

COVER STORY

RESET, REBUILD & WIN THE GAME

PLATFORM-BASED FINANCE

In the Fourth Industrial Revolution era, characterized by connectivity and convergence, change is an integral part of daily life. In particular, the COVID-19 pandemic further accelerated digital transformations and hastened the emergence of a contactless era. Faced with such unprecedented changes, companies are looking for new ways to grow.

Hana Financial Group is finding answers in customers, the first enabler and final user of finance. Expanding a customer base is most important in securing the future competitiveness of a financial company, which is why we focus on “platform-based finance” as an optimal tool. We have been staying ahead of the curve in digital innovation, and now we are pursuing platform-based finance on the back of our digital competitiveness, riding the waves of change toward a shore of new growth.



[Read More Story](#)



GLOBALLY-ORIENTED FINANCE

In a digital era, international borders no longer matter as much. In addition, considering low-growth, low-interest-rate trends in the Korean financial market, expanding overseas is a prerequisite to securing new growth drivers.

This is why Hana Financial Group is focused on “globally-oriented finance”. Having one of the largest global networks in Korea is another unique strength of ours that has taken years to build. By leveraging our global networks, we are further expanding our presence globally. With our business focus aimed at the international market from the initial step of planning, we first consider global conditions and demands in conducting all our operations, ranging from product and system development to talent hiring, thereby seeking a better future beyond Korea.


[Read More Story](#)



SOCIALLY-RESPONSIBLE FINANCE

Demand for corporate social responsibility with respect to the environmental, social, and governance (ESG) management is rising. In 2020, Blackrock, one of the world’s largest asset managers, announced that climate change and sustainability would be a top priority in its investment strategy. Reflecting such a shift of investment focus, ESG management is becoming a precondition for the sustainable growth of companies.

Hana Financial Group has been practicing its management slogan, “Green Bank, Sharing Bank, Culture Bank” since the establishment of Hana Bank, fulfilling its corporate responsibility. The slogan has since evolved into the Group mission, “Growing Together, Sharing Happiness”. Carrying on such a socially conscious legacy, we are concentrating our capabilities on “socially-responsible finance”, convinced that ESG management is not a choice but a must.


