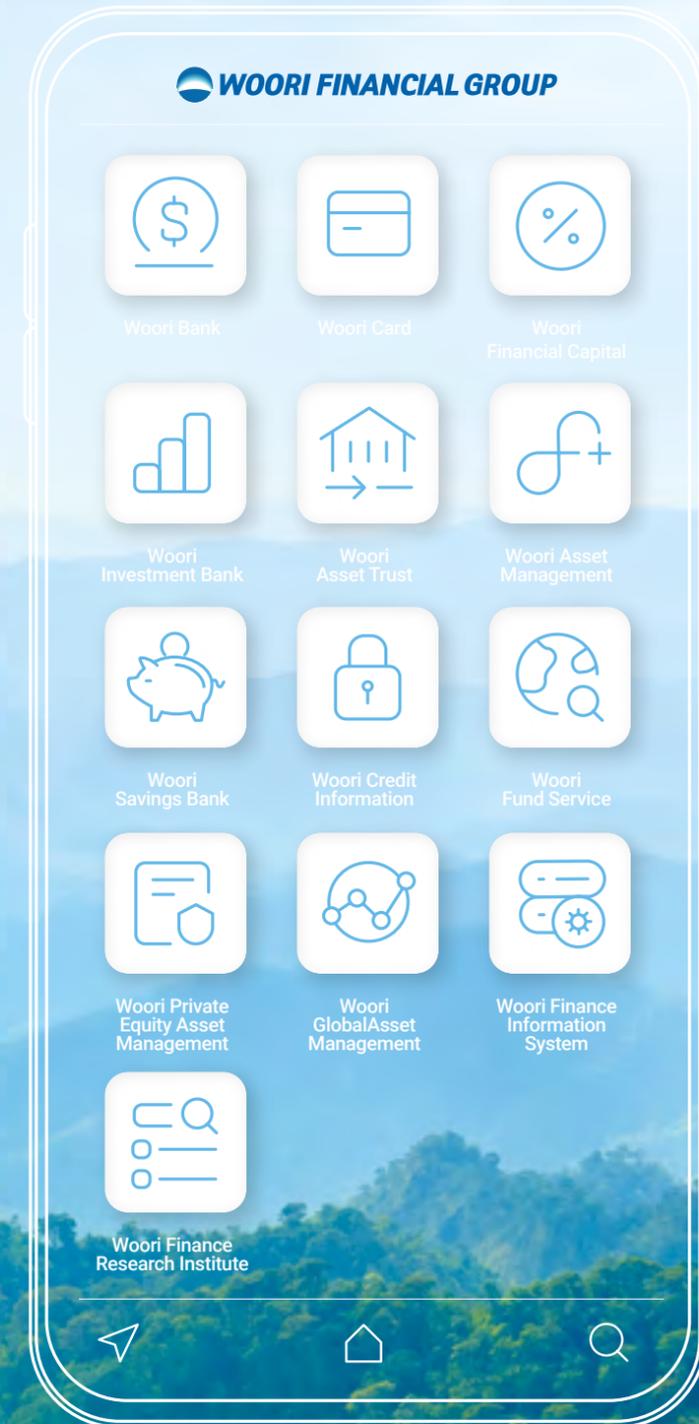


THE FIRST CHOICE IN FINANCE

ANNUAL REPORT 2020



THE FIRST CHOICE IN FINANCE

Woori Financial Group, which has proclaimed 'The First Choice in Finance' as its new slogan for the year 2021, is striving to be the most trusted and admired corporate group in the financial sector.

The Group has been contributing to the efforts toward recovery from the COVID-19 pandemic and its ensuing challenges since late 2019 by offering financial and non-financial assistance to various parts of society, while maintaining one of the best levels of financial soundness in the industry.

While managing performance in its primary businesses in the financial sector, environmentally conscious efforts have also been put forth to help create an eco-friendly society. Accordingly, the Group has been spearheading the efforts to tackle climate change since the proclamation of "2050 Carbon Neutral Financial Group" in 2020.

