

2Q 2009

Hana Financial Group Business Results

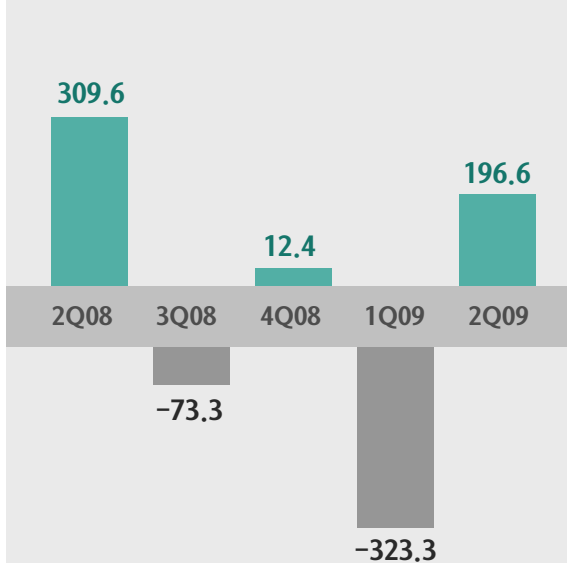
Contents

- 2Q 2009 Financial Highlights
- Profitability
- Total Lending & Funding
- Asset Quality
- Appendix

2Q 2009 Financial Highlights (1)

Group Net Income

Unit: Wbn



Realized Net Profit & Recovery in Profitability

- 196.6Wbn of 2Q Net Income recorded
- Profitability recovery (Fee Income, Disposition/Val., & others)
- SG&A down due to cost cutting efforts
- Provision down due to Taesan LCD related writebacks with overall decrease in credit costs

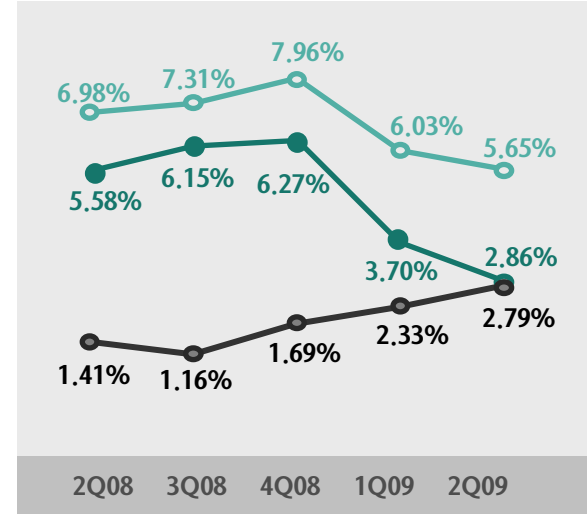
NIM (Bank)



NIM down but signs of turnaround trend visible

- Floating interest rate of loans down from base rate decline contributed to 2Q NIM decrease of 17bps QoQ
- However NIM is rising in May 2009 MoM due to the majority of assets having repriced in April 2009 and widening markup spread

Markup Spread (New Loans)



○ New Loan int. rate ● New Deposit int. rate ● Markup Spread

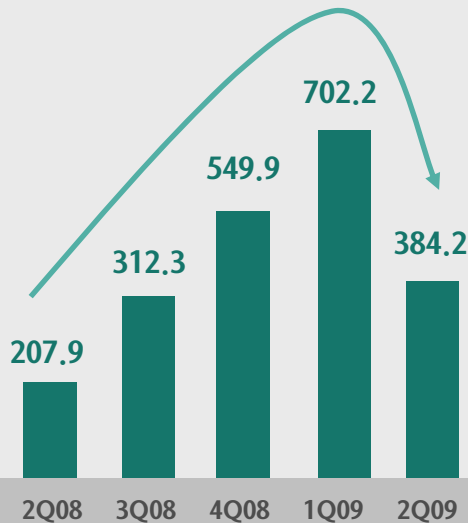
Widening Markup Spread on New Loans

- 2Q new markup spread (new loans) up to 2.79% level

2Q 2009 Financial Highlights (2)

NPL Trend (Bank)*

Unit: Wbn

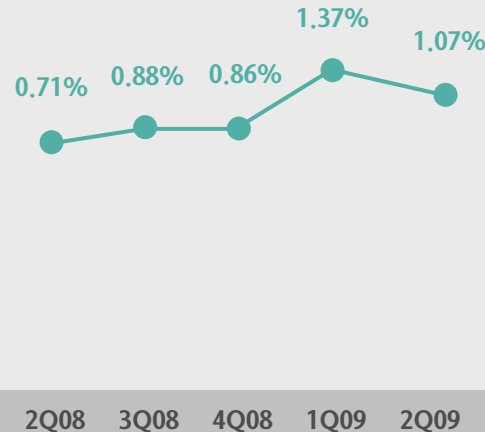


* Including Write-offs/ NPL Sales

▪ Net NPL Down QoQ

- NPL credits decreased 317.9Wbn QoQ
- New NPL formations down from decline in new defaults with stringent reduction efforts from risk management

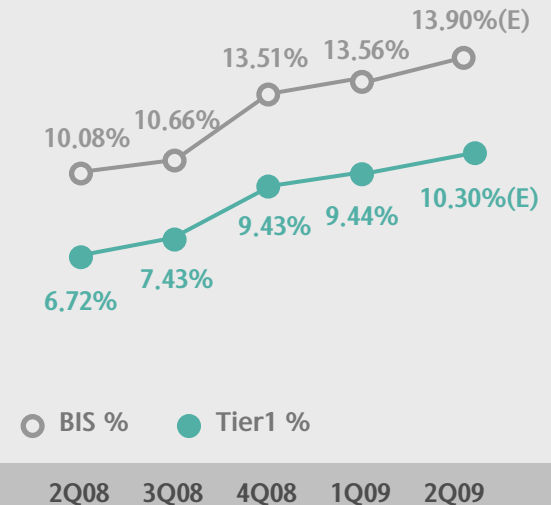
Delinquency (Bank)