Read More Story

PLATFORM-BASED FINANCE

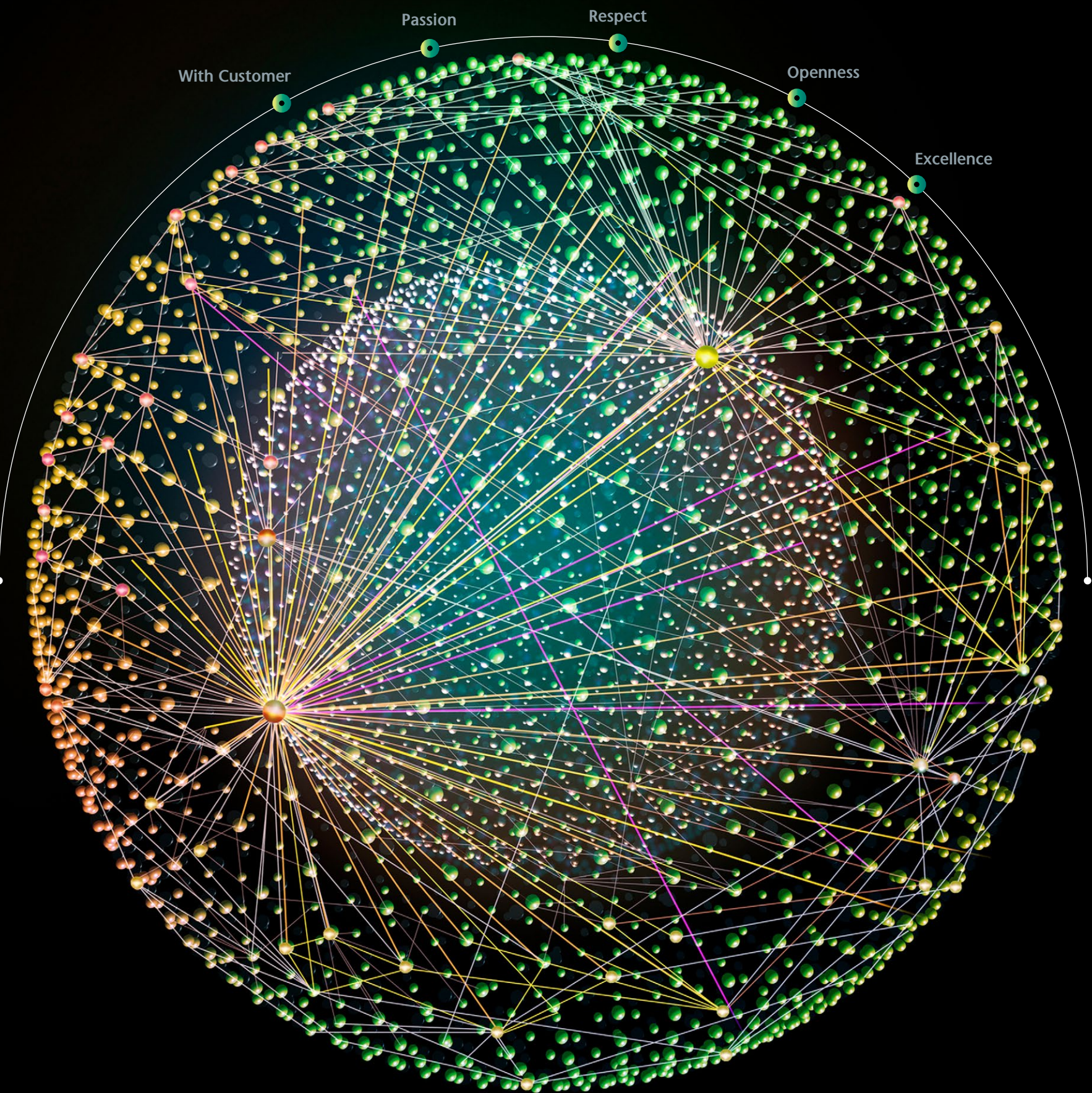
SMARTER, TOGETHER.

Merging innovation and tradition

The strengths of Hana Financial Group include reliability, expertise, and synergy. Of these, reliability and expertise, which we have built over a long period as a traditional financial company, shine brighter in digital transactions for they are carried out based largely on brand recognitions with no physical contact with customers. Synergy among the Group affiliates is another strength that makes us differ from big tech, fintech, and other new market entrants. In this respect, the inclusion of Hana Insurance in 2020 as our new family member is especially noteworthy – it has enabled us to cover all business areas of finance and thus position ourselves as a truly comprehensive financial group.

Adding digital technology to traditional strengths, we are getting stronger and smarter. In particular, since the adoption of the digital vision in 2018, “customer-centric, data-driven information company”, we have been grafting IT onto financial services and developing new growth drivers. In order to achieve the goal, we are focusing on such key strategies as bolstering the role of daily finance platforms; accelerating the digitalization of global networks; and expanding the share of digital channels toward the goal of 40%. And we have established “Hana Digital Culture Code” to guide employees toward thinking and working from a digital perspective. We also launched “DT University” in 2020 to foster talent to lead us toward the vision. DT University is an integrated education platform offering digital-based work training through online and offline courses. It is expected to serve as a cornerstone for talents equipped with both financial knowledge and digital technology.

Hana Digital Culture Code

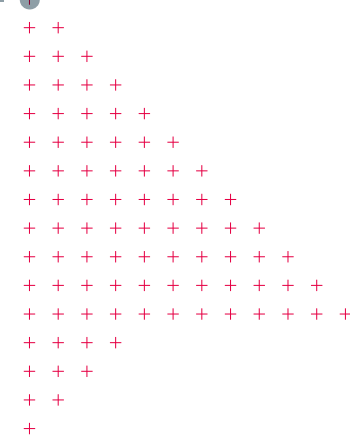


40

Goal of generating more than 40% of the Group’s profits from overseas businesses by 2025 by identifying new channels and sources of profit

