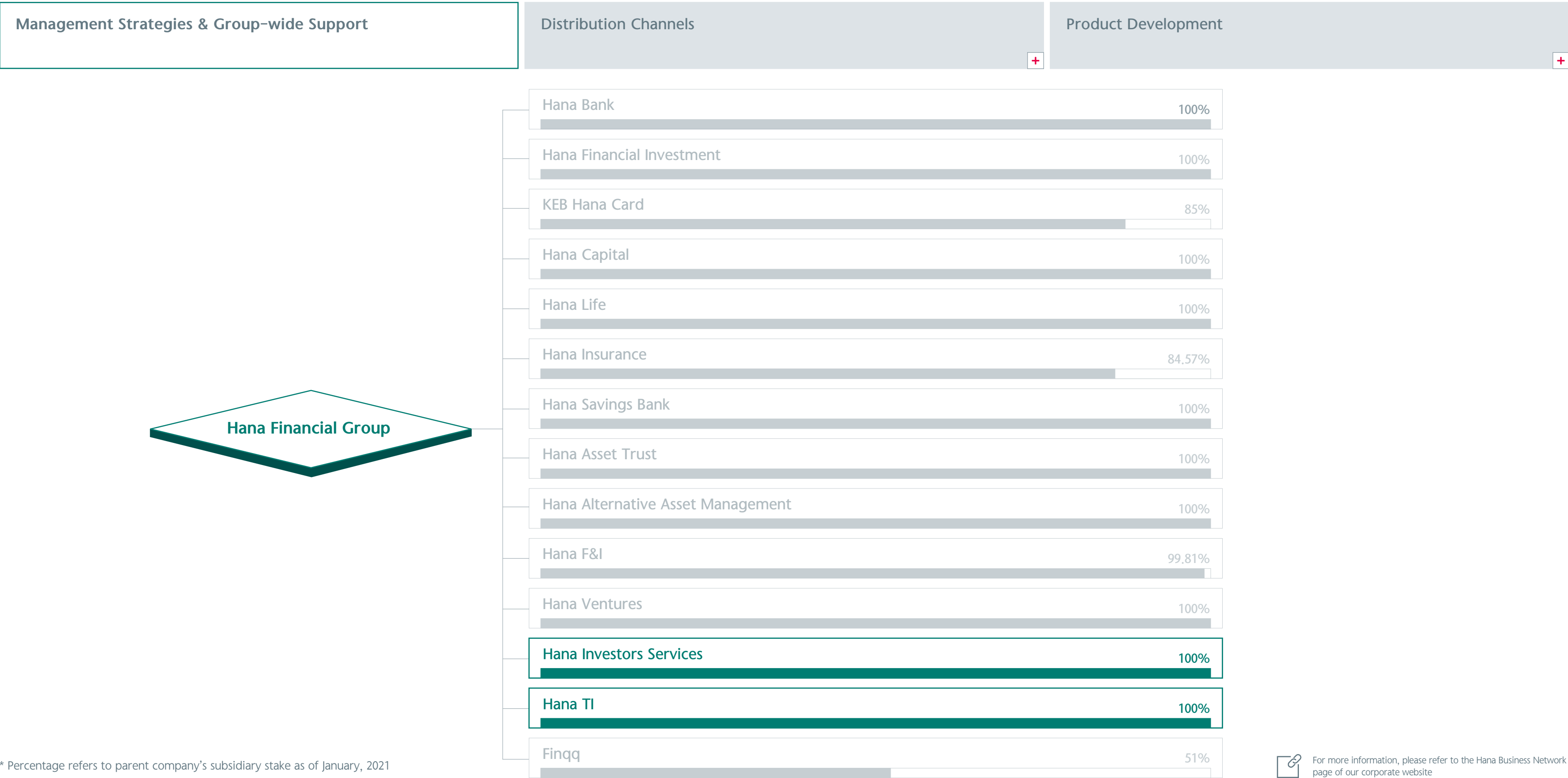


Business Network

Hana Financial Group has in place professional and integrated asset management systems and provides comprehensive financial services. Under the holding company structure, we are running the Group on three major axes – management strategies and Group-wide support, distribution channels, and product development – to strengthen the core competency of all the Group affiliates, and, through synergy maximization, are getting closer to the goal of becoming “The Trusted Premier Global Financial Group”.

Hana Network

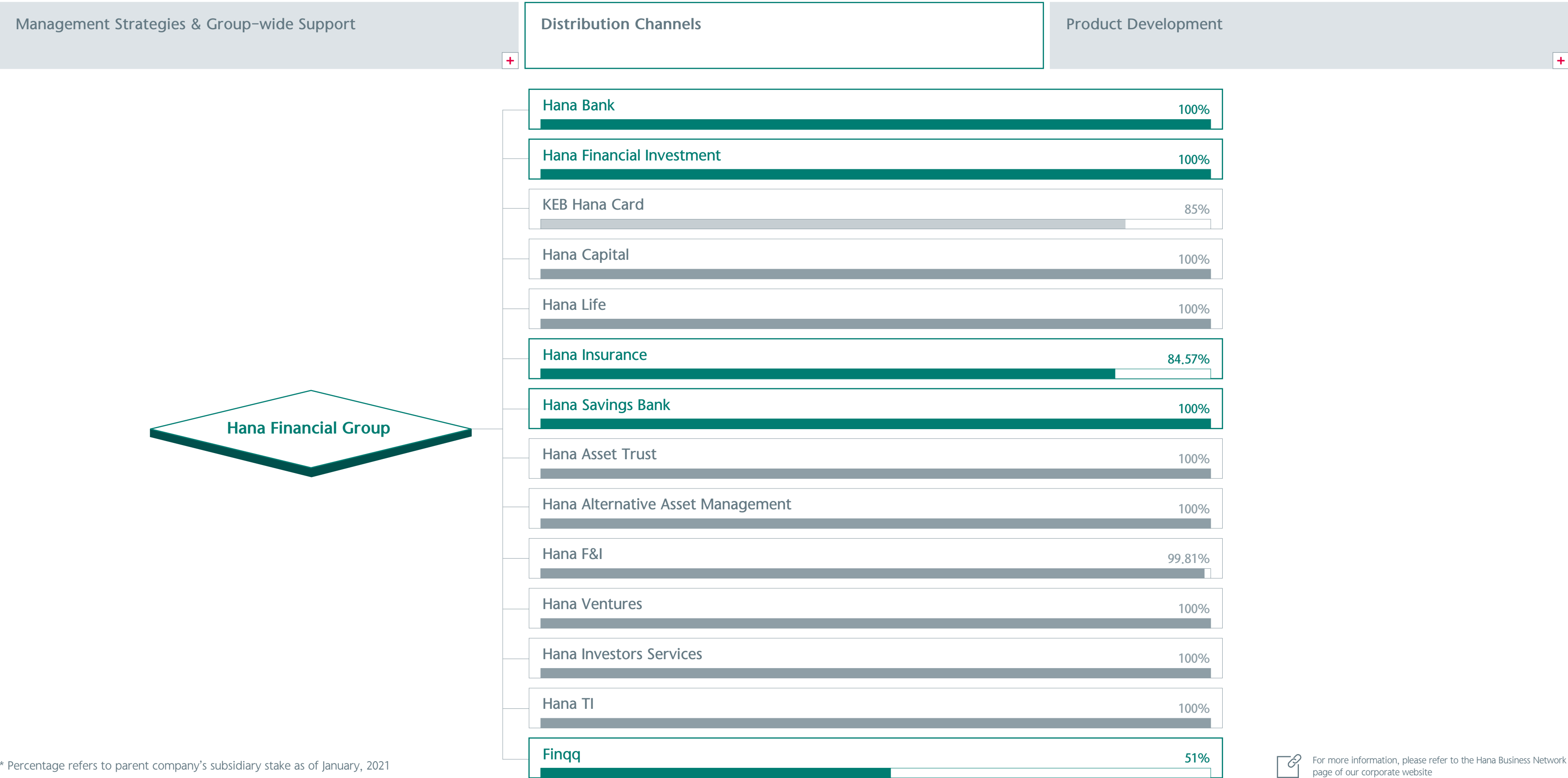


* Percentage refers to parent company's subsidiary stake as of January, 2021

Business Network

Hana Financial Group has in place professional and integrated asset management systems and provides comprehensive financial services. Under the holding company structure, we are running the Group on three major axes – management strategies and Group-wide support, distribution channels, and product development – to strengthen the core competency of all the Group affiliates, and, through synergy maximization, are getting closer to the goal of becoming “The Trusted Premier Global Financial Group”.