▪ Delinquency Rate Down

- 2Q Delinquency Rate declined to 1.07%
- Efforts to reduce delinquency thru prudent risk management & NPL sales

BIS Ratio (Bank)



○ BIS % ● Tier1 %

▪ Fortified Bank BIS & Tier1 Ratios

- Solid capital base sustained via realizing 2Q net profit & efficient management of risk weighted assets

Profitability

Group Consolidated Earnings
Business Results by Subsidiaries
NIM (Bank)
Non Interest Income
Provision
SG&A Expense

Group Consolidated Earnings

Group Consolidated Income Statement

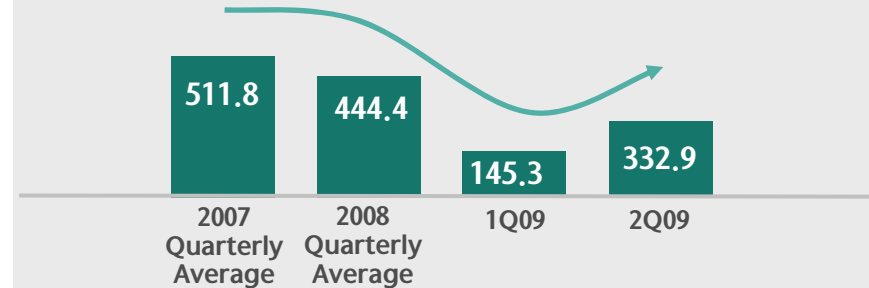
Unit : Wbn

	2Q09	1Q09	1H09	1H08
Net Operating Revenue	732.7	614.9	1,347.6	1,779.0
Interest Income	434.6	485.2	919.8	1,170.7
Fee Income	236.5	207.5	444.0	477.2
Disposition/ Valuation	119.8	18.5	138.3	210.9
Other Income	-58.2	-96.3	-154.4	-79.8
SG&A (-)	399.8	469.6	869.4	803.8
PPOP	332.9	145.3	478.3	975.3
Provision (-)	82.1	563.2	645.4	272.1
Operating Income	250.8	-417.9	-167.1	703.2
Net Income	196.6	-323.3	-126.7	544.4

PPOP Trend

Unit : Wbn

■ 2Q Reflect PPOP Recovery



Income Statement Factors

	QoQ	Main Factors
Interest Income	▼	<ul style="list-style-type: none"> NIM down 17bps Average IEA down 3.2Wtn
Fee Income	▲	<ul style="list-style-type: none"> Increase in Loan related Fee Income Increase in Brokerage Fee Income
Disposition/Val.	▲	<ul style="list-style-type: none"> Sale of Securities Disposition
Other Income	▲	<ul style="list-style-type: none"> Gains on Loan Sales up
SG&A	▼	<ul style="list-style-type: none"> Cost Reduction Efforts
Provision	▼	<ul style="list-style-type: none"> New NPL formations down Provisions down due to Taesan LCD related writebacks 188.7Wtn

Business Results by Subsidiaries

Subsidiaries Income Statement (2Q09)

Unit : Wbn

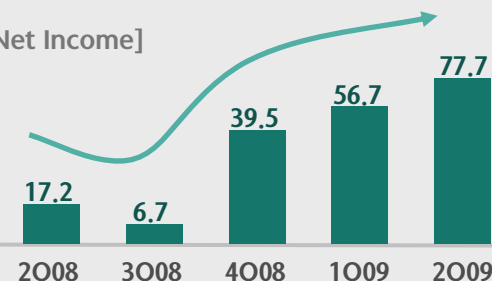
	Net Income (A)	Ownership (B)	Net Income (C=AxB)	Other Expenses (D)	Net Income (Consolidated) (E=C+D)
Hana Bank	169.8	100%	169.8	-12.7	157.1
Hana Bank China	-5.0	100%	-5.0	0	-5.0
PT Bank Hana	-0.1	70.1%	-0.1	-0.1	-0.2
Hana Daetoo Securities	77.7	100%	77.7	0.3	78.0
Hana Capital	3.6	50.1%	1.8	0.2	2.0
Hana HSBC Life Insurance	-1.3	50.0%	-0.7	-0.3	-1.0
Hana Institute of Finance	0.1	100%	0.1	0	0.1
Hana I&S	-0.6	100%	-0.6	0	-0.6
Hana Financial Group	0		0	-33.8	-33.8
Total	244.1		243.0	-46.4	196.6

Hana Daetoo Securities Profit Up

Unit : Wbn

- Net Income up 21.0Wbn (36.9%) QoQ

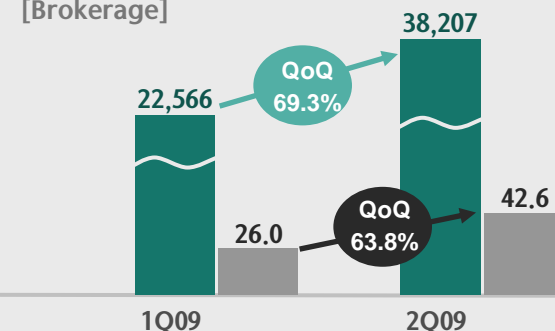
[Net Income]



