

# BEYOND FINANCE.

— The year 2021 was marked by the pandemic which has led to extreme volatility, bringing a large part of the world to a standstill and changing our lives dramatically. We need to adopt new solutions in this challenging era.

Hana Financial Group is pursuing the “NEXT 2030 Management Principle” based on which we are adopting digital DNA <sup>PLATFORM-BASED FINANCE,</sup> building global momentum <sup>GLOBALLY-ORIENTED FINANCE,</sup> and creating sustainable value <sup>ESG-DRIVEN FINANCE,</sup> transforming the concept of finance towards a new future.

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Platform-based Finance

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# Adding Digital DNA

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We are entering the Fourth Industrial Revolution era in which cutting-edge technologies, such as AI, robotics, and big data, will become new growth drivers. Amid a global tide of digital transformation, Hana Financial Group, under the slogan of “Digital First”, is expediting its pace of digital transformation of products and services. Our digital transformation is another extension of innovations we have planned for and systematically implemented over the years. It is also a distinctive growth strategy that adds digital DNA to the traditional strengths.

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# Digital Culture Code

Even in a rapidly changing digital transformation era, customers remain at the center of financial services. Hana Financial Group's digital transformation is therefore focused on customer satisfaction. We declared our digital vision in 2018 projecting a customer-centric, data-driven information company, and adopted the "Hana Digital Culture Code".

## 2017 HANA FINANCIAL GROUP DATA CENTER

Hana Financial Group built an integrated data center in Cheongna International City, a free economic zone, in 2017. This is the domestic industry's first case of integrating the IT infrastructures, technologies and specialists of all Group affiliates in one place. It currently serves as a forward base for Hana Financial Group's digital transformation.

## 2018 HANA FINANCIAL GROUP DIGITAL VISION

Hana Financial Group declared 2018 as the first year of digital transformation, sharing a vision and roadmap for progressive employee mindsets and the organizational culture. We have since been integrating IT into finance, thereby developing new growth engines. In particular, we offer distinctive customer values by collecting all data and market information generated through customer interactions and are moving forward with a customer-centric digital transformation.



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# Digital Workforce

Hana Financial Group is focusing on effectively attracting and retaining digital talent, thereby enhancing corporate competitiveness. In addition, we are innovating our methods of working through adoption of digital technology to enable our talent, who will lead platform-based finance, to focus their time and capabilities on work of greater value.

2018

## ROBOTIC PROCESS AUTOMATION

Hana TI has developed “Work-Life Bot”, a robotic process automation (RPA) solution optimized for the financial industry, through the engagement with POSCO ICT in August, 2018. By 2020, all Group affiliates have adopted the RPA solution and, in 2021, achieved tangible outcomes in terms of reduced costs and improved productivity.

2019

## HANA GLOBAL CAMPUS

Hana Global Campus was opened in May 2019 to foster global and digital talent. At one of the largest training facilities in Korea, employees of Hana Financial Group’s global network, comprising subsidiaries and offices in 24 countries across the globe, are growing into the Group’s core talent.

2020

## DT UNIVERSITY

“DT University” was launched in June 2020 to nurture leaders for the Group’s digital transformation. DT University is an integrated training platform providing practical and task-specific digital training through on/offline courses. By nurturing a school of convergent talent armed with financial knowledge and digital skills through DT University, we are strengthening the digital capabilities of the Group.



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# Digital Transformation

Based on the digital competitiveness, mindsets, and talent that it has secured over the last several years, Hana Financial Group is implementing its digital transformation at a more rapid pace. To have our financial platforms expand beyond traditional financial areas and thus evolve into a life platform that resolves inconveniences in daily life, we are increasing the scope not only of synergetic collaborations among the Group affiliates but also of cooperation with others. Through such distinctive open digital innovations, we are creating a new chapter in Korea's history of platform-based finance.

2021

## HANA HAP

In November 2021, Hana Financial Group unveiled an integrated MyData brand, an industry first. "Hana HAP", which reads "one sum" in Korean, offers customer-specific optimal financial service solutions by consolidating customers' extensive financial data scattered across the digital network of the Group affiliates. It is an outcome of a proactive planning executed at the Group level through organic cooperation among the Group affiliates. Since March 2022, we have been operating a joint office space where business units dedicated to MyData business and IT personnel of three subsidiaries in banking, financial investment, and card, have been working together. They are preparing the launch of non-face-to-face products that are Mydata based and Hana HAP specific.