Hana Network

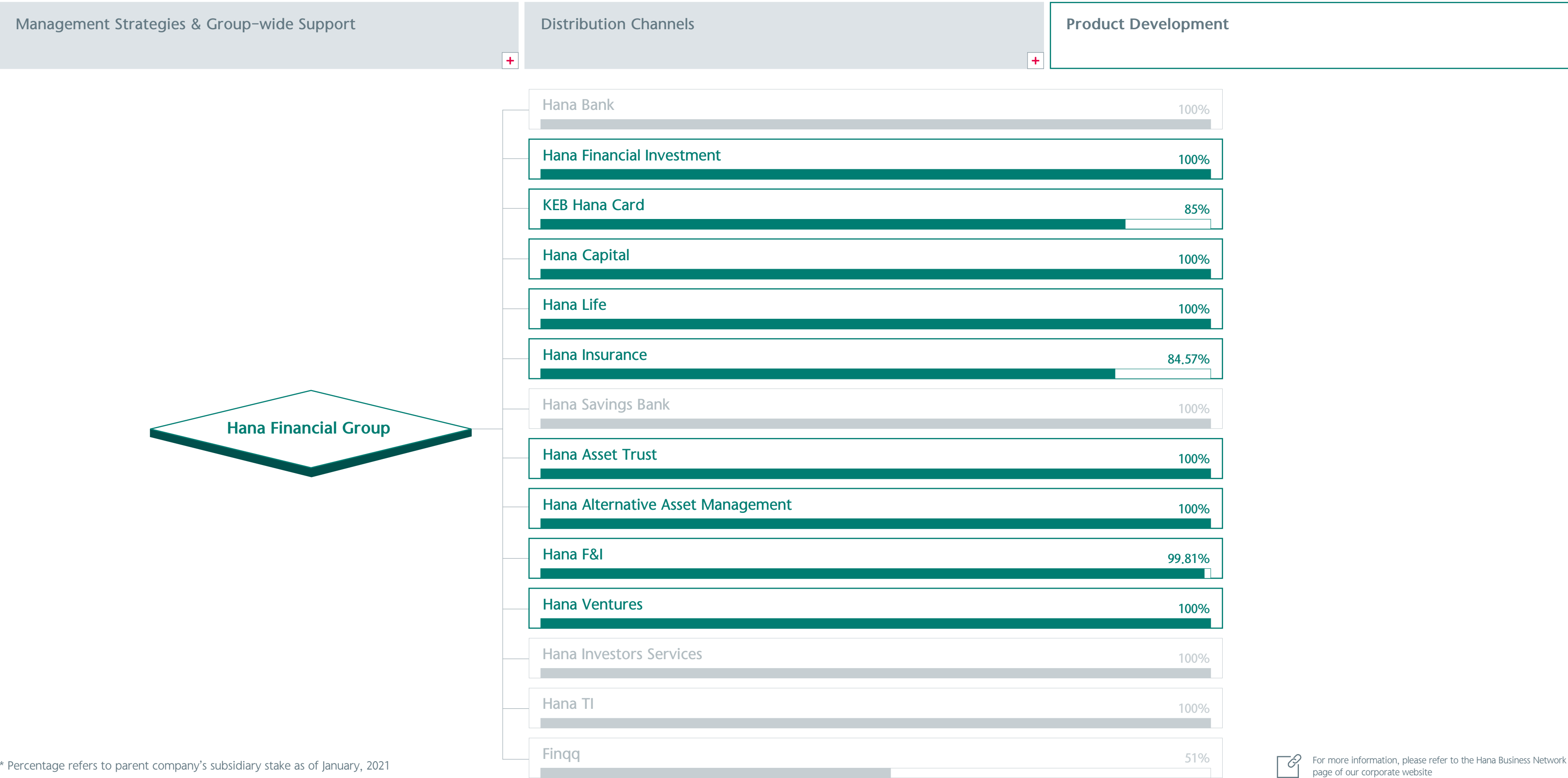


* Percentage refers to parent company's subsidiary stake as of January, 2021

Business Network

Hana Financial Group has in place professional and integrated asset management systems and provides comprehensive financial services. Under the holding company structure, we are running the Group on three major axes – management strategies and Group-wide support, distribution channels, and product development – to strengthen the core competency of all the Group affiliates, and, through synergy maximization, are getting closer to the goal of becoming “The Trusted Premier Global Financial Group”.

Hana Network



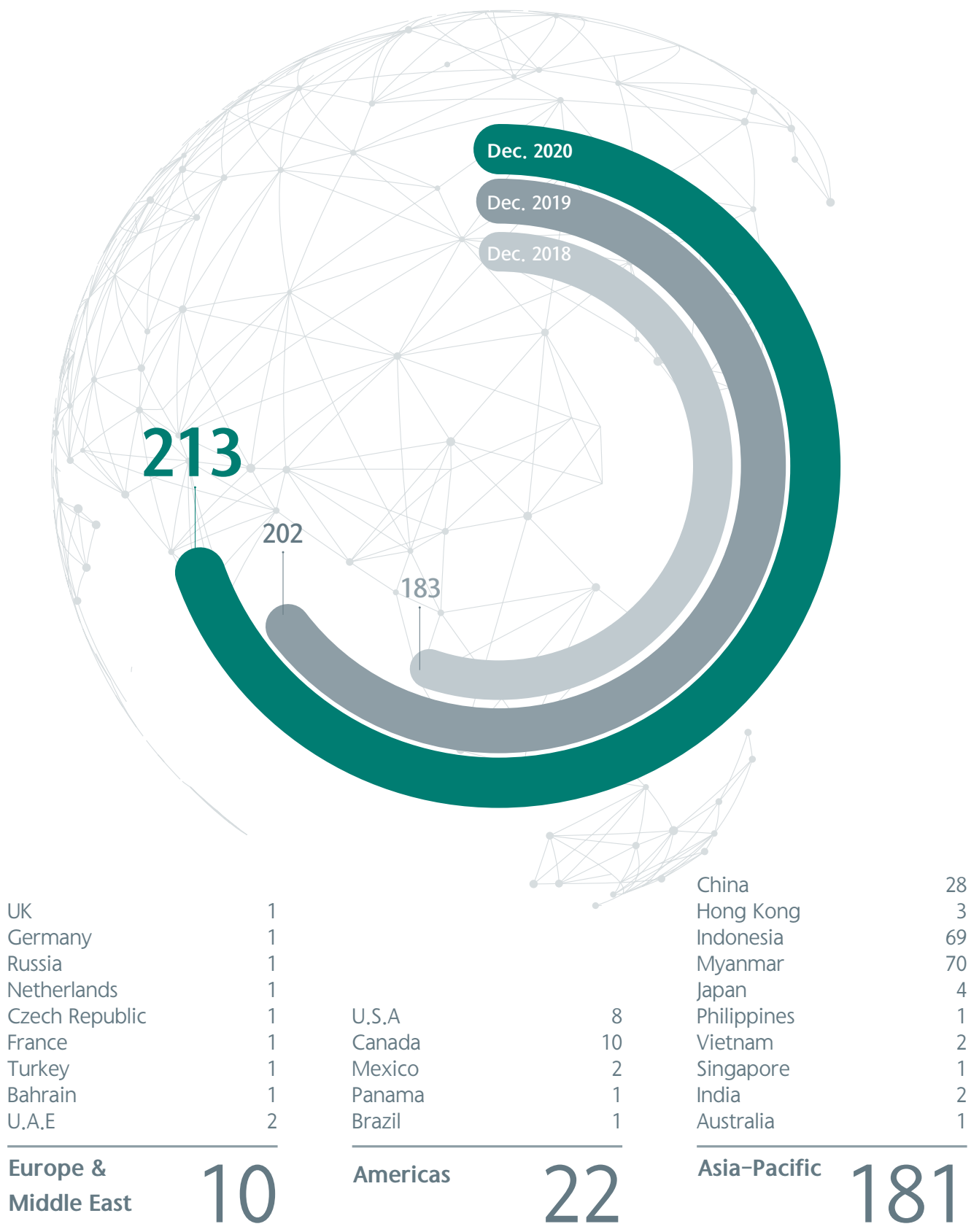
* Percentage refers to parent company's subsidiary stake as of January, 2021

Global Network

As of 2020, Hana Financial Group’s global network comprises 213 subsidiaries and offices across 24 countries, the most extensive in Korea. To realize the “2540 Project” goal of raising the proportion of global business incomes to 40% by 2025, we are internalizing the global DNA and expanding the global business of the Group affiliates.

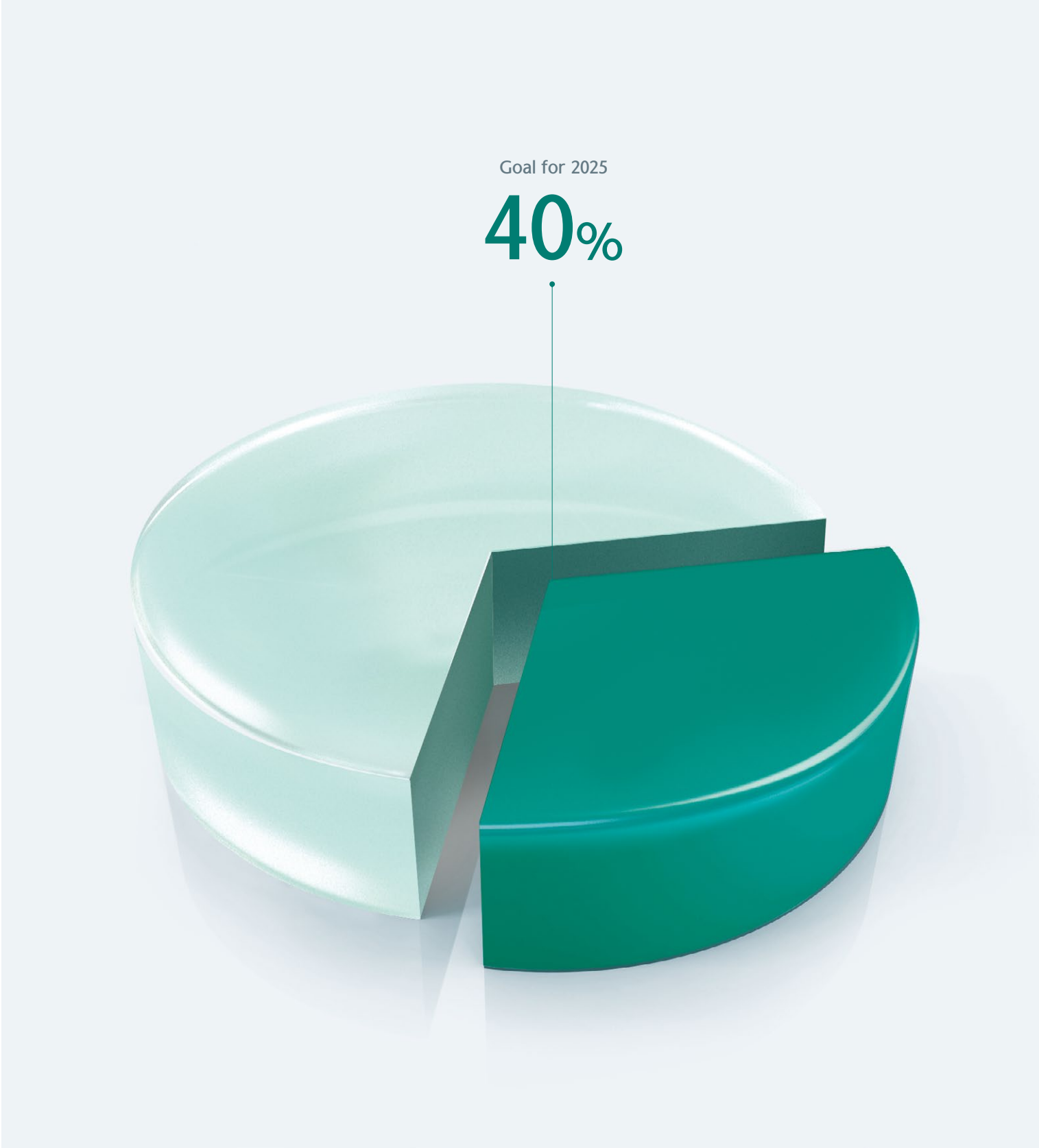
Overseas Network

(Unit: Branch)



Portion of Overseas Income

(Unit: %)



Key Financial Figures

Despite the challenging environment in 2020, Hana Financial Group recorded a consolidated net income of KRW 2,637.2 billion, repeating its record net income performance for the second consecutive year. The amount represents a year-on-year rise of 10.3%, despite a sizable loan loss provision set aside against COVID-19-induced uncertainties; and the increase is the combined outcome of the solid growth of the non-banking sector, which exceeded its initial goal of a 30% share of the Group’s incomes, as well as of the Group-wide cost-cutting measures and the continued growth of global business.