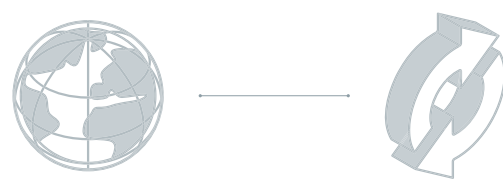
- **With Customer:** Interact with customers through data to create an exceptional customer experience
- **Passion:** Take on new challenges and embrace failure to gain experience that rolls into success
- **Respect:** Create new values through collective intelligence based on internal and external collaboration
- **Openness:** Act with agility through quick decision making and pay close attention to customer opinions
- **Excellence:** Get the best results possible through work engagement with responsibility based on bold delegation of authority

Finance becomes a part of daily life by being **digital**.



EVOLVING INTO A DAILY FINANCE PLATFORM

Hana Financial Group is focusing on “platform-based finance”, leveraging its distinctive competitiveness combined of traditional and innovative strengths. A platform we are building is a digital space that enables a life of convenience and abundance through one single app. It offers not only such financial services as banking, securities, asset management, card, and insurance that 14 affiliates of Hana Financial Group already provide, but also mobility, real estate, health care, and other services that make daily life much more convenient. We are striving to create a space where a greater number of customers stay longer, and to this end, we are concentrating our internal capabilities and expanding external collaborations.



“New Hana 1Q”, an app unveiled in August 2020, is an outcome of a challenge Hana Bank took on to confirm the potential of platform-based finance. New Hana 1Q enables users to access the financial products and services not only of Hana Bank but also of six¹⁾ other Group affiliates. Equipped with the single sign-on (SSO) technology, new Hana 1Q allows users to search for stock market data, analyze their insurance policies and request recommendations for more complete coverage if needed, and review card transactions. It also offers diverse sponsor content on mobility, real estate, health care, and pet care. In addition, Hana Financial Group launched “Hana 1Q Pay”, the Group payment platform, and “Hana Realty Rich Up” which provides a comprehensive service combined of the Group’s real estate service capabilities, and thus is evolving into a complete daily finance platform that covers both the financial and non-financial realms.

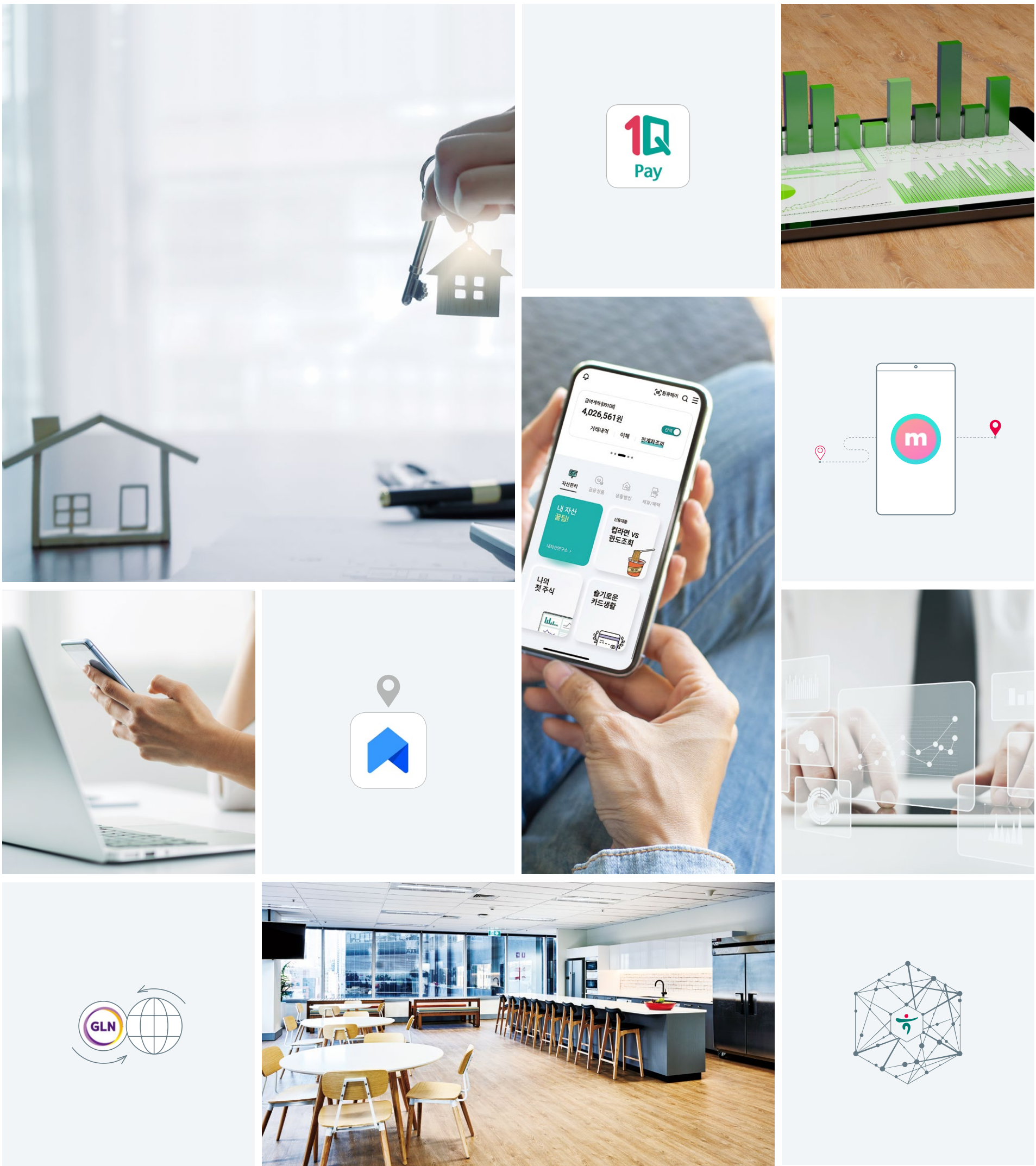
¹⁾ Hana Financial Investment, KEB Hana Card, Hana Capital, Hana Savings Bank, Hana Life, and Hana Insurance