If our initial task was to collect customer's asset data scattered across the Group affiliates and to display them in one setting, our next step is to enable wealth management services and product recommendations tailored to individual customer's preferences and best interest. For this, we will consolidate scattered customer data upon relevant customers' consent which will enable us to grow beyond traditional financial service boundaries and into a "digital wealth management platform" offering daily financial services to customers.



1Q Pay

### Hana Card's 1Q Pay

1Q Pay was renovated in 2021 as a comprehensive financial platform that enables payment settlements, wire transfers, wealth management, and expenditure management. Equipped with the in-app service of "Hana Money", Hana Financial Group's integrated membership platform brand, the app provides daily finance services based on digital transactions.

1Q Stock

### Hana Financial Investment's 1Q STOCK

Launched in 2021, 1Q Stock is the latest version of our mobile trading system (MTS) that allows users to customize the app to their specific needs. Advanced enough to make stock trades simple for digital natives, including Millennials, and professional individual traders, the new app has gone through a number of upgrades, including an addition of a MyData service last December.

1Q Bank

### Hana Bank's 1Q Bank

Hana Bank's 1Q Bank is Hana Financial Group's leading smart banking app that enables users to access major services of the Group affiliates through a single sign-on (SSO). With its daily life-related service features further strengthened, the app for "intuitive financial life" is evolving beyond a banking into a comprehensive financial platform.



### Hana Life's 1Q Life

1Q Life is growing into a health care platform with an increasing number of digital products available for in-app subscription. In 2021, the app became more competitive in the online insurance market with the launch of a customer-led health-promoting insurance product with an adjustable premium based on the health age of subscribers.

Hana Healthcare



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# DIGITAL FIRST, ASCENDING STRENGTHS.

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In the era of digital transformation in which industry boundaries are fast fading, Hana Financial Group is growing stronger by adding digital technology to the traditional strengths it has accumulated as a comprehensive financial group. In addition, we are increasing investments in companies of high growth potential and cooperation with different industries, as a way to discover new growth opportunities beyond collapsing industry boundaries.

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# FASTER & CONVENIENT



## 3 minutes taken for the entire process



### NON-FACE-TO-FACE CREDIT LOANS

Hana Bank's Hana 1Q Credit Loan, launched in June 2019, enables customers to find out their credit limits and get a loan in three minutes. As of the end of 2021, a total of 379,998<sup>1)</sup> cases of loan were made, amounting to KRW 11,664.6 billion<sup>2)</sup>.

<sup>1)</sup> Cumulative basis, including loans that were paid back

<sup>2)</sup> Cumulative basis. Balance at the end of 2021: KRW 5,579.3 billion

### AI LOAN SERVICE

In 2021 Hana Bank became the first financial institution in Korea to implement AI to determine loan limits by launching "AI Loan" through which customers can check the maximum amount of loan they can borrow with ease. It takes loan applicants less than a minute to find out the maximum loan amount and minimum interest rates they are qualified for, and a mere three minutes to get a loan.

### MOBILE PRODUCT SUBSCRIPTION

Hana Life's mobile app "1Q Life" enables customers to purchase health insurance in less than three minutes. It has substantially simplified the insurance application process by minimizing disclosure requirements and adopting a simple electronic signature system, thus allowing customers to conveniently purchase insurance via a mobile device and review the policy.

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# SMARTER & SEAMLESS



## Digital collaboration beyond banking



### CREATING A NEW CONCEPT OF CONVENIENT BANKING IN COOPERATION WITH BGF RETAIL

Hana Bank in 2021 launched an innovative digital channel combined of finance and distribution developed in cooperation with BGF Retail. The “Smart Self-zone”, available at some CU convenience stores without a bank or ATM within 500 meters, enables customers to enjoy wide-range of daily-life financial services. Going forward, we will actively explore collaboration opportunities to unveil diverse daily-life financial services and thus provide more convenient and innovative financial services.