- Interest Income up from increase in volume of loans for stock trading & increased income from Korean Govt. Bonds

- Brokerage Fee Income up due to increase in stock trading volume

[Brokerage]

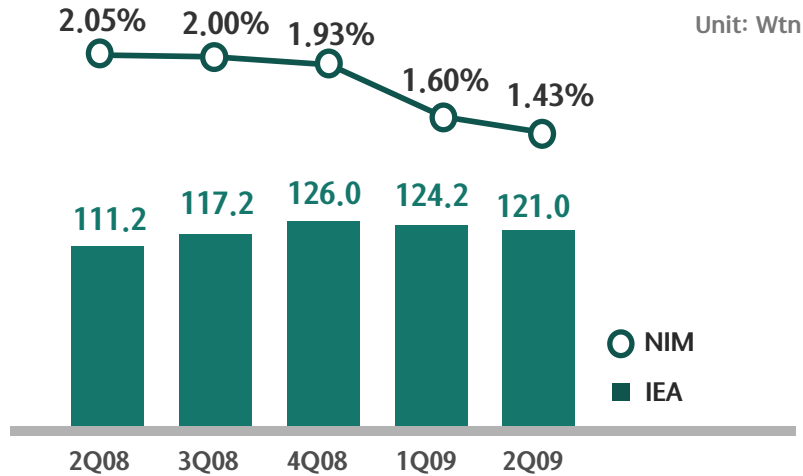


■ Stock Trading

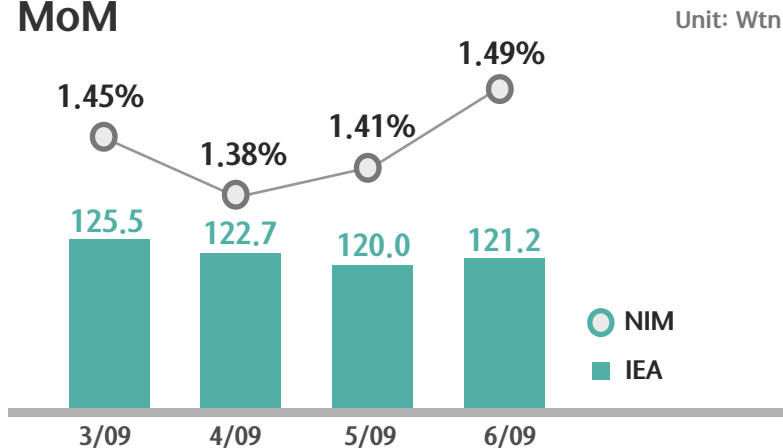
■ Brokerage Fee Income

NIM (Bank)

Quarterly



MoM



Quarterly NIM down 17bps

- Quarterly interest earning rate decrease was greater than that of interest expense rate decrease

[Interest Rate Index Trend]

		1Q09	2Q09	QoQ
Market	CD(3M)	2.79 %	2.41 %	-38 bp
	Debentures(1Y)	3.42 %	3.09 %	-33 bp
NIM	Lending Rate	6.08 %	5.26 %	-82 bp
	Funding Rate	4.59 %	3.97 %	-62 bp

Rising NIM Trend MoM

- Factors for Markup Spread Widening

- Optimal loan pricing measures
- Funding cost down via increased short term funding

[Markup Spread of New Loans]



Non Interest Income

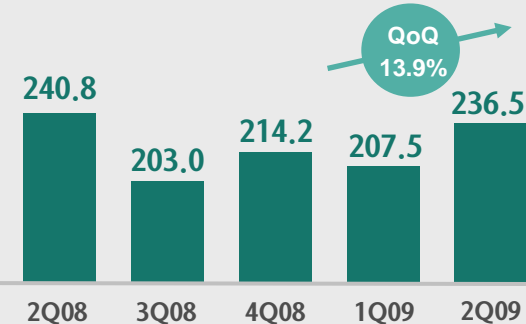
Non Interest Income Breakdown

Unit : Wbn

	2Q09	1Q09	1H09	1H08
Fee Income	236.5	207.5	444.0	477.2
Credit Card	68.1	69.7	137.8	148.0
Beneficiary Certificate Sales	40.5	34.5	75.0	120.9
Brokerage	42.6	26.0	68.5	50.3
FX	11.7	15.2	27.0	33.3
Bancassurance	13.6	15.5	29.1	23.6
Others	60.0	46.6	106.6	101.1
Gains on Disposition & Val.	119.8	18.5	138.3	210.9
Other Operating Income	-58.2	-96.3	-154.4	-79.8
Total	298.1	129.7	427.8	608.3

Fee Income

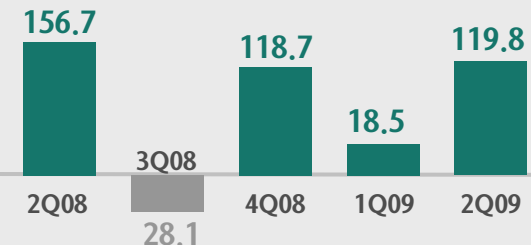
Unit : Wbn



- Brokerage Fee Income up due to increase in volume of Hana Daetoo Securities stock contracts
- Fee Income up from KHFC Mortgage due to increased sales volume of apartment application deposits & increase of ABS related fee income of Hana Bank