ESTABLISHING A HANA-DRIVEN ECOSYSTEM

A platform is a digital marketplace where sellers and buyers meet, creating new value through digital connections. It rapidly grows on a “network effect” in which its value is multiplying as more people use it. Likewise, Hana Financial Group is expanding the scope of collaboration in pursuit of securing a position of advantage in a platform-based financial market. In 2020, Hana Bank signed a win-win agreement with Dataknows, a prop tech startup operating “Richgo”, a real estate big data-based mobile app, to promote data business; and a memorandum of understanding (MOU) with KST Mobility, which operates smart mobility platform “Macaron Taxi”, to build win-win models that contribute to the growth of the mobility industry. The Bank also entered a strategic MOU with Simple Project Company, an F&B business solution company running “WeCook”, a shared kitchen platform. Hana Life, in strengthening its insurtech capabilities, signed an MOU with Unimewo operating “Good Nursing”, a caregiver recruitment platform.

Such collaborations with platform businesses and startups are expected to induce new changes in their respective market. For example, together with KST Mobility, we can build win-win models that contribute to the advancement of the mobility industry, develop financial/service platforms that appeal to more platform users, and thus generate new value for the mobility market. In addition, per the alliance with WeCook, we will provide F&B startups with financial support and services as well as financial education and regular tax/business management counseling, tailored to their business characteristics, in order to support their growth and to strengthen the win-win cooperation. Through such and other efforts, we will build an ecosystem of daily finance platforms in which we play a leading role, and thus achieve solid and sustainable growth of markets and Hana Financial Group.



GLOBALLY-ORIENTED FINANCE

STRONGER, TOGETHER.

Think globally. And act locally.

Hana Financial Group's global networks consist of 195 subsidiaries and offices in 24 countries at the end of 2020, based on which we are expanding our global presence.