### LEADING THE PROPTech MARKET IN COLLABORATION WITH JUMP COMPANY

Hana Bank signed an MOU on proptech platform cooperation in December 2021 with Jump Company, which specializes in proptech, and agreed to provide commercial real estate-related financial services for the SMEs and individual business users. In line with the rapid growth of the proptech market, we will continue to discover, cooperate with, and invest in, promising startups such as Jump Company.

### BUILDING A NEW INVESTMENT CULTURE IN PARTNERSHIP WITH NETMARBLE

In November 2021, Hana Bank unveiled “Marble of Investment”, jointly developed with Netmarble. The mock investment game service, through which customers can have fun accessing and experiencing information, marks the Bank’s first attempt to develop new business opportunities by targeting digital natives amid expedited digital transformation.

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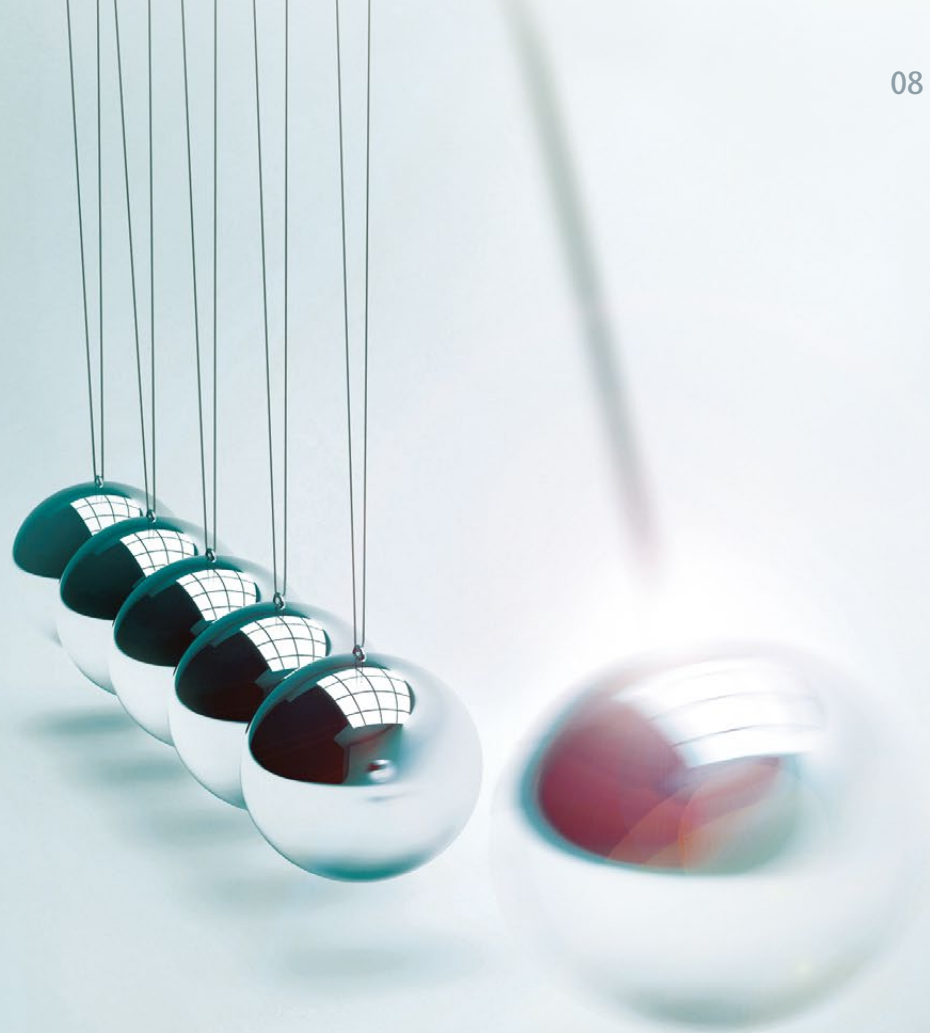
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Globally-oriented Finance

# Building Global Momentum

Hana Financial Group continues to take on diverse challenges to become a leading digital financial group. While improving our profitability, we also are expanding our presence in emerging financial markets and thus gaining global growth momentum based on localization strategies. We are also focusing on expanding platform-based digital financial services. As a result of these growth strategies successfully executed in the face of a global pandemic, we achieved a global income of KRW 687.1 billion, a year-on-year increase of 23.6%, in 2021.