Disposition & Valuation

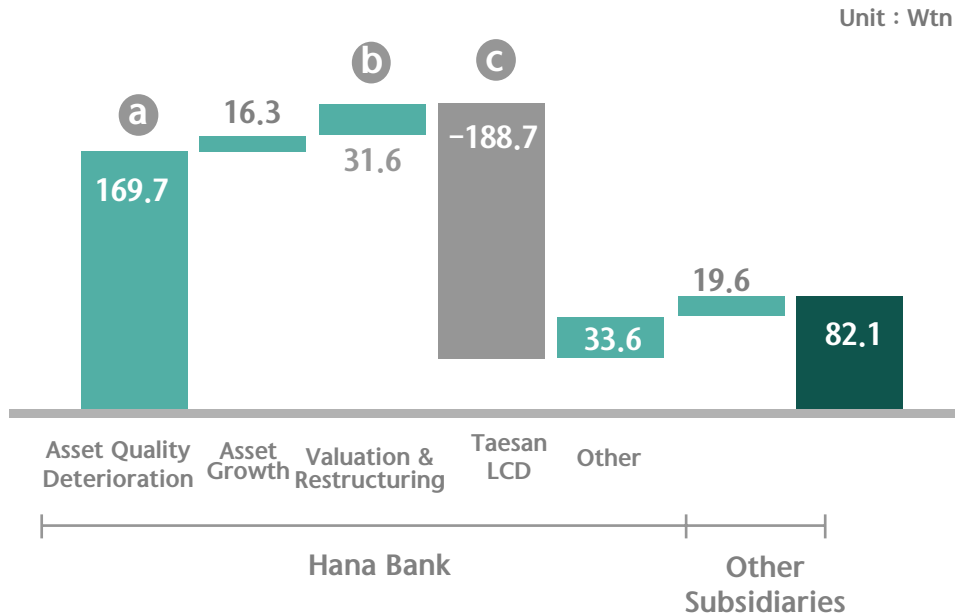
Unit : Wbn



- Major securities disposed: Hyundai E&C (15.6Wbn) & Visa Card (16.8Wbn)

Provision

2Q09 Group Provision Overview



a Provision Breakdown

- Corporate 126.7Wbn
 - Lg. Corp. 0.4Wbn
 - SME 74.8Wbn
 - SOHO 51.5Wbn
- Household 29.9Wbn
- Credit Card 13.1Wbn

b One-Off Factors

- Credit assessment of companies with credit exposure in excess of 50Wbn: 8.1Wbn
- 1st Round of SME restructuring: 6.4Wbn
- FSS credit assessment adjustment*: 17.1Wbn

*FSS administer uniform credit rating for certain restructuring companies

c Taesan LCD Provision

Exposure	Unit: Wbn		
	FY2008	1Q09	2Q09
FX option MTM	596.2	783.4	522.9
Loan*	44.7	52.5	122.8
Total	640.9	835.9	645.7

Provision reserved for related exposure	Unit: Wbn				
	FY2008	1Q09	2Q09	Total	Provision Coverage
FX option	475.8	187.2	-244.8	418.2	80%
Loan*	35.6	6.4	56.1	98.0	80%
Total	511.4	193.6	-188.7	516.2	80%

* Including suspended payment (FX option contracts already settled)

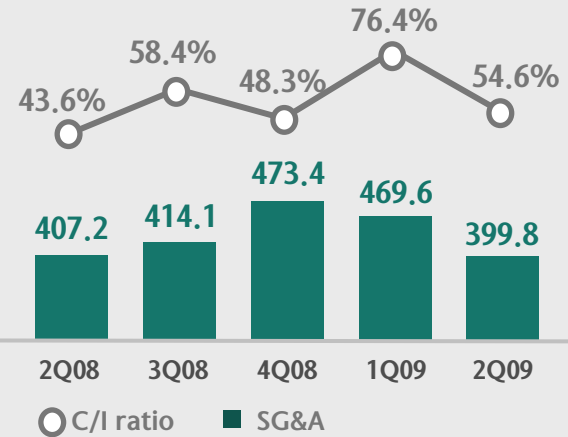
SG&A Expense

Unit : Wbn

	2Q09	1Q09	1H09	1H08
Salary & Benefits	160.3	172.1	332.4	347.1
Retirement Benefits	15.6	94.3	109.9	43.8
Admin.	167.2	144.6	311.8	310.7
Tax/ Depreciation	56.7	58.7	115.3	102.1
Total	399.8	469.6	869.4	803.8

SG&A Trend

Unit : Wbn



Efforts to Drive Down Cost

- Retirement cost down (1Q09 one-off factor).
No residual costs related to early retirement program of Hana Bank employees in 2Q09

Total Lending & Funding

Group Total Lending

KRW Loans (Bank)