Woori Financial Group, which is faithfully fulfilling role and responsibility as a reliable and competent financial group, is committed to growing together with local communities and creating a better tomorrow with its customers.

WOORI FINANCIAL GROUP ANNUAL REPORT 2020

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This report has been published as an interactive PDF and online website, allowing readers to move quickly and easily to pages in the report, and including shortcuts to related web pages and video clips.

First Choice of Tomorrow

SYNERGY GROWTH

Woori Financial Group has been expanding the areas of synergy creation by adding subsidiaries since its establishment in January 2019. In order to continually build its capacity as a financial group, it is encouraging collaboration among its subsidiaries, promoting new business areas for synergy creation, offering advanced financial services and endeavoring to maximize profit. The Synergy Council, in which the Group and all its thirteen subsidiaries participate, plans new businesses and carries out joint marketing campaigns to maximize synergy and generating additional profits, in addition to seeking measures to reduce costs.

[more information](#)
 Business Portfolio p.027
 Synergy Promotion p.028

Newly added in 2020



Woori Savings Bank



Woori Financial Capital

Strengthen the group's business portfolio and expand its growth base by adding non-banking subsidiaries



Video link

This video introducing a new vision of Woori Financial Group

New Group Vision

“

INNOVATE TODAY, CREATE TOMORROW

”

Business Portfolio



First Choice in Digital Finance

DIGITAL INNOVATION

To achieve digital innovation as quickly as possible, Woori Financial Group has established a digital system in relation to its vision, organization and tasks by setting a digital control tower and set forth 3 goals, 10 implementation tasks and 40 innovation tasks to realize the vision. Based on the digital transformation policy established in 2020, Woori Financial Group will make a giant leap to become the No. 1 digital financial group in the world in 2021.

[more information](#)
 Digital Innovation p.030
 Digital Banking(Woori Bank) p.053

Digital Slogan
**Digital First,
 Change Everything**

Digital Vision

**DIGITAL FOR
 BETTER LIFE**

Number of People Using Woori's Digital Platform
 (as of December 31, 2020)

5.03 million

* The sum of digital platform users of Woori WON Banking and Corporate Woori WON Banking



First Choice for ESG Management

ESG REINFORCEMENT

The recent trend seen across the world is the increasing emphasis placed on non-financial performance of companies centering on sustainability, such as environmental protection activities, CSR management and transparent management. Along with this, ESG management has become crucial, which is evidenced by the fact that institutional investors are considering ESG when making investment decisions. In consideration of this new paradigm, Woori Financial Group has established an ESG strategy to pursue sustainable growth and set up an ESG management system to integrate the ESG framework into its corporate culture.