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Global Expansion 1.0

# Largest global network in Korea

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As of the end of 2021, Hana Financial Group holds 212 global networks across 24 countries, the most extensive in Korea. Leveraging the global reach of our network, we are realizing profitable and solid growth in the overseas channels.

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### 2021 HIGHLIGHTS

In 2021, we used the pandemic as an opportunity to identify and diagnose, in detail, the strengths, weaknesses, and risk factors of each overseas channel, and to make thorough preparations for substantial growth of our future global business. As part of these efforts, in 2021, six sub-branches of the Indonesian and one sub-branch of the Canadian subsidiaries of Hana Bank were closed, while an asset management subsidiary in Singapore and five sub-branches of the Myanmar subsidiary were created. As a result, the Group's global network was reduced by one compared to the previous year.

# 212

Number of overseas networks located in 24 countries across the globe as of 2021 year-end



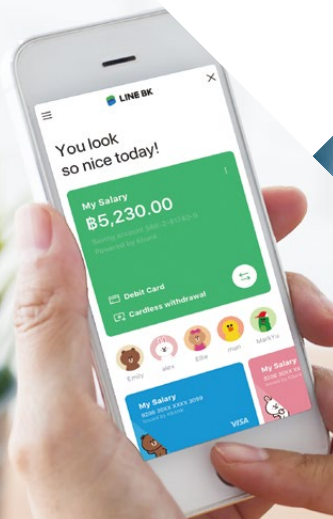
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# Localization powered by digital

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Behind Hana Financial Group's 2021 steady growth in the global market stands its localization strategy. We are focusing on attracting local customers from a long-term perspective and building up growth momentum by expanding platform-based digital finance.

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## 2021 HIGHLIGHTS

The Indonesian subsidiary of Hana Bank launched Line Bank in July 2021 in collaboration with LINE Corporation, a global ICT company. Line Bank, Korea's first mobile platform-based digital bank overseas, is making progress well ahead of the plan, exceeding its year-end goal of securing 200,000 customers by over 100,000. The better-than-expected achievement is more meaningful in that Line Bank's digital business approach was successful in attracting retail customers in the face of a fast-disappearing face-to-face sales tradition triggered by the COVID-19 pandemic. Encouraged by such a success, Line Bank is preparing for the launch of loan products and the rollout of convenience functions to offer new financial experiences to Indonesian customers.

# 300,000+

New customer acquisition goal was exceeded by over 100 thousand in six months from the launch



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Global Expansion 3.0

## Next step for the future of global finance

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ESG management has become a global trend. In widening the stride of its ESG vision, “Big Step for Tomorrow”, to a global level and in pursuing global growth, Hana Financial Group focuses on ESG factors, thereby developing into a global financial group and realizing a sustainable future through finance.

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### 2021 HIGHLIGHTS

In September 2021, Hana Financial Group signed a strategic MOU on ESG-based joint real estate investment with Tishman Speyer, one of the largest US real estate investment companies. Per the agreement, we will work together with Tishman Speyer to discover quality investment opportunities in global real estate markets, including the US, Europe, and Asia, and jointly make a capital investment up to USD 500 million in the next two years. This new global partnership is significant in that the agreement was made to reflect ESG innovation-related factors as a key element in investment decisions. Hana Financial Group will continue to expand global cooperation to realize sustainable finance.

# 500

Plan to make co-investment up to  
USD 500 million in next 2 years



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ESG-driven Finance

# Creating Sustainable Value

The word “ESG” has become main stream of late, but the concept is not so recent. First used in the early 2000s, the concept started to evolve into a business management practice which in turn has gained solid traction as the social role and responsibility of corporations have become important in addressing COVID-19, climate crisis, and other common problems of mankind. Hana Financial Group’s ESG management is not a recent development, either. After choosing “Happy Finance” as a new management slogan in 2015, we have since been practicing finance in such a way as to grow together and share happiness with stakeholders, proactively building ESG management systems, and as a result, riding high forward on the crest of global ESG waves.



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# Empowering green economy

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Hana Financial Group declared 2021 as the first year of its ESG management, established an ESG vision, “Big Step for Tomorrow”, and took a new big step toward sustainable tomorrow. In addition, with an eye toward expediting the national transition to a low-carbon economy through finance, we established mid- to long-term ESG goals of “2030 & 60” and “ZERO & ZERO” and announced the steps to take toward the goals.