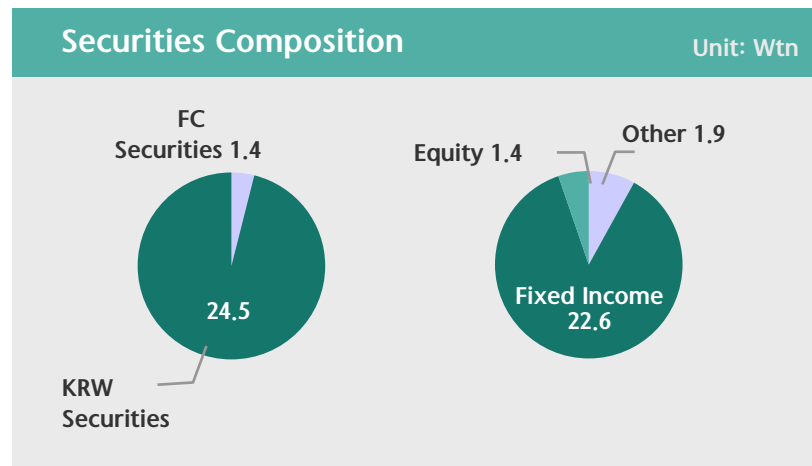
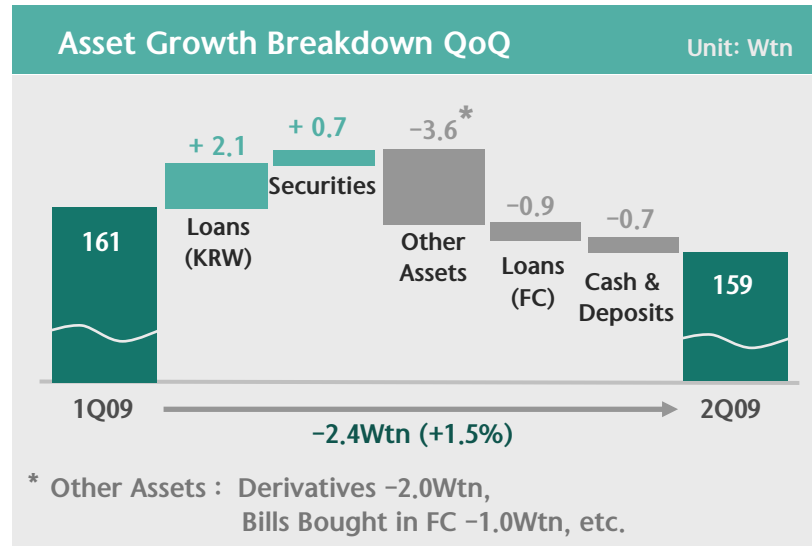
Group Total Funding

Deposits (Bank)

Group Total Lending

	2Q09	Asset (%)	1Q09	FY2008
Cash & Deposits	10,593	6.7%	11,338	9,520
Securities	25,930	16.4%	25,245	24,626
Total Loans	102,983	65.0%	102,564	102,504
(KRW) Loans	84,734	53.5%	82,677	82,560
Tangible Assets	1,709	1.1%	1,752	1,796
Others	17,291	10.9%	20,041	19,393
Accounts Receivable	4,442	2.8%	4,953	3,188
Derivatives	6,950	4.4%	8,995	10,110
Rec. from Inter-Bank Transfers	2,648	1.7%	2,777	3,061
Total Assets	158,505	100%	160,939	157,839

Unit : Wbn



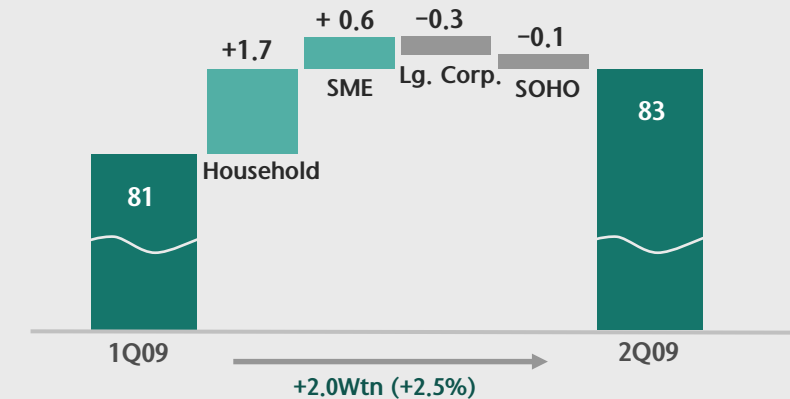
KRW Loans (Bank)

Unit : Wbn

	2Q09	Asset (%)	1Q09	FY2008
Corporate	38,624	46.6%	38,429	37,810
Large Corp.	7,335	8.8%	7,614	7,985
SME	31,290	37.6%	30,815	29,825
(SOHO)	9,038	10.9%	9,130	8,902
Household	43,216	51.9%	41,540	42,136
Secured	34,468	41.4%	33,190	33,384
(Mortgage)	25,635	30.8%	24,473	24,436
Unsecured	8,748	10.5%	8,350	8,752
Public & Others	1,130	1.4%	988	974
Total	82,971	100%	80,956	80,920