Localization is part and parcel of our global business strategy. We have been concentrating our resources and capabilities on attracting local customers in the long run, which enabled our global business to grow in 2020, a unique achievement in a year when many others saw their overseas operations drift amid the global spread of COVID-19. In particular, we explored strategic investment opportunities in Southeast Asian countries with high growth potential, such as Myanmar and Indonesia, while increasing non-face-to-face channels. Having acquired stakes of Bank for Investment and Development of Vietnam (BIDV) in 2019, we enabled the Vietnam's largest bank to maintain its stable growth and to strengthen its role as another touchstone for us to develop the global market. In China and Indonesia, Hana Bank carried out local banking operations in collaboration with Alipay, LINE Financial, and other local companies, thereby achieving high growth rates compared to other commercial banks, and maintaining its strong growth. As a result, we became one step closer to generating 40% of our income from overseas by 2025 as "Global 2540" represents.

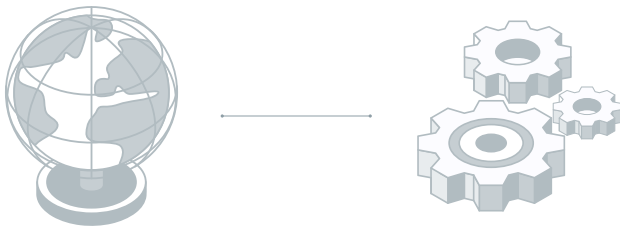
2540

Plan to generate more than 40%
of profits from overseas businesses
by 2025

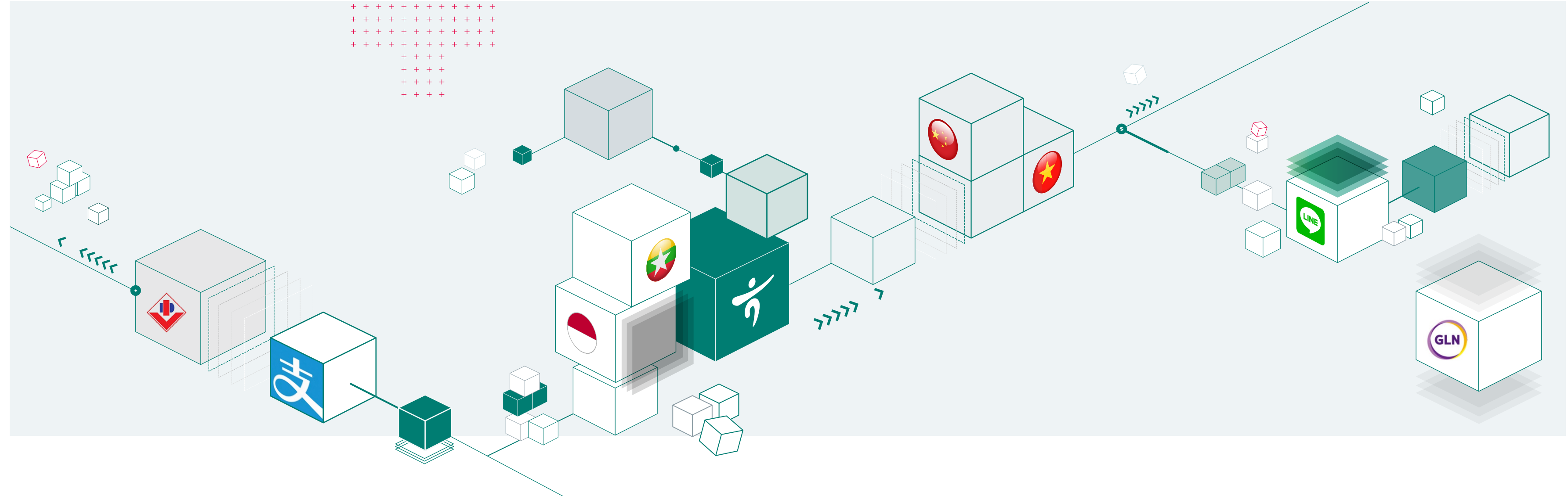


EXPANDING THE BOUNDARY OF GLOBAL COLLABORATION

In addition to the localization of offline sales overseas, Hana Financial Group is expanding its presence and sharpening competitive edge in the global market through collaboration with local platform players and other outside-the-box approaches. In Indonesia, the Indonesian subsidiary of Hana Bank had signed a strategic alliance with LINE Corporation, a subsidiary of NAVER, in 2018 and has since been working together to establish a digital bank. The subsidiary received approval from the Financial Services Authority of Indonesia (Otoritas Jasa Keuangan) at the end of 2020, and is waiting for final approval from Bank Indonesia. The world's fourth most populous nation also has as many smartphone users, which makes the fast-developing country an ideal market for digital finance. The Indonesian subsidiary of Hana Bank has successfully taken root in the local market, and its partner owns the second most popular messaging app in Indonesia. The combination of the two is anticipated to result in innovative products and services that span from account opening to overall financial life.