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## MEASURES ACHIEVING THE “2030 & 60” GOALS

### ESG bonds

Issue ESG bonds totaling KRW 25 trillion in the next ten years

### ESG loans

Provide KRW 25 trillion in loans, including financial support for the Korean New Deal

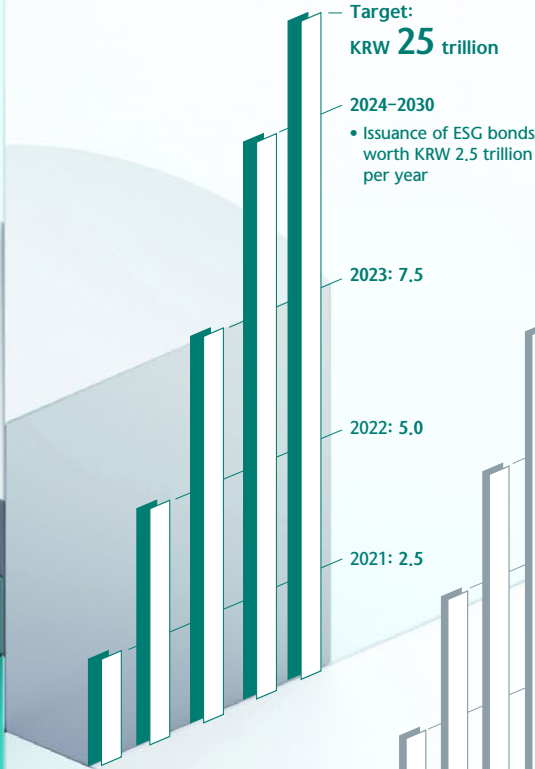
### ESG investments

Make direct and indirect ESG investments totaling KRW 10 trillion, including the management of ESG funds worth KRW 2 trillion



### Target for ESG Bond Issuance

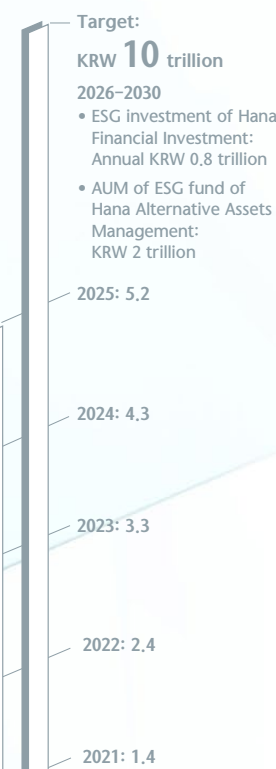
(Unit: KRW trillion)



\* Cumulative amount of ESG bonds issued (including sustainability bonds and social bonds)

### Target for ESG Investments

(Unit: KRW trillion)

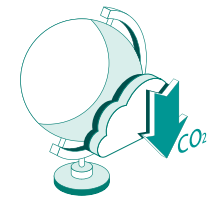


\* Cumulative amount of ESG investments (AUM of Hana Financial Investment and Hana Alternative Assets Management)

### FEATURED CASE

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Hana Financial Group in 2021 established mid- to long-term ESG goals of “2030 & 60” and “ZERO & ZERO”. “2030 & 60” centers on raising and supplying KRW 60 trillion to the environment and sustainability sectors by 2030, while “Zero & Zero” aims to eliminate carbon footprints throughout our operations as well as coal-related project financing by 2050. On the 51st Earth Day of 2021, Hana Financial Group announced its promises for green finance which facilitates the transition to a low-carbon economy through eco-investing, and is making utmost efforts to fulfill its promises.