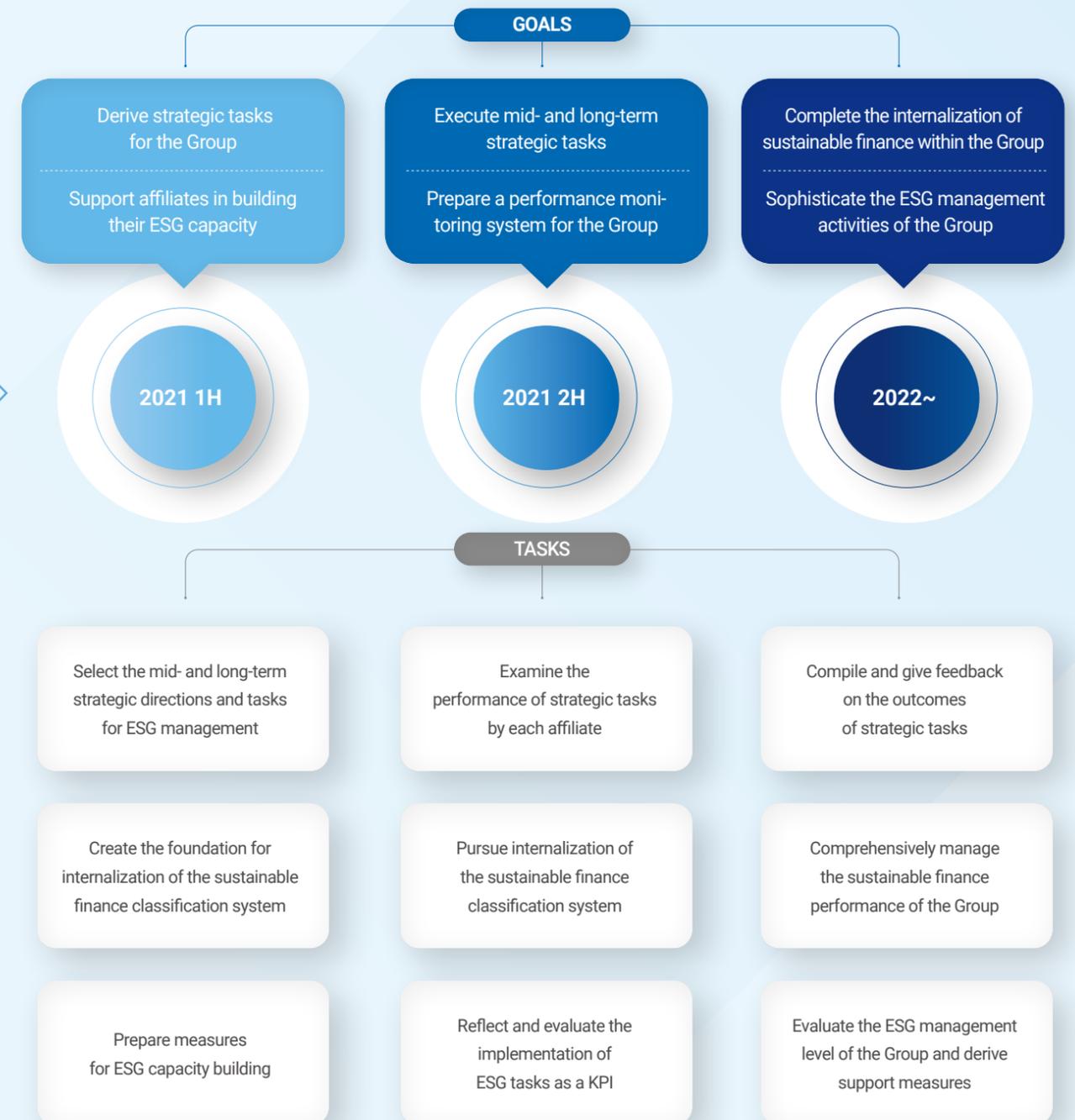
[more information](#)
ESG Management p.035



Woori Financial Group ESG Management Principles

<p>Principle 1 : Alignment We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.</p>	<p>Principle 2 : Impact & Target setting We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	<p>Principle 3 : Customer We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>
<p>Principle 4 : Stakeholders We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.</p>	<p>Principle 5 : Governance & Culture We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	<p>Principle 6 : Transparency & Accountability We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for positive and negative impacts and our contribution to society's goals.</p>

Woori Financial Group's ESG Goals and Tasks



First Choice for Society

RESPONSE TO COVID-19

The effects of a stagnant local economy and unprecedented challenges brought upon by COVID-19 are being felt in every corner of our society. Recognizing the hardships faced by all, Woori Financial Group has been assisting small- and medium-sized enterprises (SMEs) and small offices/home offices (SOHOs) financially and engaging in a wide range of activities to share the burden with local communities, as a way to fulfill its corporate social responsibility.