Hana Bank's Chinese subsidiary in 2020 launched a full-scale, non-face-to-face retail loan business in alliance with a renowned local e-commerce platform, substantially increasing retail loan assets by KRW 630.0 billion YoY and recording the highest net income in its history. On the back of such a success story, Hana Bank's Hanoi and Ho Chi Minh branches are also preparing an online retail loan business for 2021 in alliance with a local e-commerce platform.



Finance becomes
a driving force
by being **global.**

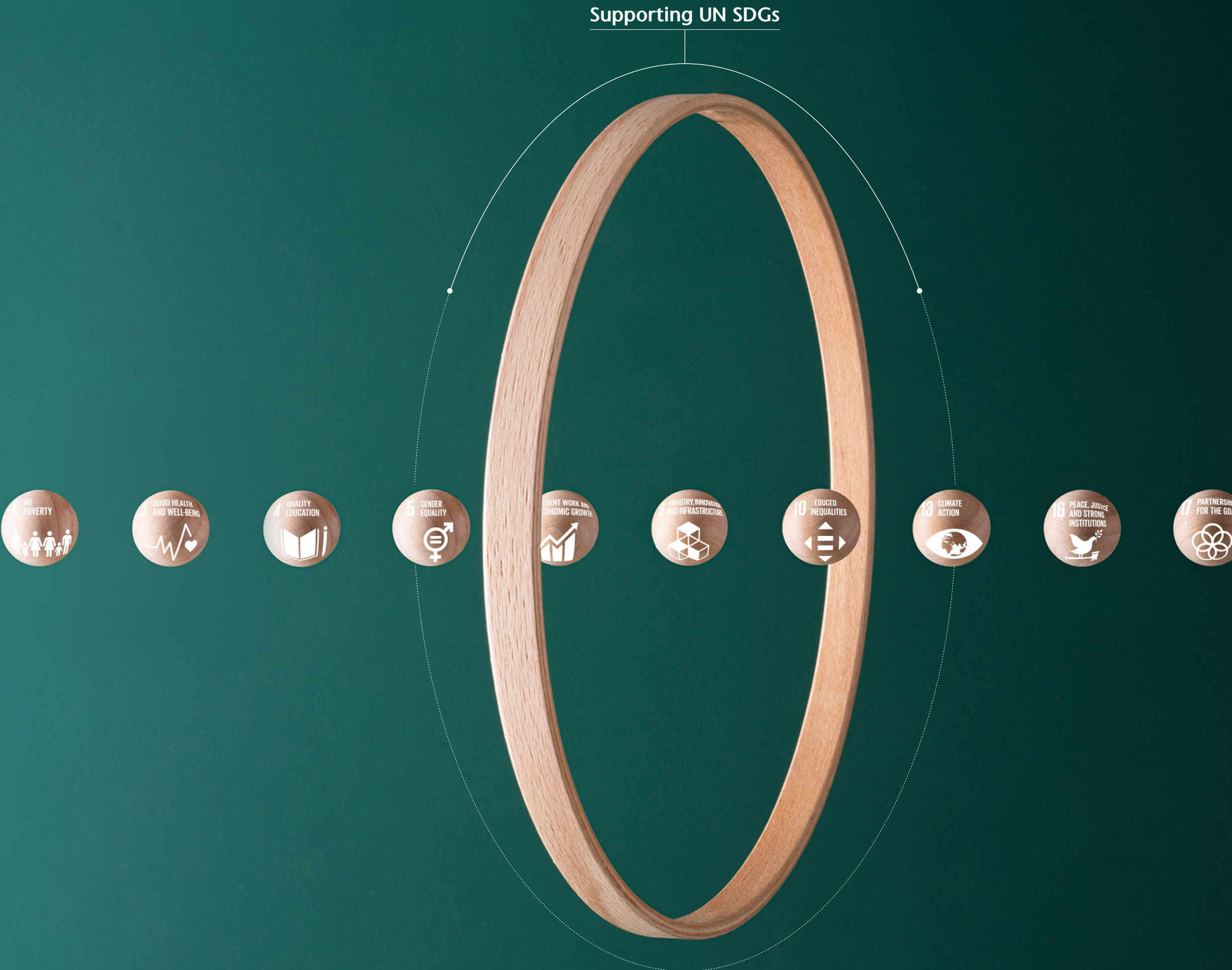
SOCIALLY-RESPONSIBLE FINANCE

HAPPIER, TOGETHER.

Sustainable finance to empower the future

Hana Financial Group has been strengthening ESG management capabilities and establishing ESG management systems to earn trust from more stakeholders. After setting up “Group ESG Management Taskforce” in 2020, we constructed group-wide organizational and performance evaluation systems aimed at improving our ESG-related fundamentals. In addition, we formed “Social Value Management Committee” comprising the CEOs of the Group affiliates, headed by the CEO of the Group, and tasked with devising policies on the management of social values and deciding on project plans. In March 2021, we created “Sustainable Management Committee” and “Customer Risk Management Committee” under the BoD, establishing an ESG-implementation system.

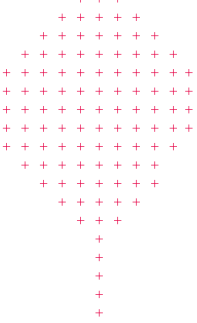
Based on the strengthened ESG management system, we will carry out various strategic tasks in 2021, including strengthening environmental management as a response to climate change; adopting environmental and social risk management processes; organizing systems for classifying sustainable financial products; joining the Equator Principles; and adopting TCFD guidelines. In addition, we will restructure our organization and processes with an eye toward enabling top management to deliberate and decide on non-financial issues relevant to ESG management. In addition, we will expand