Financial Summary
(Unit: KRW billion)

| | 2020 | 2019 |
|--|---------------|-----------|
| Profitability (Unit: KRW billion) | | |
| General operating income | 8,642.7 | 8,121.5 |
| Operating income | 3,836.4 | 3,258.7 |
| Consolidated net income ¹⁾ | 2,637.2 | 2,391.6 |
| ROA (%) | 0.61 | 0.60 |
| ROE (%) | 8.96 | 8.72 |
| EPS (KRW) | 8,858 | 7,898 |
| Cost to income ratio (%) | 45.3 | 50.6 |
| Business Volume (Unit: KRW billion) | | |
| Total assets ²⁾ | 460,313.3 | 421,467.1 |
| Total sales | 346,170.1 | 323,163.4 |
| (Total deposits) ²⁾ | 295,834.9 | 273,331.6 |
| (Sales of beneficiary certificates) | 50,335.2 | 49,831.8 |
| Asset Soundness (Unit: %) | | |
| Substandard & below (NPL) ratio | 0.40 | 0.48 |
| Substandard & below (NPL) coverage ratio | 143.78 | 112.51 |
| Delinquency ratio | 0.26 | 0.30 |
| Capital Adequacy (Unit: %) | | |
| BIS capital adequacy ratio | 14.20 | 13.95 |
| Tier 1 ratio | 13.03 | 12.67 |
| Common equity tier 1 ratio | 12.04 | 11.96 |
| BPS (KRW) | 98,455 | 92,192 |

¹⁾ Equity attributable to equity holders of the parent company
²⁾ Total assets exclusive of trust assets

Consolidated Net Income Contribution



Key Financial Figures

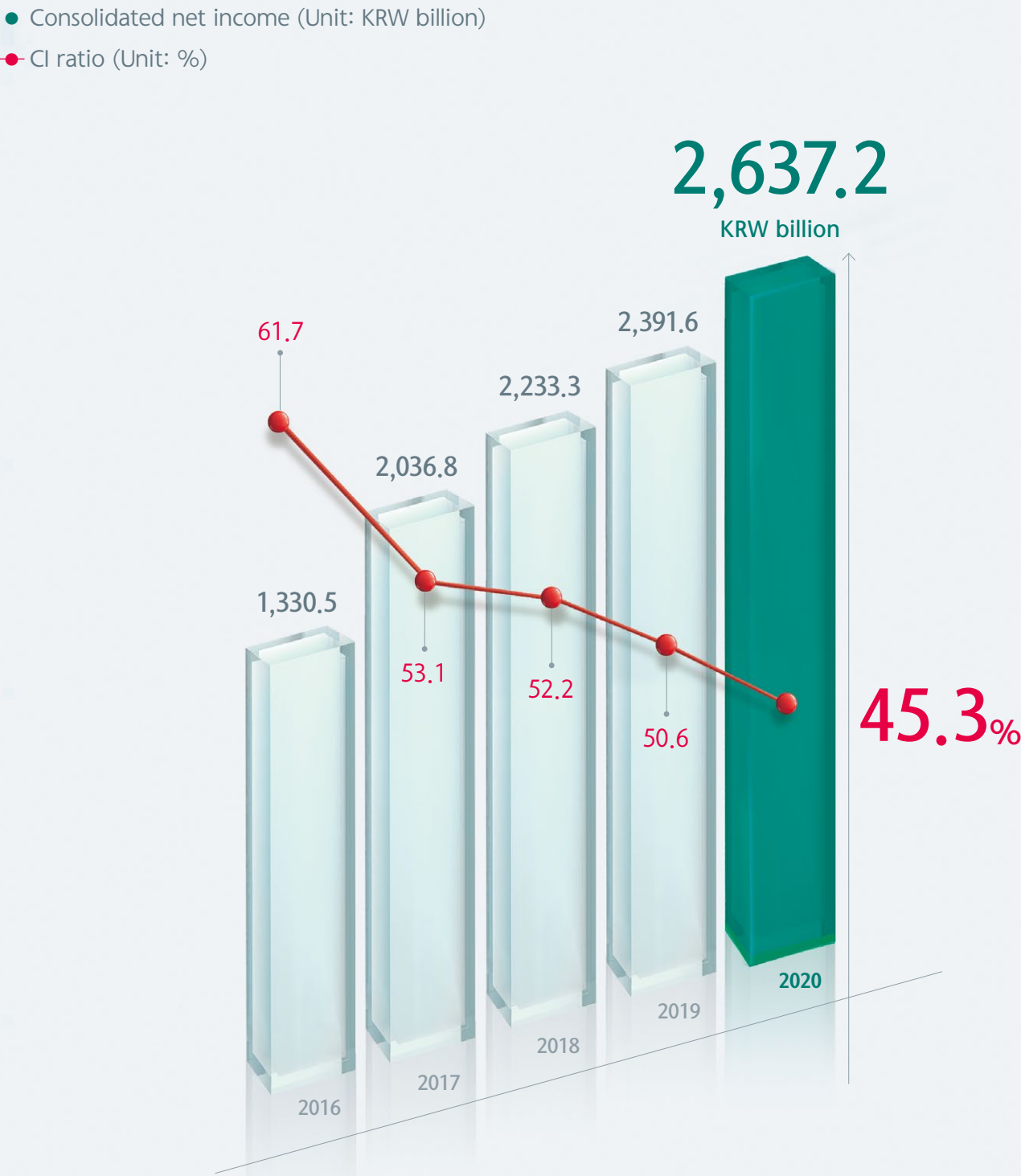
Despite the challenging environment in 2020, Hana Financial Group recorded a consolidated net income of KRW 2,637.2 billion, repeating its record net income performance for the second consecutive year. The amount represents a year-on-year rise of 10.3%, despite a sizable loan loss provision set aside against COVID-19-induced uncertainties; and the increase is the combined outcome of the solid growth of the non-banking sector, which exceeded its initial goal of a 30% share of the Group’s incomes, as well as of the Group-wide cost-cutting measures and the continued growth of global business.

Financial Summary
(Unit: KRW billion)

| | 2020 | 2019 |
|--|---------------|-----------|
| Profitability (Unit: KRW billion) | | |
| General operating income | 8,642.7 | 8,121.5 |
| Operating income | 3,836.4 | 3,258.7 |
| Consolidated net income ¹⁾ | 2,637.2 | 2,391.6 |
| ROA (%) | 0.61 | 0.60 |
| ROE (%) | 8.96 | 8.72 |
| EPS (KRW) | 8,858 | 7,898 |
| Cost to income ratio (%) | 45.3 | 50.6 |
| Business Volume (Unit: KRW billion) | | |
| Total assets ²⁾ | 460,313.3 | 421,467.1 |
| Total sales | 346,170.1 | 323,163.4 |
| (Total deposits) ²⁾ | 295,834.9 | 273,331.6 |
| (Sales of beneficiary certificates) | 50,335.2 | 49,831.8 |
| Asset Soundness (Unit: %) | | |
| Substandard & below (NPL) ratio | 0.40 | 0.48 |
| Substandard & below (NPL) coverage ratio | 143.78 | 112.51 |
| Delinquency ratio | 0.26 | 0.30 |
| Capital Adequacy (Unit: %) | | |
| BIS capital adequacy ratio | 14.20 | 13.95 |
| Tier 1 ratio | 13.03 | 12.67 |
| Common equity tier 1 ratio | 12.04 | 11.96 |
| BPS (KRW) | 98,455 | 92,192 |

¹⁾ Equity attributable to equity holders of the parent company
²⁾ Total assets exclusive of trust assets