[more information \(www.woorifg.com\)](http://www.woorifg.com)

Rapid Response to COVID-19

Woori Financial Group conducted a thorough analysis of the potential economic and social impacts of COVID-19, based on which the Emergency Management Committee was launched to guide business management, while serving as a control tower to ensure a systematic response to overcome the crisis. The Emergency Management Committee is re-vamping its system to add momentum to the national efforts, in addition to pursuing crisis response at the Group level and supporting its customers. Also, in light of the dramatic changes in the global financial markets, efforts are being made to examine investments in domestic and foreign funds and to carry out an FX contingency plan, if necessary. Woori Financial Group is dedicating every effort to achieve its business objectives amid the global crisis and, at the same time, cooperating with the government in its policy implementation and making multifaceted efforts to support its customers.

Fulfillment of Corporate Social Responsibility

Upon the outbreak of COVID-19, Woori Financial Group established the Emergency Management Committee to conduct objective analysis and ensure preparedness for the potential economic impacts of what would later become a global health crisis. Based on the judgment that the novel coronavirus was not only a health threat but a threat to people's livelihoods, the Group prepared support measures in both financial and non-financial areas in a timely manner and spearheaded various efforts to overcome the national crisis, thereby gaining recognition for fulfilling its corporate social responsibility.



Financial Support

SMEs and SOHOs

- Woori Bank: Operation of Woori SOHO Support Center at five locations and 5.65 million cases of providing financial consulting to SOHOs
- Woori Card: Card loan interest rate cuts of up to 50% and payment reductions amounting to KRW 2.5 billion through a change of payment method
- Woori Card: 6-month payment deferrals for credit sales, financing and capital sale accounts amounting to a total of KRW 9 billion
- Woori Investment Bank: Extension of the maturity date for loans taken out by enterprises affected by COVID-19 (loans amounting to KRW 5 billion)
- Woori Financial Capital: Payment deferrals amounting to KRW 122.5 billion (based on the outstanding principal balance)

Retail Customers

- Woori Bank: COVID-19 Household Loan Pre-Workout Program offering payment deferrals
- Woori Card: Emergency loans for living expenses amounting to KRW 195 million (up to KRW 3 million per applicant, an interest rate discount of up to 50%)
- Woori Investment Bank: Exemption of overdue fees for digital finance customers (386,970 cases, KRW 190 million in total)
- Woori Financial Capital: Donated to help families hit by COVID-19 and families at risk in the regions designated as Special Disaster Zone

Non-Financial Support

SMEs and SOHOs

- Woori Financial Group: Carried out the Good Consumption Campaign (KRW 10 billion) to revitalize the local economy
- Woori Card: Held a "guerilla market" to assist floriculture farms facing financial hardships due to plummeting sales, Held the Winicon Bazaar to support innovative enterprises faced with difficulties in developing sales channels
- Woori Investment Bank: Offered discounts on rent for enterprises hit by COVID-19
- Woori Asset Trust: Donated 2,500 face masks to the Soraepogu Merchants' Association

Community

- Woori Financial Group: Provided online educational support to 2,000 underprivileged children (laptops, assistant teachers, etc.)
- Woori Financial Group: Donated infection prevention kits (masks, hand sanitizers, etc.) to welfare facilities for children and seniors
- Woori Bank: Provided Woori Town Hope Box consisting of food and personal hygiene supplies to 1,800 marginalized seniors in the Daegu area
- Woori Card: Provided food and other relief supplies to low-income households in the Daegu and Gyeongbuk areas.
- Woori Investment Bank: Raised funds on Wibee Cloud, a crowdfunding platform, to be donated toward COVID-19 restoration efforts
- Woori Credit Information: Donated 10,000 face masks and 120 hand sanitizers to Jung-gu Office in Seoul
- Woori Asset Trust: Lowered administrative agency fees, etc. for 9 clients that amounted to KRW 635 million in total

Message from the CEO



*Innovate Today,
Create Tomorrow*

On behalf of everyone at Woori Financial Group, allow me to extend my sincerest gratitude to all shareholders and customers for their unwavering support.