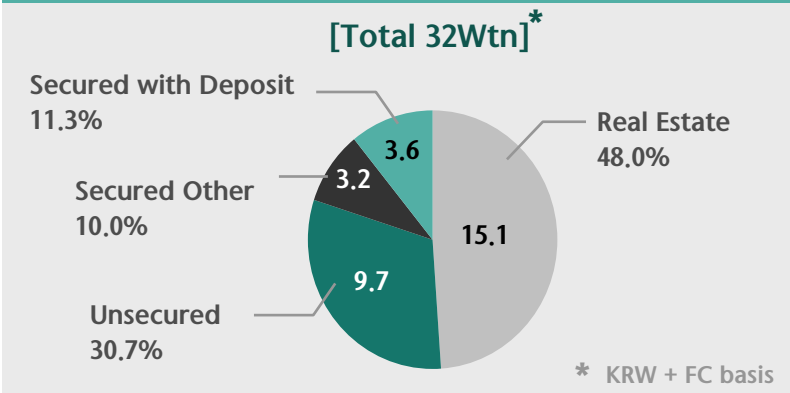
KRW Loan Growth QoQ

Unit : Wtn



SME Loan : Breakdown by Collateral

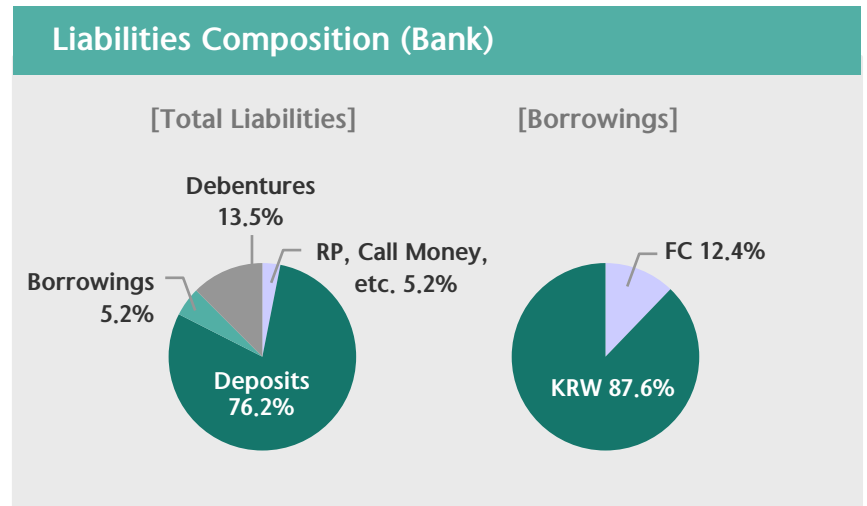
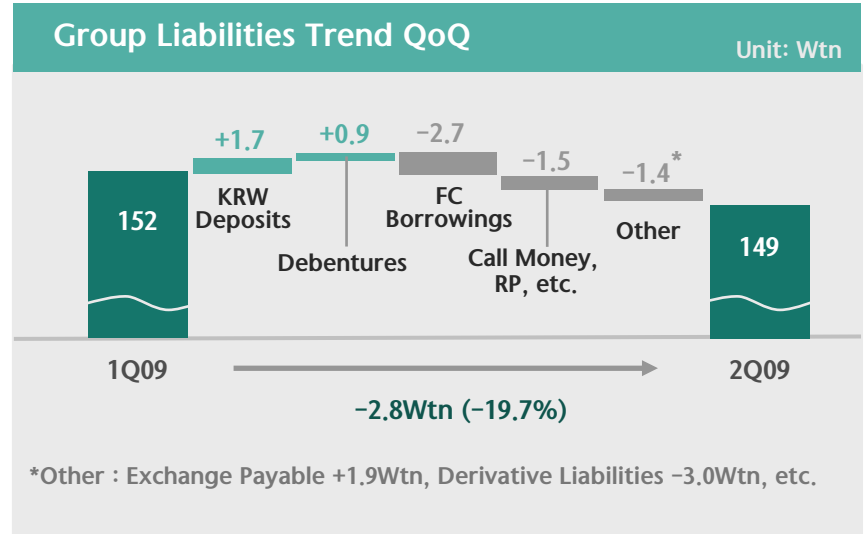
Unit: Wtn



Group Total Funding

Unit : Wbn

	2Q09	Funding (%)	1Q09	FY2008
Deposits	96,271	60.7%	93,726	93,471
Borrowings	30,129	19.0%	33,713	34,412
Borrowings	6,613	4.2%	9,659	9,442
Debentures	17,001	10.7%	16,080	17,549
RP, Call Money, etc.	6,515	4.1%	7,975	7,421
Other Liabilities	22,178	14.0%	23,978	20,182
Total Liabilities	149,177	94.1%	151,944	148,539
Shareholder's Equity	9,328	5.9%	8,995	9,300
Total Liabilities & SE	158,505	100%	160,939	157,839



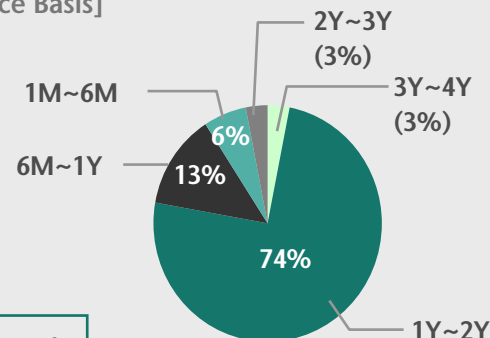
Deposits (Bank)

Unit : Wbn

(Average Basis)	2Q09	Deposit (%)	1Q09	FY2008
KRW Deposits	84,591	95.2%	86,049	87,881
Core Deposits	11,108	12.5%	10,925	9,962
MMDA	10,765	12.1%	10,709	13,035
Time Deposits	48,845	55.0%	50,258	48,836
Installment Deposits	4,574	5.2%	4,397	4,462
CD	9,300	10.5%	9,760	11,587
FC Deposits	4,287	4.8%	4,611	3,733
Total	88,879	100%	90,660	91,614

Time Deposits Maturity Composition

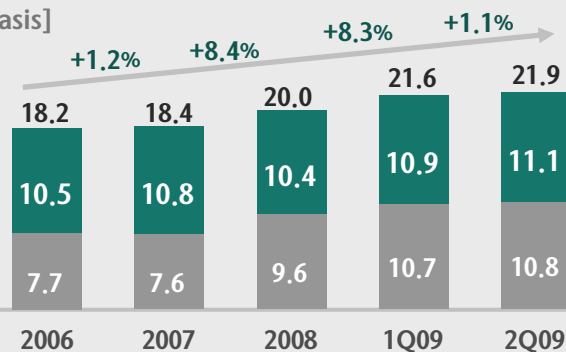
[Balance Basis]



M = Month
Y = Year

Low Cost Deposits (Core Deposits +MMDA) Unit: Wtn

[Ave. Basis]