Consolidated Net Income / CI Ratio



Balanced Growth

Profitable Growth

Stable Growth

Key Financial Figures

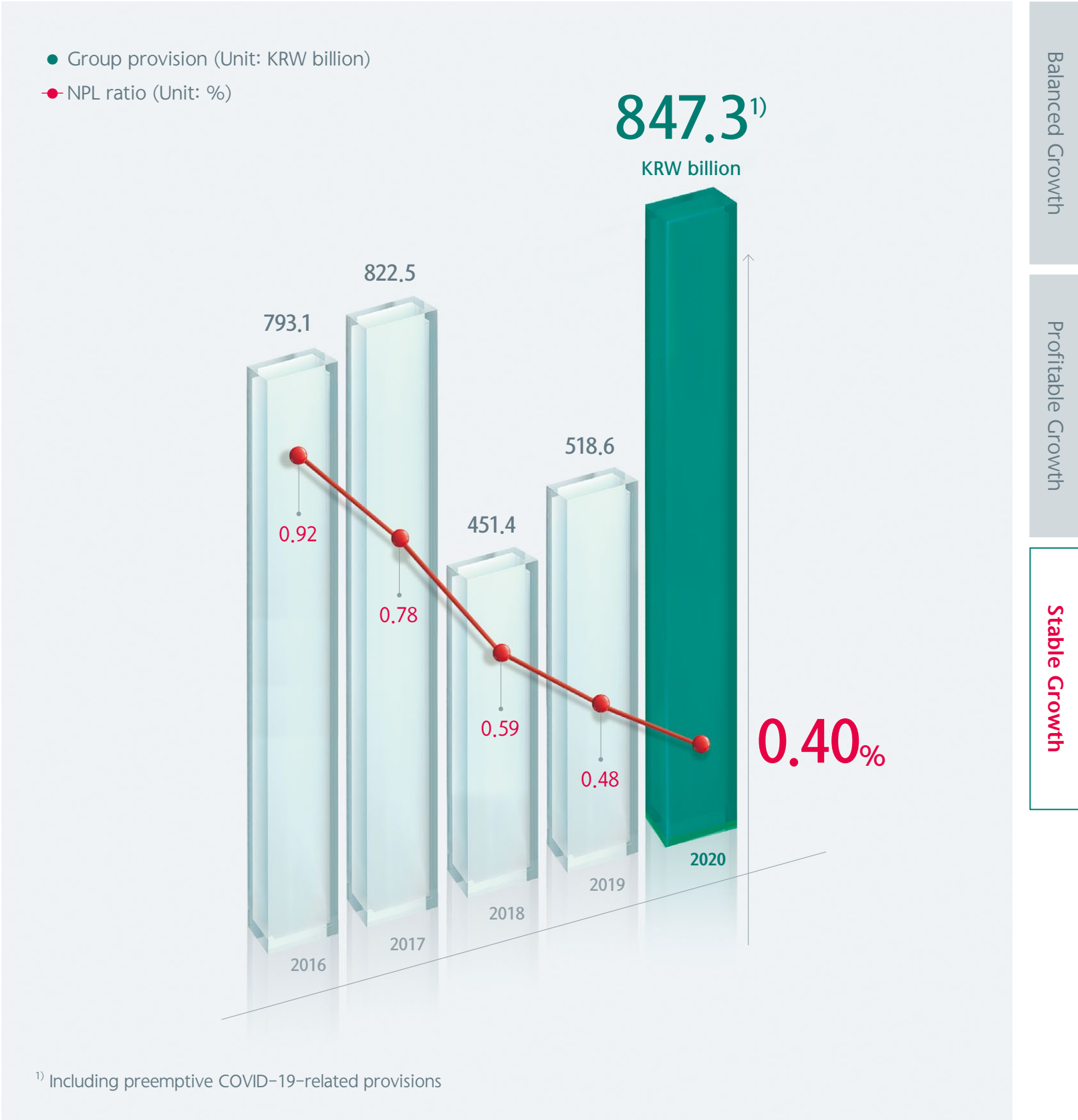
Despite the challenging environment in 2020, Hana Financial Group recorded a consolidated net income of KRW 2,637.2 billion, repeating its record net income performance for the second consecutive year. The amount represents a year-on-year rise of 10.3%, despite a sizable loan loss provision set aside against COVID-19-induced uncertainties; and the increase is the combined outcome of the solid growth of the non-banking sector, which exceeded its initial goal of a 30% share of the Group’s incomes, as well as of the Group-wide cost-cutting measures and the continued growth of global business.

Financial Summary
(Unit: KRW billion)

| | 2020 | 2019 |
|--|---------------|-----------|
| Profitability (Unit: KRW billion) | | |
| General operating income | 8,642.7 | 8,121.5 |
| Operating income | 3,836.4 | 3,258.7 |
| Consolidated net income ¹⁾ | 2,637.2 | 2,391.6 |
| ROA (%) | 0.61 | 0.60 |
| ROE (%) | 8.96 | 8.72 |
| EPS (KRW) | 8,858 | 7,898 |
| Cost to income ratio (%) | 45.3 | 50.6 |
| Business Volume (Unit: KRW billion) | | |
| Total assets ²⁾ | 460,313.3 | 421,467.1 |
| Total sales | 346,170.1 | 323,163.4 |
| (Total deposits) ²⁾ | 295,834.9 | 273,331.6 |
| (Sales of beneficiary certificates) | 50,335.2 | 49,831.8 |
| Asset Soundness (Unit: %) | | |
| Substandard & below (NPL) ratio | 0.40 | 0.48 |
| Substandard & below (NPL) coverage ratio | 143.78 | 112.51 |
| Delinquency ratio | 0.26 | 0.30 |
| Capital Adequacy (Unit: %) | | |
| BIS capital adequacy ratio | 14.20 | 13.95 |
| Tier 1 ratio | 13.03 | 12.67 |
| Common equity tier 1 ratio | 12.04 | 11.96 |
| BPS (KRW) | 98,455 | 92,192 |

¹⁾ Equity attributable to equity holders of the parent company
²⁾ Total assets exclusive of trust assets

Group Provision / NPL Ratio



Key Non-financial Figures

Hana Financial Group fulfills its corporate social responsibilities aimed at “Growing Together, Sharing Happiness”. We went a step further in 2020 and channeled resources and efforts into ESG management with a focus on major themes of “leading the finance of tomorrow”, “trustworthy company”, and “win-win finance”. Going forward, we will conduct ESG management as one of the Group’s three major strategies in 2021, and based on which, build an ESG strategy structure in step with changes in the international financial order and pursue opportunities to grow in a sustainable manner.

Key Sustainability Figures

| PEOPLE | | | |
|--|----------------------------|--------|--------|
| | | Unit | |
| | | 2020 | 2019 |
| Total employees | | 12,195 | 12,754 |
| By position | Executives | 26 | 31 |
| | Managers | 1,343 | 1,405 |
| | Assistant team managers | 3,981 | 4,092 |
| | Staff | 6,845 | 7,233 |
| By employment type (except executives) | Regular workers | 11,365 | 11,973 |
| | Unlimited contract workers | 122 | 123 |
| | Contract workers | 708 | 658 |
| By gender | Male | 4,820 | 5,079 |
| | Female | 7,375 | 7,698 |

* Based on figures of Hana Bank

| PLANET | | | |
|--|------|----------------------|--------|
| Energy consumption ¹⁾ | | TJ | 1,284 |
| Greenhouse gas emissions ¹⁾ | | tCO ₂ -eq | 63,946 |
| Paper consumption ²⁾ | | No. of box | 65,649 |
| Waste discharge ³⁾ | 100L | No. of bag | 6,624 |
| | 50L | | 4,008 |
| | 20L | | 608 |

¹⁾ Based on figures at Hana Bank HQ, sales branch, and affiliates in Myeong-dong building

²⁾ Based on figures of Hana Bank

³⁾ Based on the garbage bags purchased by Hana Bank

| PROSPERITY | | | |
|--|-------------|--------|--------|
| Investment into social contributions | KRW billion | 109.2 | 126.8 |
| Employee participation in CSR activities | Person | 5,159 | 14,926 |
| Volunteer hours | Hour | 17,429 | 54,715 |
| Financial donations ¹⁾ | KRW million | 61,906 | 90,290 |

¹⁾ Based on figures of Hana Bank

Global Awards

Best Private Bank in Korea
(Euromoney)

 13 times

Outstanding Private Banker – Regional Player
(Private Banker International)

 9 times

Most Innovative Private Bank in the World
(Global Finance)

 5 times

Top 1000 World Banks 2020 by The Banker
(As of Jul. 2020)

 81st

Key Non-financial Figures

Hana Financial Group fulfills its corporate social responsibilities aimed at “Growing Together, Sharing Happiness”. We went a step further in 2020 and channeled resources and efforts into ESG management with a focus on major themes of “leading the finance of tomorrow”, “trustworthy company”, and “win-win finance”. Going forward, we will conduct ESG management as one of the Group’s three major strategies in 2021, and based on which, build an ESG strategy structure in step with changes in the international financial order and pursue opportunities to grow in a sustainable manner.

Key Sustainability Figures

PEOPLE

| | | Unit | 2020 | 2019 |
|--|----------------------------|--------|--------|--------|
| Total employees | | | 12,195 | 12,754 |
| By position | Executives | Person | 26 | 31 |
| | Managers | | 1,343 | 1,405 |
| | Assistant team managers | | 3,981 | 4,092 |
| | Staff | | 6,845 | 7,233 |
| By employment type (except executives) | Regular workers | Person | 11,365 | 11,973 |
| | Unlimited contract workers | | 122 | 123 |
| | Contract workers | | 708 | 658 |
| By gender | Male | | 4,820 | 5,079 |
| | Female | | 7,375 | 7,698 |

* Based on figures of Hana Bank

PLANET

| | | | | |
|--|------|----------------------|--------|--------|
| Energy consumption ¹⁾ | | TJ | 1,284 | 1,380 |
| Greenhouse gas emissions ¹⁾ | | tCO ₂ -eq | 63,946 | 68,957 |
| Paper consumption ²⁾ | | No. of box | 65,649 | 69,053 |
| Waste discharge ³⁾ | 100L | No. of bag | 6,624 | 13,950 |
| | 50L | | 4,008 | 21,156 |
| | 20L | | 608 | 1,045 |

¹⁾ Based on figures at Hana Bank HQ, sales branch, and affiliates in Myeong-dong building

²⁾ Based on figures of Hana Bank

³⁾ Based on the garbage bags purchased by Hana Bank

PROSPERITY

| | | | |
|--|-------------|--------|--------|
| Investment into social contributions | KRW billion | 109.2 | 126.8 |
| Employee participation in CSR activities | Person | 5,159 | 14,926 |
| Volunteer hours | Hour | 17,429 | 54,715 |
| Financial donations ¹⁾ | KRW million | 61,906 | 90,290 |