In 2020, we launched an emergency management committee almost immediately following the outbreak of COVID-19 in the face of confusion and crisis in order to overcome the ensuing crises with prudence and foresight, while prioritizing the safety of customers and our staffs.

We also made meaningful achievements that bolstered Woori Financial Group's status and prestige despite the challenges brought upon by the pandemic.

In the first half of the year, we obtained approval of the internal ratings-based approach, through which the capital adequacy ratio was raised, based on which we welcomed Woori Financial Capital and Woori Savings Bank as new members of our Group near the end of last year. Regrettably, however, there were certain aspects of our financial performance that fell short of the expectations of our shareholders.



In recognition of this, we wish to designate 'Strengthening the Group's Competitiveness Based on Innovation and Efficiency' as the management objective for the year 2021, which marks the third anniversary of Woori Financial Group, and revolutionize all areas across the Group including financial performance.

First, we will strengthen the competitiveness of Woori bank and other key subsidiaries in their core business areas and, at the same time, seek ways to expand our non-banking portfolio to pave the foundation for growth.

In addition, with the belief that our very survival depends on ensuring successful digital transformation, every member of our organization will dedicate efforts toward digital innovation for Woori Financial Group to emerge as the No.1 financial group in the digital age and spearhead innovation, even among the BigTech companies, through the MyData Project.

In 2021, ESG management will also be a crucial strategy for Woori Financial Group.

At the beginning of this year, we renewed our value system with our first and foremost value summed up as 'Woori thinks of its customers and the community first.'

With 2021 as the first year of ESG management, we will integrate the ESG agendas, including climate change response, into our management practices, and contribute to the creation of sustainable society by taking an active part in the implementation of the 2050 Carbon Neutral and Korean New Deal policies, as a leading financial group in Korea.

Dear valued shareholders and customers,

At Woori Financial Group, we declared a new vision of 'Innovate Today, Create Tomorrow' in 2021, marking the third anniversary of the Group.

All the executives and employees of the Group will be committed to drive forth innovation each day and return the best value possible under the slogan, 'The First Choice in Finance.'

I ask that you look forward to the future of Woori Financial Group, as we prepare to make giant strides.

I wish all shareholders and customers health and happiness.

Thank you.

Son, Tae Seung
Chairman & CEO, Woori Financial Group

손태승

Board of Directors



Son, Tae Seung

Standing director (Chairman & CEO)

- (Current) Chairman & CEO, Woori Financial Group
- President & CEO, Woori Bank
- Head, Global Business Unit, Woori Bank
- LLM, Seoul National University
- LLB, Sungkyunkwan University



Ro, Sung Tae

Outside director

- (Current) Chairman, Samsung Dream Scholarship Foundation
- President, Hanwha Life Economic Research Institute
- President, Korea Economic Research Institute
- M.A. and Ph.D. in Economics, Harvard University
- B.A. in Economics, Seoul National University



Lee, Won Duk

Standing director (Senior Deputy President)

- (Current) Senior Deputy President, Woori Financial Group
- Deputy President, Strategy Planning Unit, Woori Financial Group
- Executive Vice President, Management and Finance Planning Group, Woori Bank
- Managing Director, Future Strategy Division, Woori Bank
- M.A. in Economics, Seoul National University
- B.A. in Agricultural Economics, Seoul National University



Park, Sang Yong

Outside director

- (Current) Auditor, Yonsei Foundation
- (Current) Professor Emeritus, Yonsei University
- Civilian Chair, Public Fund Oversight Committee
- Dean, School of Business and Graduate School of Business, Yonsei University
- M.A. and Ph.D. in Business Administration, New York University
- B.A. in Business Administration, Yonsei University



Chung, Chan Hyoung

Outside director

- CEO, POSCO Capital
- Vice Chairman, Korea Investment Management
- CEO and President, Korea Investment Management
- MBA in Finance, Korea University Business School
- B.A. in Business Administration, Korea University