our ESG financing by offering KRW 60 trillion worth green and sustainable loans, investment, and bonds; and by completely eliminating our PF involvements in coal power generation projects at home and abroad as part of our goal to achieve carbon neutrality by 2050, we will accelerate the shift toward a low-carbon society.



Zero Plan to achieve carbon neutrality of Hana Financial Group business sites by 2050

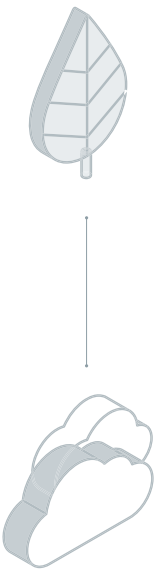


Finance becomes energy for the future by being **responsible.**



SCALING SOCIAL IMPACT THROUGH SUSTAINABLE FINANCE

Hana Financial Group seeks to expand its positive influences through sustainable finance. In line with the theme of “socially-responsible finance” we have taken up at the Group level, we have issued various ESG bonds for social value creation. In June 2020, we issued a USD 50 million social bond to help relieve COVID-19-induced difficulties as part of the Group-level ESG action plan. In January 2021, Hana Bank issued a EUR 500 million social bond for the purpose of increasing its financial support in relation to COVID-19. KEB Hana Card issued a KRW 200 billion ESG bond last November to support diverse societal efforts to overcome the effects of the pandemic, including those of small- to mid-sized merchants.



With the capital raised through its first ESG bond issuance, KEB Hana Card plans to support diverse public interests and facilitate the diversification of its ESG projects for the purpose of advancing ESG management. Hana Capital also issued its first ESG bond of KRW 300 billion, planning to use the funds for expanding eco-friendly auto finance operations and investing in eco-friendly companies.

Going forward, we will diversify the types of ESG bonds we issue in a bid to more effectively fund social contribution activities we engage in. In addition, we will ensure that all public and private bonds we issue contribute to social value enhancement, and thus take the lead in creating social value through finance.