¹⁾ Based on figures of Hana Bank

Global Initiatives

Supporting the Principles for Responsible Banking as an enactor and signatory



UNEP FI

Include in DJSI Asia Pacific & DJSI Korea

MEMBER OF
Dow Jones Sustainability Indices

In collaboration with  a RobecoSAM brand

DJSI Korea

Official member of UNGC since 2007



UNGC

Top grade of A



ESG Evaluation by KCGS



Business Excellence

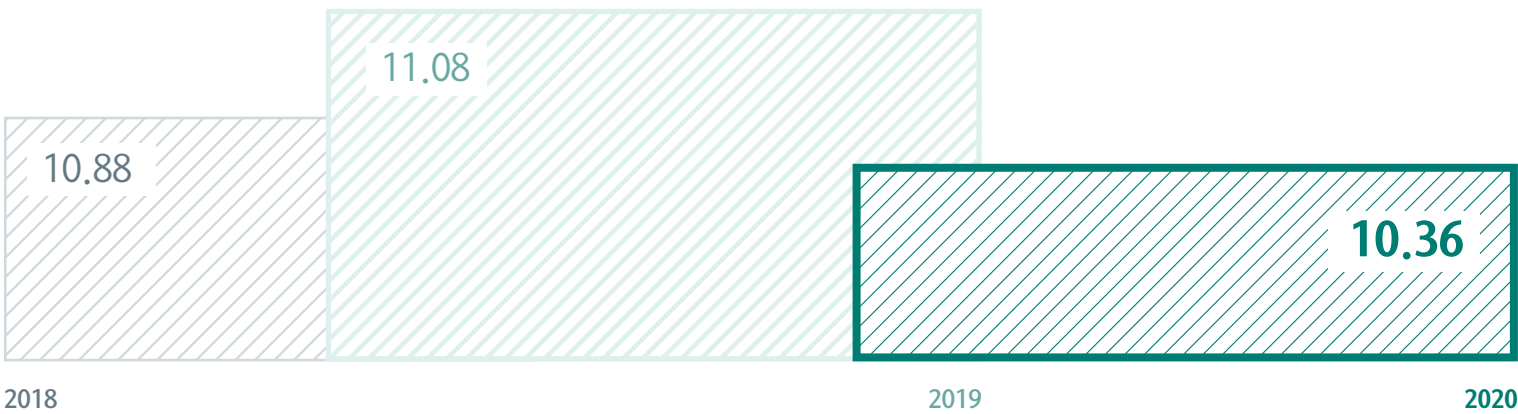
ESG Commitment

Stock Information

Hana Financial Group is concentrating its management capabilities on enhancing shareholder value. To this end, we are maintaining solid growth and strengthening the Group’s financial health despite growing COVID-19-induced uncertainties. Furthermore, we aim to build a virtuous cycle of corporate growth leading to higher corporate and shareholder value, which in turn leads to new investment.

Market Capitalization

(Unit: KRW trillion)



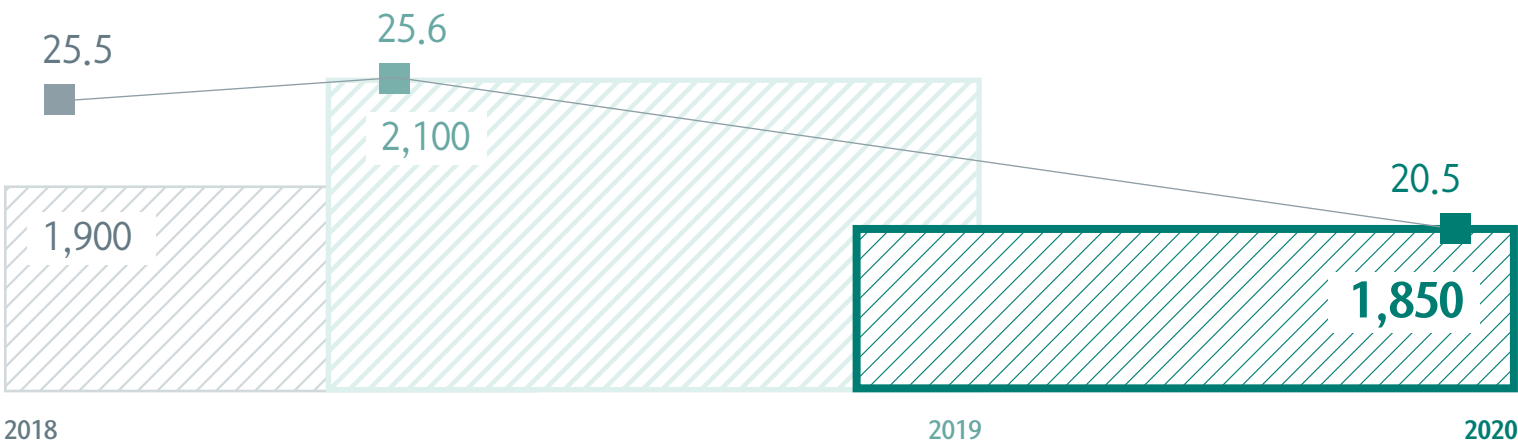
Share Price Changes

(Unit: KRW, Point)

| | 2020 | 2019 | 2018 | 2017 | 2016 |
|------------------------|----------|----------|----------|----------|----------|
| High | 36,750 | 40,050 | 55,500 | 52,000 | 34,500 |
| Low | 18,450 | 31,450 | 35,700 | 30,900 | 19,650 |
| Year-end | 34,500 | 36,900 | 36,250 | 49,800 | 31,250 |
| KOSPI index (year-end) | 2,873.47 | 2,197.67 | 2,041.04 | 2,467.49 | 2,026.46 |

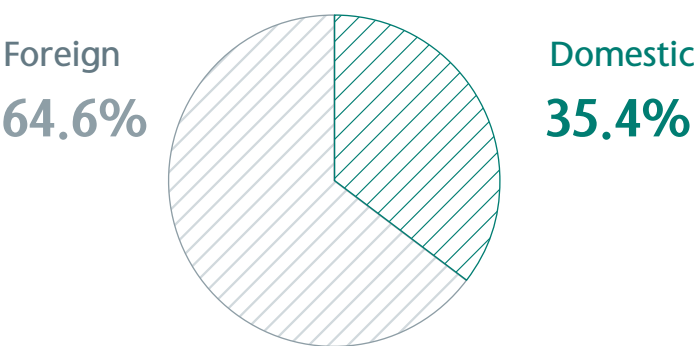
Consistent Dividend History

Dividend per share (Unit: KRW) Dividend payout ratio (Unit: %)



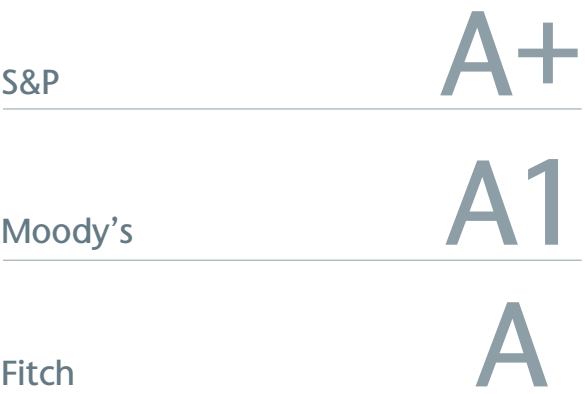
Share Ownership

(As of Dec. 2020)



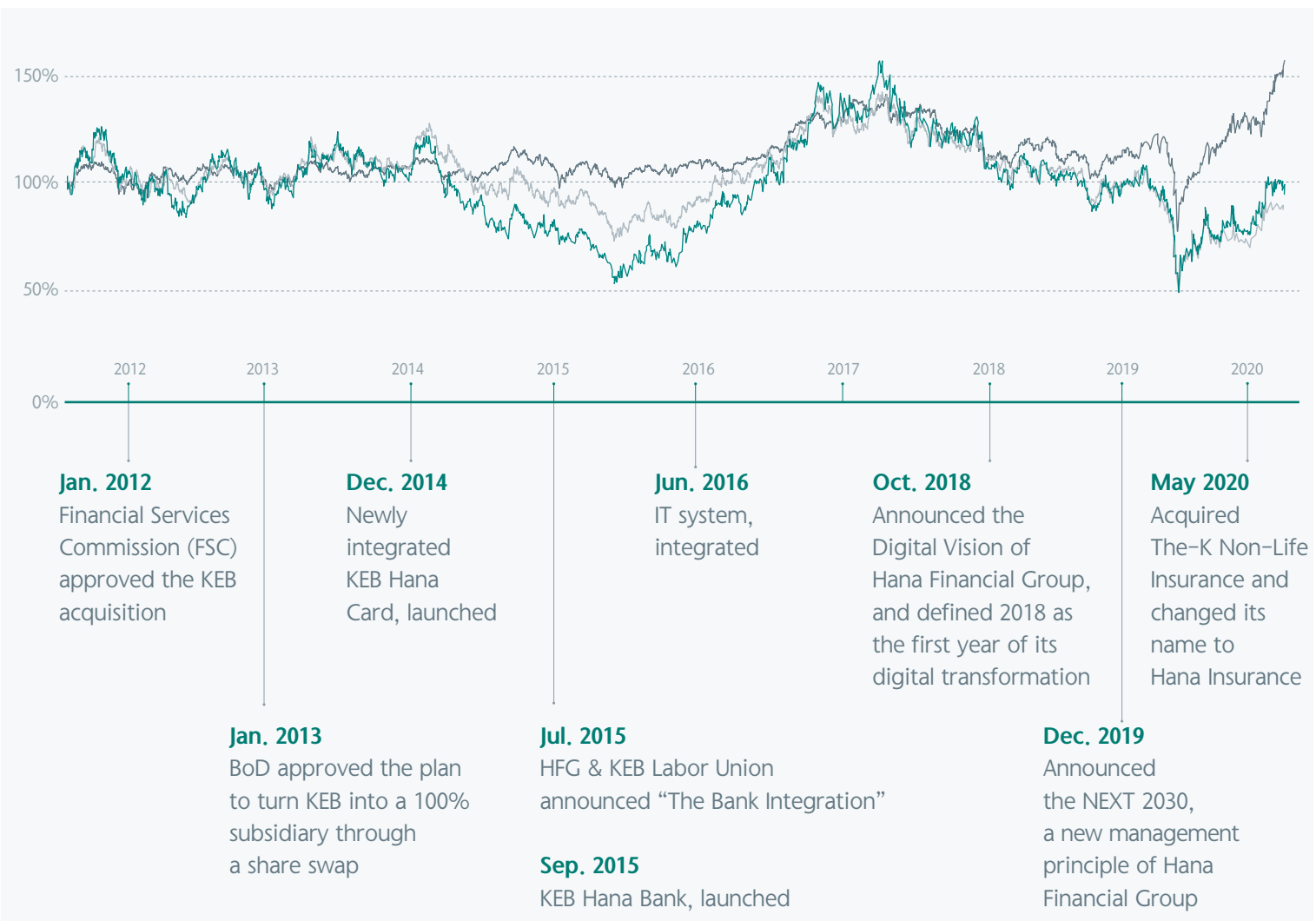
Outstanding Credit Ratings

(Hana Bank)