■ Core Deposits ■ MMDA

Asset Quality

Group & Bank Asset Quality
Delinquency (Bank)

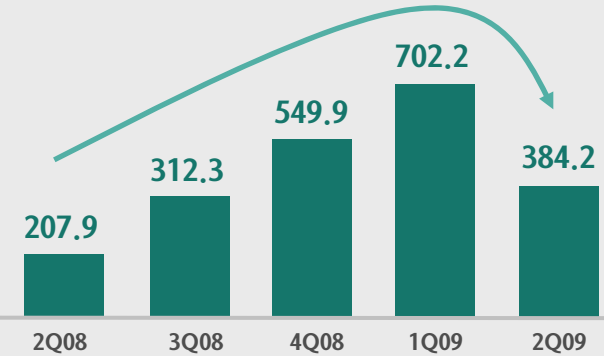
Group/ Bank Asset Quality

Group Unit : Wbn

	2Q09	1Q09	4Q08
Total Credits	110,017	108,363	108,787
Normal	106,123	104,432	105,558
Precautionary	1,952	2,009	1,911
Substandard	1,055	1,251	842
Doubtful	424	363	249
Estimated Loss	464	307	228
NPL Amount	1,942	1,922	1,318
NPL %	1.77%	1.77%	1.21%
NPL Coverage	106.44%	100.07%	125.64%
Precaut. & Below Amount	3,894	3,931	3,230
Precaut. & Below %	3.54%	3.63%	2.97%
Precaut. & Below Coverage	53.08%	48.93%	51.25%
Loan Loss Provision	2,067	1,923	1,656

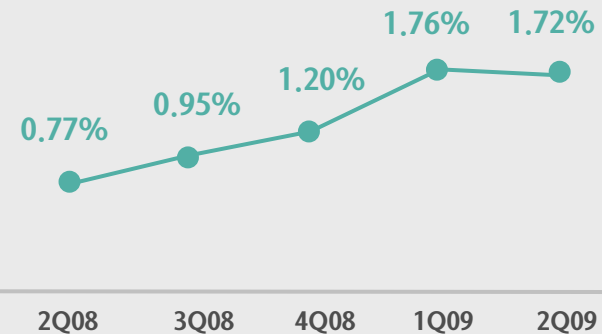
New NPL Formations (Bank)*

Unit : Wbn



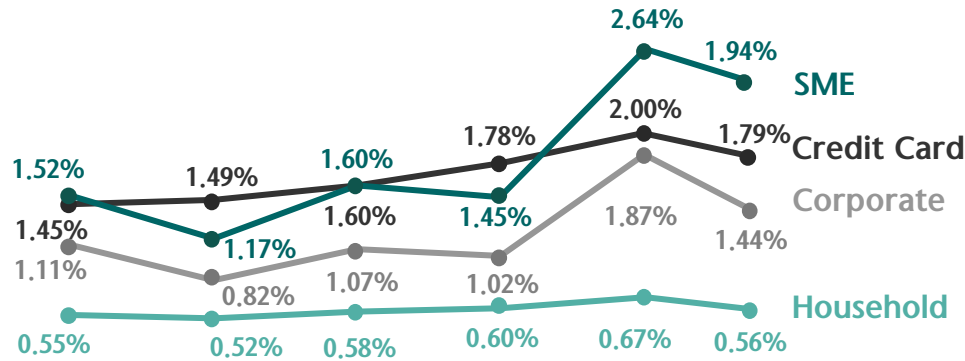
* Including Write-offs/ NPL Sales

NPL Ratio Trend (Bank)



Delinquency (Bank)

Delinquency Trend



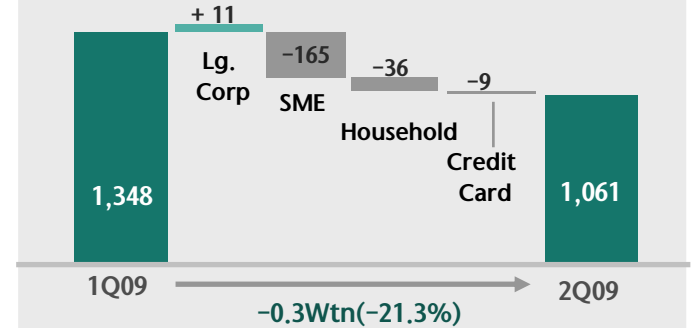
1Q08 2Q08 3Q08 4Q08 1Q09 2Q09

Delinquency Rate	0.88%	0.71%	0.88%	0.86%	1.37%	1.07%
Delinquency Amount	787.4	679.8	895.6	856.1	1,347.8	1,061.1

(Unit: Wbn)

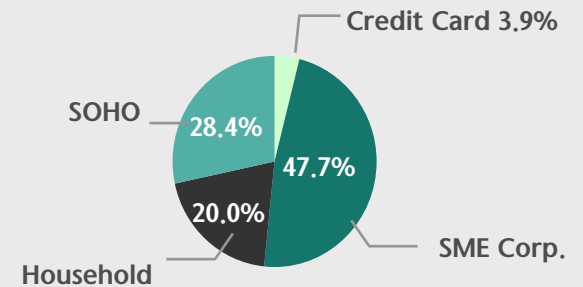
Delinquency Breakdown QoQ

Unit: Wbn



Write-offs/ NPL Sales Composition

[Total 395.2Wbn]



Appendix

Credit Card Unit Spin-off
Restructuring Overview

Credit Card Unit Spin-off Outline (1)

