support Team	Hana Investors Services Management Support Department
Hana F&I Management Support Department	Hana TI Strategy Planning Team		

The Preparation of This Report Was Supervised by

CSR Team, Hana Financial Group

HFG's CSR Team is responsible for planning social contribution programs and offering operational support as well as for undertaking a range of programs that improve the sustainability of Hana Financial Group. The team also supervises the publication of HFG's sustainability reports as a main communication channel for stakeholders. HFG's sustainability reports are published through the review and approval of our group Chairman.

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.

66, Eulji-ro, Jung-gu, Seoul
Hana Financial Group CSR Team
Tel. +82-2-317-5927
www.hanafn.com