Stock Performance

Hana Financial Group KRX Banks KOSPI



Board of Directors



| | | | | | | | | | |
|--|---|--|---|--|---|--|---|---|---|
| Kim, Hongjin | Yang, Donghoon | Park, Won Koo | Kwon, Sook Kyo | Kim, Jung Tai | Paik, Tae Seung | Park, Dong Moon | Park, Sung Ho | Heo, Yoon | Lee, Jung Won |
| Outside Director | Outside Director | Outside Director (Chairman of BoD) | Outside Director | Executive Director | Outside Director | Outside Director | Non-executive Director | Outside Director | Outside Director |
| <ul style="list-style-type: none">• Former, Executive Vice President, Management Support Division, Korea Securities Depository• Former, Head of Administration and Planning, Financial Intelligence Unit, Ministry of Economy and Finance | <ul style="list-style-type: none">• Professor, Department of Accounting, Business School, Dongguk University• Former, President, Korean Accounting Association | <ul style="list-style-type: none">• Former, Professor of Graduate School of Management of Technology, Korea University• Former, Special Affair Professor, Seoul National University | <ul style="list-style-type: none">• Senior Advisor, Kim & Chang• Former, CEO, Woori Financial Information System | <ul style="list-style-type: none">• CEO, Hana Financial Group• Former, CEO, Hana Bank | <ul style="list-style-type: none">• Professor Emeritus and Former Professor, School of Law, Yonsei University• Former, Chairman, Regulation Screening Committee, Financial Supervisory Service | <ul style="list-style-type: none">• Former, CEO, Kolon Industries• Former, CEO, Kolon Glotech | <ul style="list-style-type: none">• CEO, Hana Bank• Former, CEO, PT. Bank KEB Hana Indonesia | <ul style="list-style-type: none">• Dean/Professor, Graduate School of International Studies, Sogang University• Former, Chairman of International Cooperation Division, International Finance Development Deliberation Committee, Ministry of Economy and Finance | <ul style="list-style-type: none">• Former, CEO, Shinhan Data System• Former, Vice President, Credit Analysis & Assessment Group, Shinhan Bank |

* As of March 2021

Corporate Governance

Guided by strong and sound corporate governance, Hana Financial Group strives to operate proactively for the benefit of all of our stakeholders.

COMPOSITION OF THE BOD

As Hana Financial Group’s highest decision-making body, the Board of Directors (BoD) deliberates and decides on the holding company’s management goals, strategies and business plans, and oversees the execution thereof. Furthermore, its duties include appointing and dismissing the Group’s CEO, determining director salaries within a range set by the annual general meeting (AGM), and approving transactions between directors and companies.

At the end of March 2021, the BoD consists of eight outside directors, one executive director (CEO), and one non-executive director, outside directors accounting for 80% of the total. The outside directors have diverse professional backgrounds: banking, business management and economy, law, information technology, civil service, and finance & accounting¹⁾. Such a wide-ranging diversity is intended in the interest of maximizing value for shareholders, customers, employees and other stakeholders.

Hana Financial Group has in place ten committees under the BoD, each empowered to examine and discuss its agenda items in depth. As for executive nomination committee as stipulated in the “Act on Corporate Governance of Financial Companies”, we operate three separate committees each in charge of nominating outside directors, auditor, and the Group CEO, respectively. The operation of not one but three committees is to select director candidates best suited for the qualifications and expertise required for the roles they are to conduct. Hana Financial Group’s BoD and committees maintain organic relations, and receive sufficient assistance from support organizations.

Board Committees

| Committee | Purpose and Responsibilities | No. of outside directors/ No. of members | Chair |
|---|--|---|---|
| Steering Committee of BoD | Deliberate and resolve issues related to enhancing the corporate governance structure, improving the operation of the BoD and its committees, and other matters delegated by the BoD | 4/5 | Park, Won Koo (Outside director) |
| Audit Committee | Plan and conduct internal audits, including accounting and business audits and other incidental audits, evaluate audit results and take follow-up measures, and recommend improvements | 4/4 | Paik, Tae Seung ¹⁾ (Outside director) |
| Risk Management Committee | Establish, approve, and manage policies and plans for handling various risks associated to the Group’s business operations | 4/4 | - |
| Management Development and Compensation Committee | Establish and deliberate Group compensation policies and matters related to the performance evaluation of executives in holding company and its subsidiaries | 3/3 | Heo, Yoon ²⁾ (Outside director) |
| Group Executive Nomination Committee | Screen and nominate candidates for the position of executive directors of the holding company (excluding CEO and outside directors) and chief executive officers of the Group affiliates when new appointments are required for various reasons including tenure termination | 3/4 | - |
| Outside Director Nomination Committee | Establish guidelines for appointing outside directors, and screen and nominate qualified outside director candidates from various fields | 4/4 | Park, Won Koo (Outside director) |
| Auditor Nomination Committee | Select candidates for the Audit Committee and nominate them at AGM | 8/8 | - |
| Group CEO Nomination Committee | Set criteria for candidates for the Group’s CEO, and screen and nominate qualified candidates according to relevant regulations and bylaws | 8/8 | - |
| Sustainable Management Committee | Establish and change the Group’s sustainable management strategies and policies | 4/5 | - |
| Customer Risk Management Committee | Establish and change the Group’s customer risk management policies, enact and abolish Customer Risk Management Operating Committee regulations | 4/5 | - |

* As of March 2021; and outside director Park Won Koo was appointed as the BoD chair at a BoD meeting held on March 26, 2021
¹⁾ At an Audit Committee meeting held on March 26, 2021, outside director Paik Tae Seung was appointed as the chairperson
²⁾ At a Management Development and Compensation Committee meeting held on March 26, 2021, outside director Heo Yoon was appointed as the chairperson

¹⁾ Banking: Lee, Jung Won / Business management: Park, Dong Moon / Economy: Heo, Yoon / Finance & accounting: Park, Won Koo, Yang, Donghoon / Law: Paik, Tae Seung / Information technology: Kwon, Sook Gyo / Other (retired government official with expertise in economy): Kim, Hongjin

INDEPENDENCE AND TRANSPARENCY OF THE BOD

A majority of board directors at Hana Financial Group are outside directors, which ensures the BoD’s ability to keep management in check as well as its independence and transparency. The BoD also plays the role of a multitasking advisor as it comprises industry experts in banking, business administration, law, and finance & accounting. In addition, it is authorized by internal regulations to consult third-party specialists if necessary. The outside directors are highly experienced in and knowledgeable of their respective area, free of any conflict with the Group’s business, and ensured of their willingness and ability to devote a sufficient amount of time and effort to effectively performing their duties. Outside directors are selected among candidates nominated by the Outside Director Nomination Committee after a thorough scrutiny of their qualifications under relevant laws and regulations in the areas of independence, expertise, job fairness, ethical conduct and job integrity, in order to ensure fairness and independence in the composition of the BoD. The BoD regularly publishes its activity and results, maintaining close communication with shareholders, investors, financial consumers, and other stakeholders. Also published is the transparency of the activity through a detailed disclosure of the salary of the directors and of corporate governance 20 days before every AGM.