Tian, Zhiping

Outside director

- (Current) Vice President, Beijing FUPU DAOHE Investment Management Ltd.
- Vice President, ICBC Middle East Ltd. & ICBC Londong Ltd.
- Director & Vice President, Industrial and Commercial Bank of China, Branch of Sichuan Province
- IMBA, University of Hong Kong
- MBA, Southwestern University of Finance and Economics
- B.A. in Government Economics Management, Shanxi University of Finance and Economics



Dennis Chan

Outside director

- Vice Chairman, Fubon Bank (China)
- CEO, Fubon Bank (China)
- Senior Vice President, Strategic Planning, Fubon Financial Holdings
- M.A. in Business Administration, Georgetown University
- B.A. in Business Administration, Taipei National University



Chang, Dong Woo

Outside director

- (Current) CEO, IMM Investment Corp.
- Representative Partner, IMM Investment Corp.
- ABAS Leader-AKT, Samil Accounting Corp.
- Audit Department, Younghwa Accounting Corp.
- LLB, Hanyang University



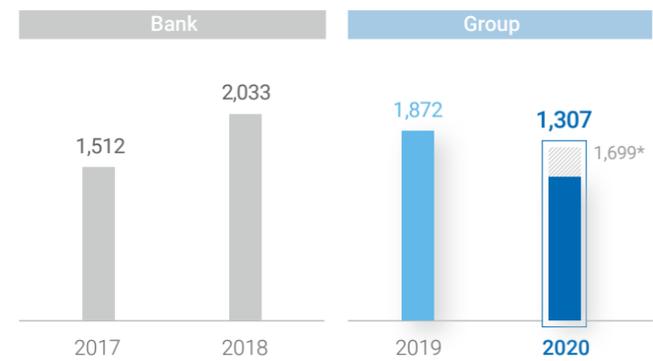
Kim, Hong Tae

Non-standing director

- (Current) General Manager, Department of Planning and Coordination, KDIC (Korea Deposit Insurance Corporation)
- General Manager, Department of Risk Management, KDIC
- Head, Office of Creative Management, KDIC
- Deputy General Manager, Department of HR and Administration, KDIC
- Hana Bank
- B.A. in International Economics, Seoul National University

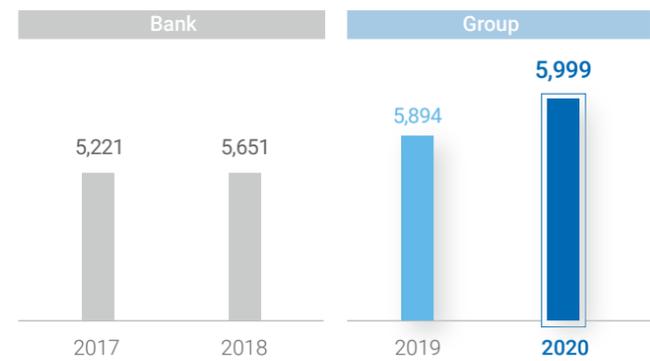
Financial Highlights

Net Income (Unit: KRW in billions)



* Excluding major FY20 one off items (for illustration purpose)
 - Pre-emptive provisioning of KRW 323 billion related to COVID-19 and KRW 218 billion related to WM products
 * Consolidated basis

Interest Income (Unit: KRW in billions)



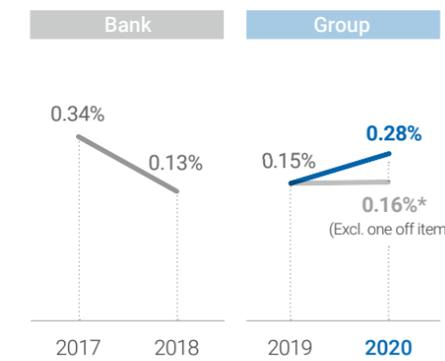
* Consolidated basis

Cost-to-Income Ratio (Unit: %)