JV with Telecommunications Company

“Quantum Jump” in Competitive Edge

Positive Results

- Entry as New Market Convergence
- Enhance Total Cardholders Numbers via Telecom Customers DB
- Offer Diversified Service thru New Channel

HFG

JV Effect

- Convergence of Innovation thru Credit Card Business Increase Competitive Edge & Increase in Cardholder Numbers
- Diversify the Group’s Business Portfolio thru stable income source

“Dynamic Growth thru Entrance into Financial Industry”

Positive Results

- Reduce Settlement Infrastructure Stress with related Cost Reduction
- Raise Profits thru Increased Data Traffic
- Establish Future Profits from New Public Domain Fees

Telecommunications Company

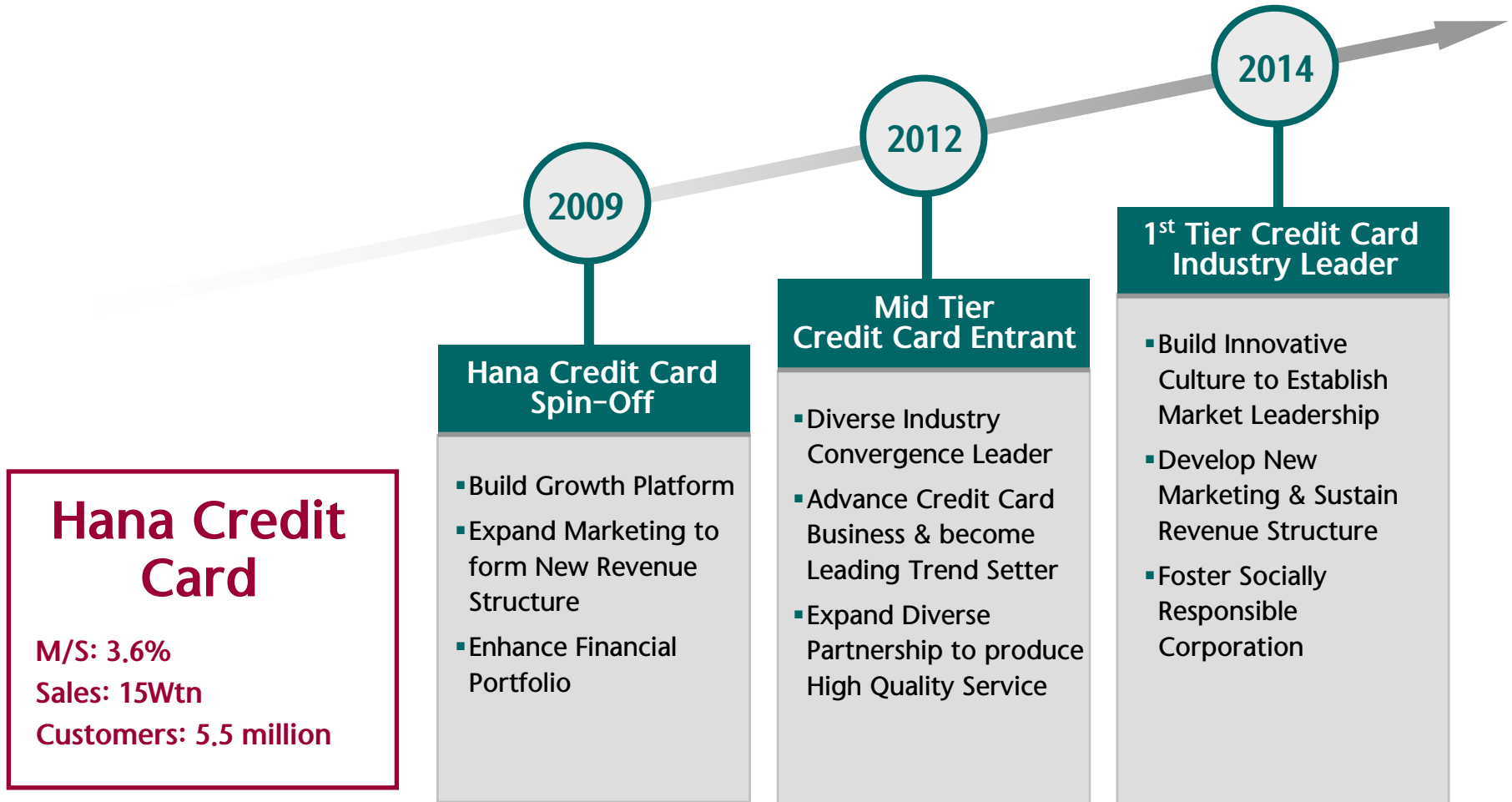
JV Effect

- Secure Growth as Payment Industry Leading Company
- Strengthen Customer Retention thru Partnership with Financial Services Leader

JV

Credit Card Unit Spin-off Outline (2)

Credit Card Vision Road Map



Restructuring Overview

	1 st Round Construction/ Shipbuilding	2 nd Round Construction/ Shipbuilding	Credit Assessment of Large Corporations	1 st Round SME Restructuring
Credit Assessment by Korean Creditor Banks	Construction 92 Shipbuilding 19	Construction 86 Shipbuilding 4	Companies with Credit Exposure which exceed 50Wbn	Companies with Credit Exposure of 5~50Wbn
No. of C,D Rated Companies	Construction C 10 D 1 Shipbuilding C 2 D 0	Construction C 7 D 2 Shipbuilding None	12	15
Provision	47.0Wbn	6.0Wbn	8.1Wbn	6.4Wbn
Period Reserved	4Q08	1Q09	2Q09	2Q09

