



HANA FINANCIAL GROUP INC.

U.S. RESOLUTION PLAN

PUBLIC SECTION

July **[1]**, 2022

This document may contain forward-looking statements to provide explanations of Hana Financial Group's businesses and results of operations. These forward-looking statements reflect our current views with respect to future events and performance, and are generally identified by the use of forward-looking terminology, such as "expect", "plan", "intend", and similar expressions. You are cautioned not to place undue reliance in these forward-looking statements, which reflect management's current analysis of future events. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

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1. Introduction

U.S. resolution plan rules

In September 2011, the Federal Deposit Insurance Corporation (“FDIC”) and the Board of Governors of the Federal Reserve System (“FRB”) issued a final rule implementing Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (as amended from time to time, the “Joint Rule”). The FDIC and FRB amended the Joint Rule in 2019. The Joint Rule requires foreign banking organizations that are treated as bank holding companies (“BHCs”) under Section 8(a) of the International Banking Act and have total global consolidated assets of U.S. \$250 billion or more to submit periodically to the FRB and the FDIC a plan for the rapid and orderly resolution of the U.S. operations of the BHC in the event of material distress or failure. A BHC that meets this criterion – but that is not a “global systemically important BHC”, “nonbank financial company supervised by the [FRB]”, “Category II banking organization”, or “Category III banking organization” (each as defined in the Joint Rule) – is considered to be a “Triennial Reduced Filer” and must submit a “Reduced Resolution Plan” every three years.

Because Hana Financial Group Inc. (“HFG” and, together with its subsidiaries, the “Group”) is a BHC under the International Banking Act and is a Triennial Reduced Filer, it has prepared this resolution plan (the “U.S. Resolution Plan”) in accordance with the relevant provisions of the Joint Rule.

This is the “Public Section” of the U.S. Resolution Plan, and it constitutes an executive summary of HFG’s U.S. Resolution Plan. This Public Section (i) describes the business of HFG, and (ii) provides, to the extent material to an understanding of HFG, (a) the names of material entities, (b) a description of core business lines, (c) the identities of the principal officers; and (d) a description, at a high level, of HFG’s U.S. resolution strategy. HFG’s U.S. Resolution Plan also includes a Confidential Section, which contains the information required by the Joint Rule.

All information provided in this U.S. Resolution Plan is as of December 31, 2021 unless specified otherwise.

2. Overview of the Business of the Covered Company

Overview of HFG’s Global Operations

HFG is a publicly-traded financial holding company established and organized under the Financial Holding Companies Act of Korea with its head office in Seoul, Korea. HFG offers a diverse line of financial products and services through its numerous subsidiaries, including Hana Bank. Based on total asset value, HFG is the third largest financial group in Korea as of December 31, 2021. In addition, the Group has the largest overseas network among Korean financial service providers. As of December 31, 2021, HFG’s consolidated assets totaled approximately KRW 502.4 trillion (U.S. \$423.8 billion) and its consolidated liabilities (including deposits) totaled approximately KRW 466.9 trillion (U.S. \$393.9 billion).¹

¹ US dollar figures were converted from the numbers in HFG’s financial statements as of December 31, 2021, using an exchange rate of 1,185.5 KRW/USD, which was the spot exchange rate at the beginning of December 31, 2021.

In 2014, HFG drew up a strategic vision, “The Trusted Premier Global Financial Group”, together with its executives and employees. Pursuant to this vision, the Group took steps to improve customer satisfaction and enhance shareholder value in the face of challenging economic environments at home and abroad. HFG continues to move forward with its vision, creating synergies and improving upon its competencies in banking, securities, credit card, insurance, retail financing and overseas businesses, and will further strengthen its competitive advantages in the non-banking sector and overseas business, both of which continue to possess relatively high growth potential.

U.S. Operations

HFG operates in the U.S. through the New York Agency of Hana Bank (the “New York Agency”), KEB Hana NY Financial Corp. (“KEB NY”), KEB Hana LA Financial Corp. (“KEB LA”) and KEB Hana Bank USA, N.A. (“KEB Hana USA”), which is held by Hana Bancorp, Inc. (“HBC”), a bank holding company. The New York Agency engages primarily in wholesale banking services. KEB NY and KEB LA engage primarily in various corporate lending and trade financing activities. KEB Hana USA engages primarily in lending activities to small and medium sized enterprises and those involving commercial real estate.

3. Core Business Lines

The Joint Rule defines Core Business Lines (“CBLs”) as those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit or franchise value. Under the Joint Rule, because HFG is a foreign banking organization, the scope of the CBL analysis is limited to those operations domiciled or conducted in whole or material part in the United States. HFG has determined that none of its U.S. operations satisfies the Joint Rule’s definition of a CBL for U.S. resolution planning purposes.