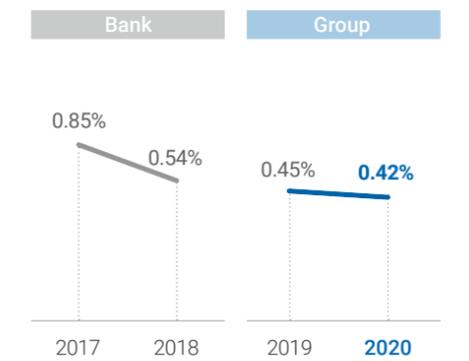
* Cost to Income Ratio = SG&A Expense / (Interest Income + Non Interest Income), Consolidated basis Excluding ERP Expense : 179bn(FY16), 304bn(FY17), 225bn(FY18), 156bn(FY19), 202bn(FY20)

Credit Cost Ratio (Unit: %)

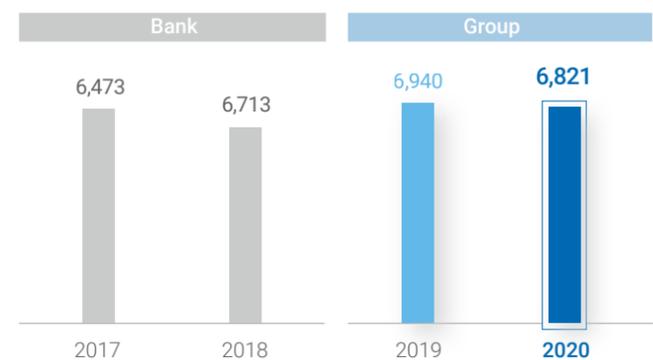


* Excluding major FY20 one-off items (for illustration purpose)
 - Pre-emptive provisioning of W323bn related to COVID-19

NPL Ratio (Unit: %)

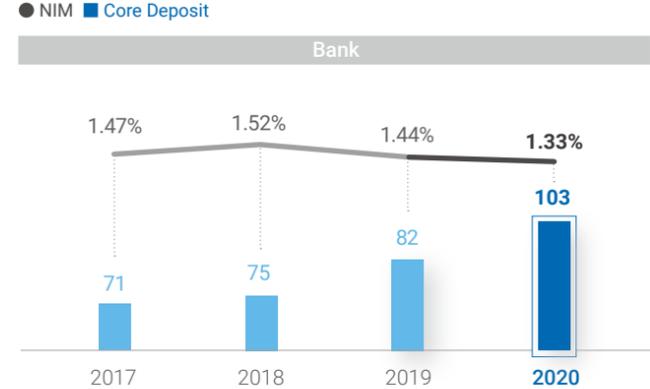


Net Operating Revenue (Unit: KRW in billions)



*Consolidated basis (Excluding 4 newly acquired subsidiaries in FY19, 20)

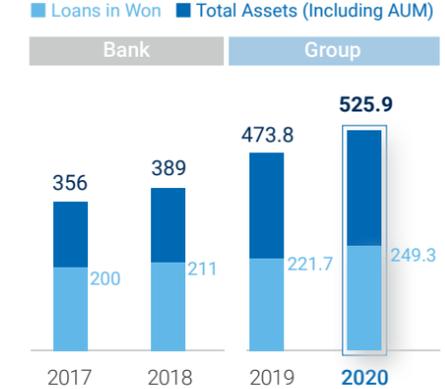
NIM & Core Deposit (Unit: %, Unit: KRW in trillions)



Loan Portfolio (Unit: KRW in trillions)



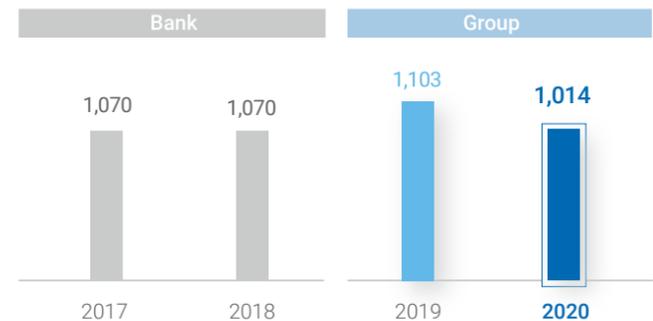
Assets (Unit: KRW in trillions)