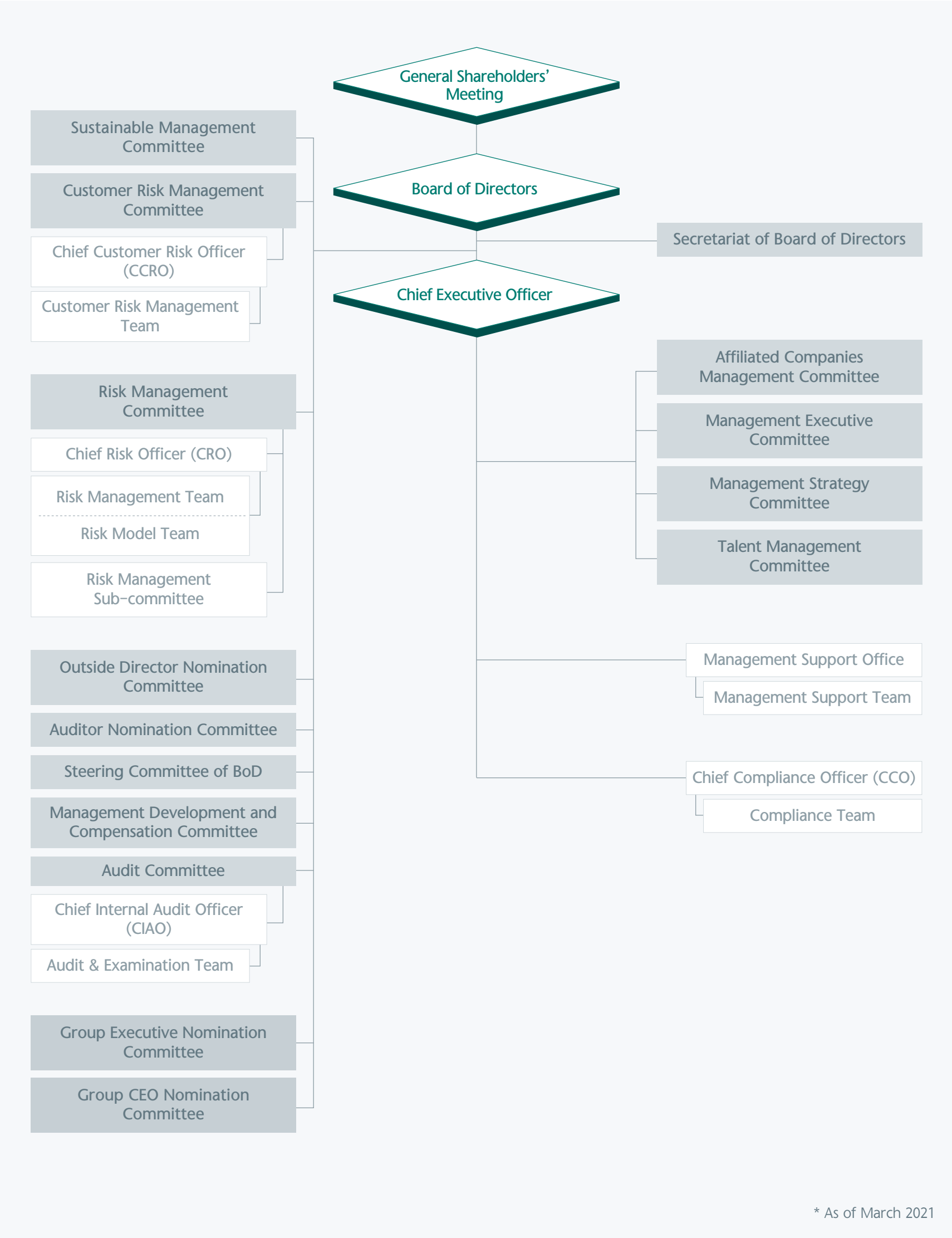
BOD EVALUATION PROCESS AND STANDARDS

Our BoD revised outside director evaluation criteria, at the 8th BoD meeting that was held in December 2015, based on recommendations from a consulting firm, with the goal of identifying room for improvement in the composition and operation of the BoD as well as in its role and responsibility. Since then, a BoD evaluation has been carried out every year. The evaluation focuses on each director’s job capabilities and qualifications, responsibility toward and contributions to the BoD, and cooperation and trust. The items of each evaluation category are sufficient enough to ensure the accuracy and fairness of the evaluation for all categories. While most items are multiple-choice questions, the evaluation process also has a qualitative element as it is possible to express a comprehensive opinion of each member of the board. In particular, the criteria for an employee evaluation of outside directors are limited to their BoD and Committee attendance rates as well as the frequency and degree of their participation in training and education sessions, in our efforts to keep outside director evaluations as fair and objective as possible.

Every January or February, the BoD’s performance of the previous year is evaluated in a written survey format involving only outside directors to ensure the objectivity of the evaluation. The evaluation of each outside director’s performance is also carried out in the same period, and it is conducted in individual, peer, and employee evaluation formats to maintain objectivity in accordance with internal norms and other relevant regulations on governance. In addition, the evaluation can be carried out by an outside organization, if needed, as specified in Article 11 of the Outside Director Operation Regulations. Evaluation results are compiled and reported to the committee in charge, and publicized every February or March. The entire evaluation process is led by the BoD, but some detailed work is delegated to the BoD Secretariat.

In the evaluation of its 2020 performance, the BoD was rated “highest level” in all categories—functionality, role, responsibility, operation, composition and evaluation of director qualifications. Also rated highest level were the eight BoD committees, excluding Sustainable Management Committee and Customer Risk Management Committee, which were created in 2021, in all categories. The evaluation of outside directors’ performance for 2020 was carried out in January 2021, and all outside directors were rated highest level in all categories as well.

Board Organization



* As of March 2021

Risk Management

We have continued to respond decisively to challenging market conditions and to build lasting value for all stakeholders backed by prudent risk management strategies, and through an integrated approach to risks and opportunities.

Hana Financial Group is fully aware of the paramount importance of proactive and systematic risk management, and focuses on maximizing risk management capacity to effectively cope with a crisis of any magnitude. Risks associated with credit, market, liquidity and operations are managed through detection, measurement, monitoring, control and reporting in accordance with guidelines at the Group level.

We improved our non-performing loan (NPL) ratio and delinquency ratio in 2020 through continued rebalancing of high-risk portfolio assets as well as capital adequacy ratio through stable management of risk-weighted assets. In addition, we advanced our risk management systems by strengthening the monitoring of risk factors related to growing internal and external uncertainties.

RISK GOVERNANCE

Hana Financial Group has established and operates an advanced risk governance system that comprehensively and systemically manages all possible risks. Our Board of Directors (BoD) has set in place the environment and systems to manage risks in accordance with guidelines set for our business strategies, and delegates a portion of its risk management authority and responsibilities to the Risk Management Committee.

RISK MANAGEMENT COMMITTEE Risk Management Committee is the BoD committee responsible for effectively managing risks in line with business strategies of the Group and the Group affiliates in accordance with regulations set by BoD. As the Group’s highest decision-making body on risk matters, the Committee establishes, approves, and manages policies and master plans for managing various risks inherent in the Group’s business. Consisting of experts in accounting, economics, finance and other relevant areas, the committee manages Group-wide risks on the basis of the top-down system between the holding company and the Group affiliates, making efforts to ensure a smooth communication and, when needed, seeks opinions from internal and external experts.

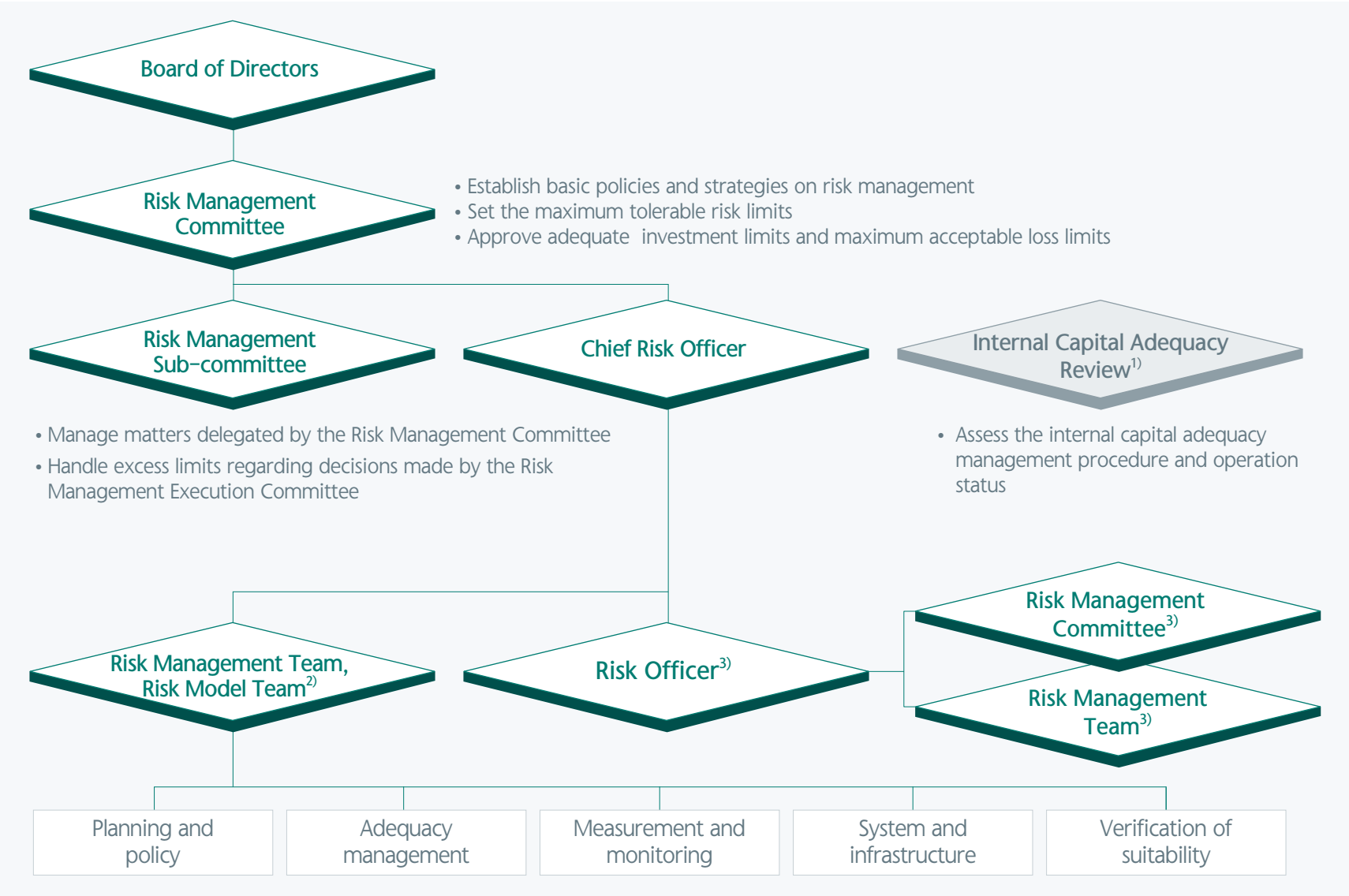
RISK MANAGEMENT SUB-COMMITTEE Risk Management Sub-committee sets detailed limits on matters delegated by Risk Management Committee, and accordingly monitors and manages risk management practices being conducted across the Group operations. It also deliberates on pending risk issues and control measures of the Group affiliates and coordinates the implementation of the Group’s risk management policies at the affiliate level.

CHIEF RISK OFFICER Chief Risk Officer supervises and manages all risk management-related organizations in accordance with rules set by the Risk Management Committee. We appoint a Chief Risk Officer with qualifications pursuant to Article 28, Paragraph 3 of the Act on Corporate Governance of Financial Companies and relevant internal regulations.