## #2030&60

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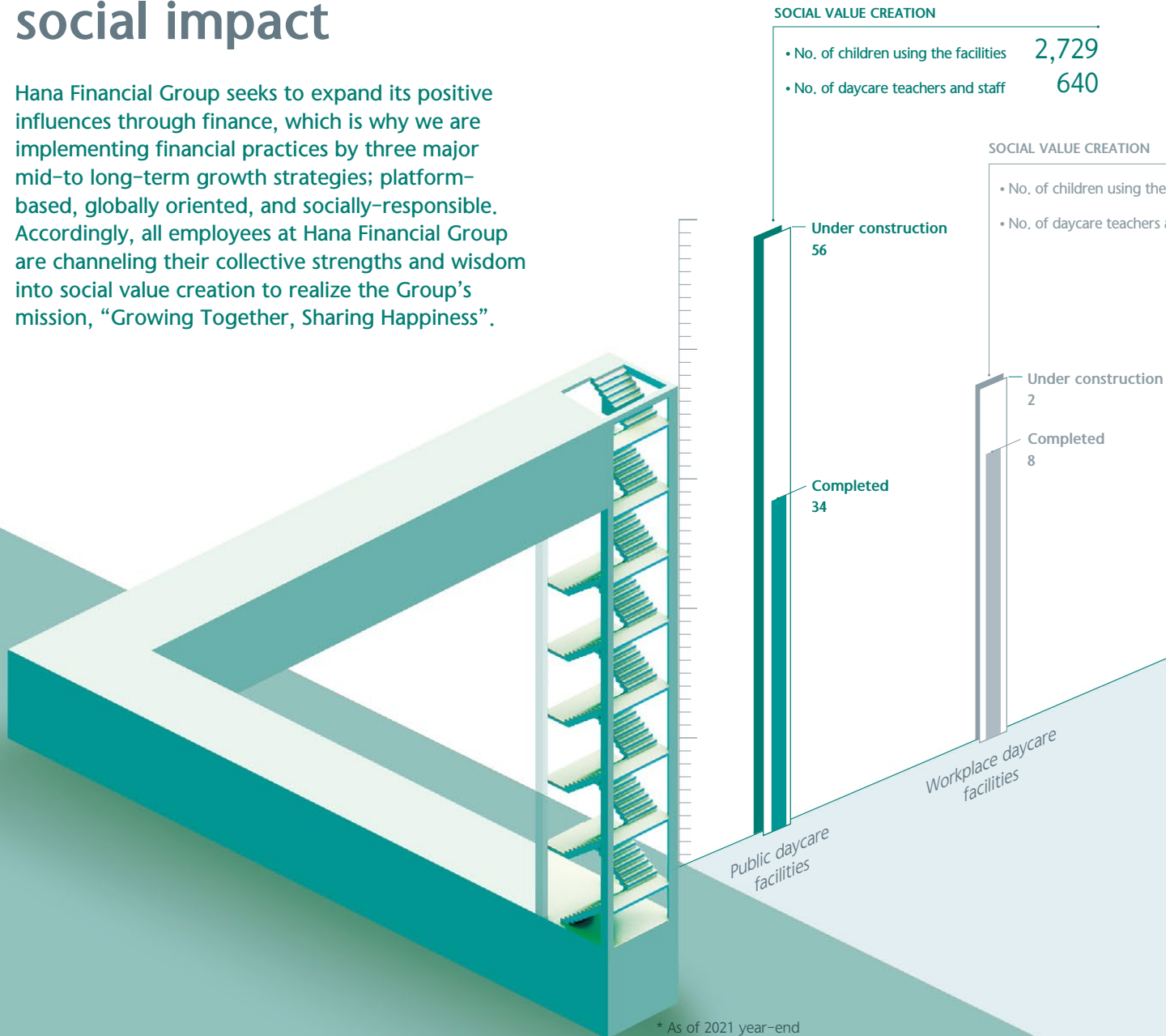
# Scaling social impact

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Hana Financial Group seeks to expand its positive influences through finance, which is why we are implementing financial practices by three major mid-to long-term growth strategies; platform-based, globally oriented, and socially-responsible. Accordingly, all employees at Hana Financial Group are channeling their collective strengths and wisdom into social value creation to realize the Group's mission, "Growing Together, Sharing Happiness".

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## 100 Daycare Facility Construction Project Status



\* As of 2021 year-end

FEATURED CASE

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Since 2018, Hana Financial Group has been carrying out the project of building 100 daycare facilities with a budget of KRW 150 billion. Hoping to address low birth rate and aging population issues and to facilitate a work-family life balance, we are building daycare facilities in farming and fishing villages and for children of SME workers as well as for disabled children. By 2023 when the 100th 100 daycare facility is scheduled to be completed, we anticipate that around 10,000 children will be receiving childcare and around 5,500 people, including some 2,000 daycare teachers, working at new jobs directly and indirectly related to the project.