4. Material Entities

The Joint Rule defines a Material Entity (“ME”) as “a subsidiary or foreign office of the covered company that is significant to the activities of an identified critical operation or [CBL], or is financially or operationally significant to the resolution of the covered company.”² Under the Joint Rule, because HFG is a foreign banking organization, the scope of the ME analysis is limited to those entities domiciled, or that conduct operations in whole or material part, in the United States. Because HFG has no CBLs or identified critical operations in the United States under the Joint Rule (and as follows from the discussion above, its U.S. operations would not be financially or operationally significant to the resolution of HFG) none of its U.S. entities are MEs under the Joint Rule.

² “Identified critical operations” are those operations (as identified by the covered company or FRB and FDIC), “including associated services, functions and support, of which the failure or discontinuance would pose a threat to the financial stability of the United States.”

5. Principal officers

Information regarding HFG’s Board of Directors as of May 31, 2022 is presented in the following table.

HFG BOARD OF DIRECTORS		
Standing Directors		
Name	Appointed	Title
Young-joo Ham	2022	Executive Director and CEO (HFG)
Independent Directors		
Name	Appointed	Title
Tae-seung Paik	2018	Chairman of the Board of Directors
Hong-jin Kim	2018	Independent Director
Dong-hoon Yang	2018	Independent Director
Yoon Heo	2018	Independent Director
Jung-won Lee	2019	Independent Director
Sook-kyo Kwon	2021	Independent Director
Dong-moon Park	2021	Independent Director
Kang-won Lee	2022	Independent Director

Information regarding HFG’s principal management as of May 31, 2022 is presented in the following table.

HFG PRINCIPAL MANAGEMENT	
Name	Title
Young-joo Ham	Executive Director and CEO (HFG)
Eun-hyung Lee	Vice Chairman (HFG) (Chief Global Strategy Officer)
Ju-seong Kim	Deputy President (HFG) (Chief Risk Officer)
Heui-dae Kim	Deputy President (HFG) (Chief Compliance Officer)
Geun-young Park	Deputy President (HFG) (Chief Digital Innovation Officer)
Jong-soung Lee	Deputy President (HFG) (Global Strategy Officer)
Hoo-seung Lee	Deputy President (HFG) (Chief Financial Officer)
Byung-joon Park	Deputy President (HFG) (Chief Human Resource Officer & Chief Operations Officer)
Jung-han Kang	Executive Vice President (HFG) (Chief Internal Audit Officer)
Jae-hyeok Yang	Executive Vice President (HFG) (Chief Strategy Officer)
Jeong-taek Oh	Executive Vice President (HFG) (Chief ESG Officer)
In-young Lee	Executive Vice President (HFG) (Chief Customer Risk Officer)
Joon-hyuk Lee	Executive Vice President (HFG) (Head of Management Support Office)
Eui-seok Jeong	Executive Vice President (HFG) (Chief ICT Officer)
Hyun-woo Hwangbo	Executive Vice President (HFG) (Chief Data Officer)

6. Resolution strategy summary

As discussed above, HFG does not have identified critical operations, MEs or CBLs. Its failure is not expected to have an adverse effect on the financial stability of the United States.

The New York Agency would be subject to liquidation proceedings overseen by the Superintendent of the NYDFS (“Superintendent”) pursuant to Article 13 of the New York Banking Law. Upon its seizure by the Superintendent, the property of the New York Agency would be “ring fenced,” meaning that title to all property on the books of the New York Agency, wherever located, and all property of Hana Bank situated in New York, would immediately vest with the Superintendent. The Superintendent would use the ring-fenced assets to satisfy the claims of unaffiliated creditors of the New York Agency and would return any remaining assets to Hana Bank or its insolvency estate.

HBC, KEB NY and KEB LA would each be eligible for resolution under either Chapter 11 or Chapter 7 of the Bankruptcy Code. Depending on acquirer interest, it may be possible to sell substantially all of the assets and operations of some or all of these entities to one or more buyers in expedited sales under Section 363 of the Bankruptcy Code. In the absence of such sales, HFG expects these entities would be wound-down in an orderly manner and liquidated.

KEB Hana USA would be resolved under the Federal Deposit Insurance Act by the FDIC, following its appointment as receiver, through an immediate whole bank purchase and assumption (“P&A”) transaction transferring its operations to another bank or a transfer to a bridge bank and a subsequent sale of the operations to another bank through a whole bank P&A transaction.