HOLDING COMPANY’S RISK MANAGEMENT UNITS The holding company’s risk management units – Risk Management Team and Risk Model Team – are independently run under the supervision of CRO. They report risk management-related issues directly to the Risk Management Committee, Risk Management Sub-committee, top management, and CRO, and assist the bodies in their deliberation of the issues. They also examine the Group affiliates’ day-to-day risk management practices and the adequacy of their risk measurement models.

RISK MANAGEMENT COMMITTEES, OFFICERS AND TEAMS AT THE GROUP AFFILIATES The Group affiliates implement the holding company’s risk policies and strategies, and in line with these, establish and execute detailed risk policies and strategies of their own and subsidiaries.

Risk Management Organization



¹⁾ Independent third party
²⁾ Holding company
³⁾ The Group affiliates

RISK MANAGEMENT STRATEGY

CREDIT RISK MANAGEMENT Hana Financial Group has established an in-house credit rating system and an independent risk management organization, as well as an early warning and other monitoring systems, in our efforts to ensure comprehensive management of credit risks. We also operate such risk management systems as credit rating and pricing models each differed by type of asset – retail or corporate – to measure the likelihood of counterparty defaults.

Meanwhile, responding to new risk factors emerging in tandem with growing COVID-19-induced uncertainties, we are minimizing potential credit risks associated with counterparty defaults by fine-tuning systems managing credit limits. To this end, we have set different credit limits by type of borrowers while also setting credit limits by industry based on industrial credit ratings as well as by country and region.

MARKET RISK MANAGEMENT Hana Financial Group has set limits on exposure, value at risk (VaR), loss and other various market risks by product, division or other units to preemptively manage market risks. We measure and monitor the level of market risks on a daily basis and then report the results on a regular basis, so that the overall level of market risk is under control at all times.

In addition, we closely track a number of early warning indicators and internal management indicators on a real time basis, in order to prepare for the possibility of another crisis originating from financial market volatility. By doing so, we have set in place a system to detect signs of a crisis, and also have established stage-by-stage response procedures to effectively minimize any potential losses through preemptive countermeasure application.

LIQUIDITY RISK MANAGEMENT Hana Financial Group not only sets limits on major liquidity risk management indicators, but also has an early warning system to identify a potential liquidity risk issue arising in the financial market. In addition, potential liquidity issues are constantly monitored through application of various liquidity stress scenarios, statistical analysis and capital amount simulations. Contingency plans are also in place for various types of liquidity crisis.

OPERATIONAL RISK MANAGEMENT Hana Financial Group regularly measures the level of operational risks following changes in the business environment or the level of internal control, with the goal of maintaining and controlling operational risks at a manageable level at all times. Each of the Group affiliates calculates the level of operational risks by using a methodology that is in compliance with the guidelines set forth by its respective industry authorities. The calculated levels are then reported to the Group’s Risk Management Committee and Risk Management Sub-committee on a monthly and quarterly basis. The Group affiliates which are not regulated by industry guidelines on operational risks also report the results of their monitoring of operational risk-related losses and IT system disruptions to the holding company on a regular basis.

CYBER RISK MANAGEMENT We effectively manage all cyber risks through the cybersecurity department of each Group affiliate and by operating managerial, physical and technological prevention systems against cyberattacks. As for managerial measures, we identify and monitor risks at all times in accordance with response regulations established in compliance with relevant laws, and have in place an on-demand process of reporting cybersecurity issues overseen by the Information Protection Committee. As for physical measures, we operate the industry’s largest IT center. Access to the center is controlled by such latest technologies as biometric authentication and near field communication (NFC). Also, we have an Information Security Management System (ISMS) certificate, a state-approved security certification program. Regarding the technological aspect, we minimize cyber risks through network separation, smart office adoption, and operation of information protection systems for network security, PC security, DB security, server security and other areas.

As for protecting personal information, we have in place systems that block unauthorized attempts to store or transmit data. Whenever personal information needs to be stored or transmitted, encryption is required of all data in order to render harmless any data leaked, intentionally or not. In addition, the Group Integrated Security Control Center operates 24/7 to detect and frustrate all suspicious entry attempts. As part of the effort to preempt cyberattacks, simulation training is held at least once a year, and all cybersecurity systems go through a rigorous examination to identify possible vulnerabilities at least twice a year.

CORE RISK MANAGEMENT TASKS IN 2021

Hana Financial Group pursues the industry’s highest level of capital adequacy and asset soundness. To this end, we will focus on strengthening our crisis management abilities in preparation for an undue rise of uncertainty in global financial markets and economic downside risks. We also plan to intensively manage key risk factors in certain business sectors, while preemptively responding to toughening of global financial regulations and unpredictable financial markets.

Key Tasks in 2021

- Maintain adequate level of capital and focus on strategic portfolio management
- Operate the risk management system to handle economic and financial environment changes
- Strengthen liquidity risk management in preparation for financial environment uncertainties after COVID-19
- Strengthen risk response capabilities in tandem with innovation finance and digital environment changes

Vision & Mission

To shape the future, we need convincing visions. Hana Financial Group therefore has set clear goals, with a particular focus on long-term value creation for our stakeholders, to become “The Trusted Premier Global Financial Group”.

The evolving financial environments at home and abroad in the era of the new normal and the 2012 acquisition of Korea Exchange Bank have prompted Hana Financial Group to develop a new role to play and to chart a new course. Accordingly, we have defined a new mission, a vision and strategic goals as follows:

MISSION

Growing Together, Sharing Happiness

The mission of Hana Financial Group captures its will to fulfill social responsibilities by fully embracing the demands and changes of the times. We aim to achieve “healthy growth”, in which we balance our growth and social responsibilities, and we also carry out activities that enable all of our stakeholders to work together and build a better society. We will actively help members of society pursue their happiness by sharing the benefits of the growth with all stakeholders and creating shared values through finance, while faithfully conducting our given roles.

VISION

The Trusted Premier Global Financial Group

The vision of Hana Financial Group embodies the pledge of its employees to start from customer trust, which is the essence of financial business, and become a forerunner of change and innovation through outstanding strategies and thus stay ahead. Also included is our ambition to compete not in the already saturated domestic market, but with top-tier global financial institutions in the international arena backed by Korea’s largest global network. Moreover, we aim to be a financial group offering financial services that transcend business boundaries and meet diverse customer needs.

Strategic Goals – BEST 2025

Best Bank, Expanding to Global, Stable Portfolio, Trusted Group



Best Bank

We aim to become the best bank in Korea in terms of profits by strengthening our customer base, improving market dominance and thus further fortifying a basis for profit generation.



Expanding to Global

In search of core growth engines with which to overcome growth limitations in the domestic market, we focus on global localization and staying ahead in the global payment settlement market. By doing so, we aim to generate 40% of our profits from overseas operations.



Stable Portfolio

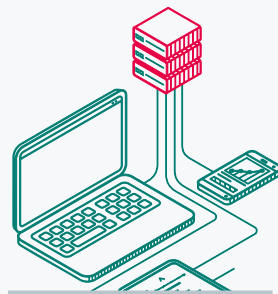
We are focused on building a stable business portfolio and offering genuine synergy-based total financial services. By doing so, we aim to generate 30% of profit from our non-banking sector.



Trusted Group

We aim to improve our brand image at the Group level and strengthen financial consumer protection by reflecting trust, the core basis of our key differentiators, in our strategic goals.

Major Tasks in 2021



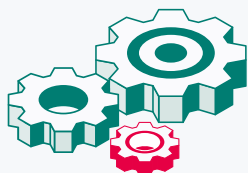
Redefine Platform Finance-centered Business

Hana Financial Group has set “redefining platform finance-centered business” as the top-priority management goal for 2021. We will build an open financial ecosystem by evolving into a financial platform that encompasses diverse areas closely connected to customers’ daily life, and through strategic investment in and alliance with fintech companies, we will internalize their advantages and discover future growth drivers. In addition, we will proactively respond to changes in the fast-changing contactless financial environment by redesigning our organization based on innovation and expanding the horizontal corporate culture.



Internalize Global D.N.A

Hana Financial Group seeks to internalize the DNA for global business competitiveness. Our unique, global D.N.A stands for Dominance, Networking, Allocation – we will increase our market dominance by strengthening our presence in key Asian regions and expanding the adoption of best practices on business advancement, and improve our global network by focusing on developing global business talent and increasing efficiencies in personnel management. In addition, we will move forward with value-focused global expansions by employing different entry strategies by key markets and rebalancing the allocation of the Group’s global capabilities and resources.



Practice ESG Management-based Socially-responsible Finance

Hana Financial Group will enhance its social responsibility by building a world-class ESG management system. In addition to active support of government policies, including the K New Deal, we will pursue win-win growth with local communities by providing financial services tailored to customer needs and supplying venture capital for promising SMEs and startups. Moreover, we will make continuous efforts to practice inclusive finance by expanding support for the financially marginalized and the socially underprivileged.



Complete Customer-first O.N.E Company

Hana Financial Group will strengthen synergies which the Group affiliates generate in collaboration to provide customer-centered financial services. We will expand the customer base by facilitating our one-customer marketing platform, offer new value in the form of a customer experience of hyper-personalized financial services made possible by big/deep data analysis, and ensure efficient operation by increasing the flexibility of allocating our internal resources, including personnel, products/ channels, and investment.



Manage All Risks with Zero Defect

Hana Financial Group pursues all-directional zero-defect risk management in preparation for multifaceted financial risks in the coming new-normal era, and will take the lead in financial consumer protection by strengthening the oversight of the development and sales by subsidiaries of complex financial products. In addition, we will bolster the credibility of finance with preemptive risk management centered on the standardization of internal controls.

In 2021, Hana Financial Group will continue its diverse efforts at growing into “The Trusted Premier Global Financial Group”. We will also continue to fulfill our social responsibilities and roles as a Korea’s leading financial group to earn customer trust and loyalty and to help all enjoy happiness through finance, based on the humanity-centered management that generates happiness for our customers and employees.