## #100

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# Geared to sustainable growth

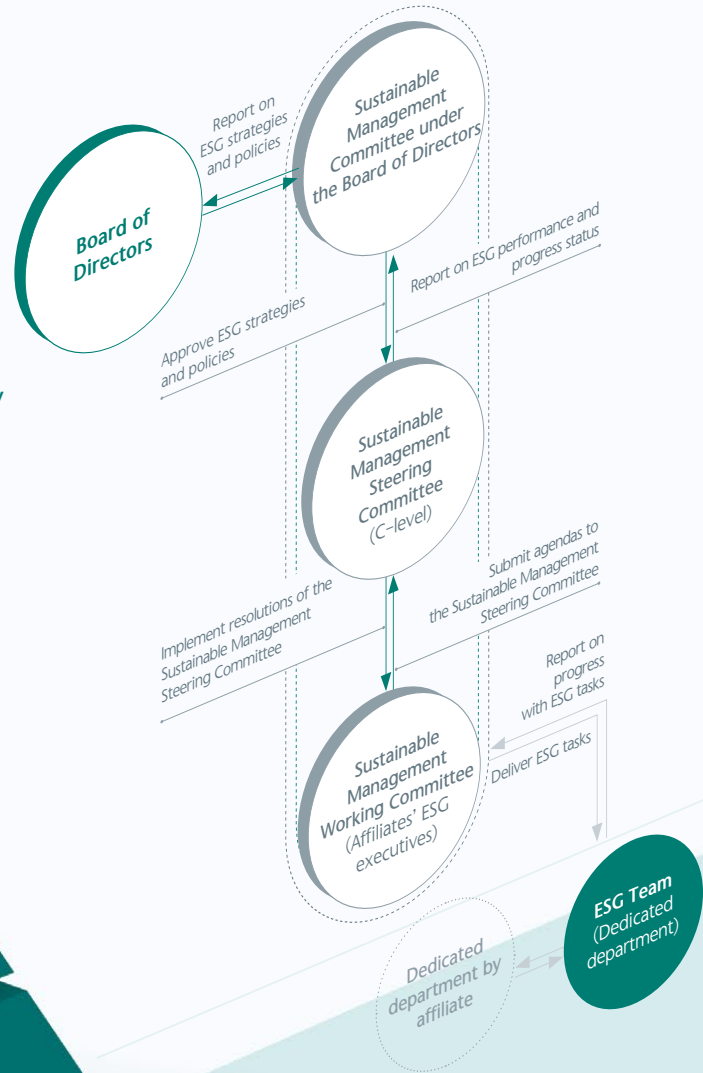
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Hana Financial Group has been practicing sustainable management by aligning the creation of social and environmental values with its business strategies. In addition, we have established an ESG governance and are internalizing ESG management, so that such strategies lead to action. In March 2021, we created Sustainable Management Committee within the BoD and a dedicated ESG Team in our efforts to implement ESG management from a more systematic and long-term perspective, thereby further solidifying our ESG governance structure.

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## ESG GOVERNANCE STRUCTURE



FEATURED CASE

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Sustainable Management Committee was created in March, 2021 which was followed by the establishment of environmental and social risk management (ESRM) and joining of the Equator Principles in August and Partnership for Carbon Accounting Financials (PCAF) in September, with a thorough implementing of key tasks entailed. In particular, through the ESRM system, we are keeping to a minimum our financial participations in projects suspected of having environmental and human rights issues, while increasing financial support for eco-friendly projects, thereby helping the nation's socio-economic systems become more sustainable.



## #ESRM

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# TIME TO RECONCEIVE FINANCE.

— Hana Financial Group seeks to define finance once again in 2022 as it plans a new future through a new management. We will maintain the robust growth of the past decade by further strengthening our competitive advantages, thus continuing to grow in the arena of finance and leaping beyond the domestic boundaries of finance into the global stage on the back of digital technology. As a financial institute supporting the growth of all stakeholders, including households, companies, and government, we will reinforce ESG management with a focus on the environmental, social, and governance aspects of our business operations while helping all stakeholders achieve sustainable growth.