Liabilities (Unit: KRW in trillions)

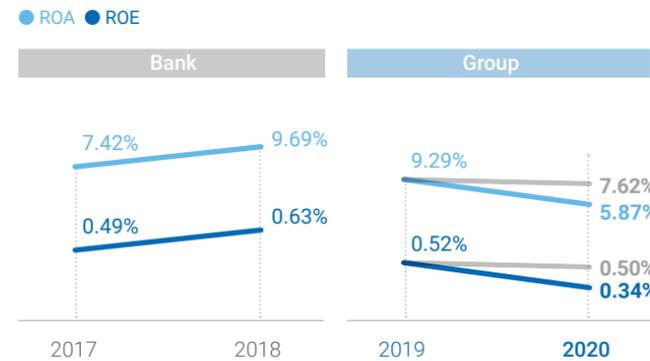


Fees and Commission (Unit: KRW in billions)



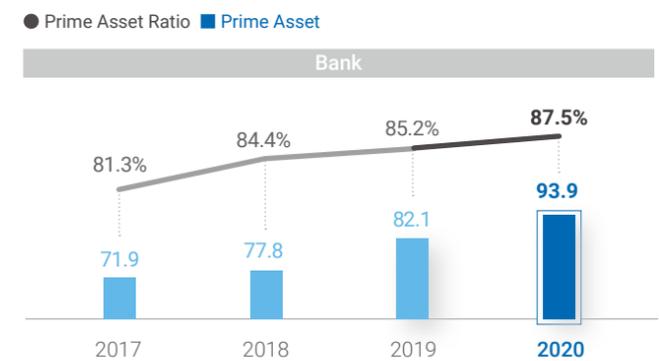
* Consolidated basis

Profitability (ROA & ROE) (Unit: %)

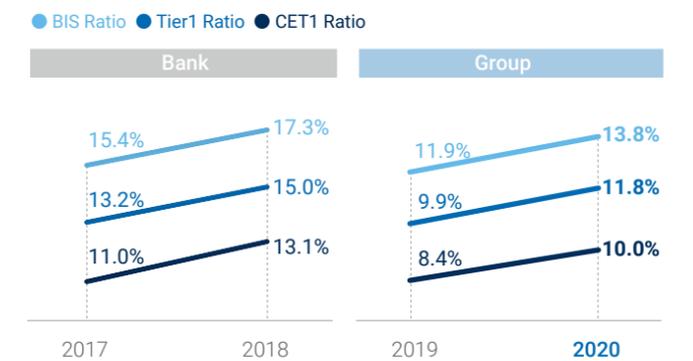


* Excluding major FY20 one off items (for illustration purpose)
 - Pre-emptive provisioning of W323bn related to COVID and 218bn related to WM products
 * Consolidated basis

Prime Asset Ratio (Unit: %, KRW in trillions)



Capital Adequacy (Unit: %)



Group Vision & Strategy

In consideration of the changes in the internal and external environments, Woori Financial Group has defined new values based on which it will be envisioning its future 50 and 100 years from now.

2020 Performance

In 2020, Woori Financial Group formed an emergency management committee in early on in the face of an unprecedented global crisis brought upon by COVID-19 to systematically deal with the ensuing challenges, with the safety of customers and staff as its No.1 priority.

Based on the judgment that, for vulnerable groups and small business owners, the novel coronavirus was not only a health threat but a threat to their livelihoods, the Group made every effort to offer financial and non-financial support in a timely manner and gained recognition for fulfilling its corporate social responsibility. With the approval of the internal ratings-based approach, the capital adequacy ratio was raised and a powerful engine for the roadmap to growth was created. Based on this, it expanded its network of domestic and overseas subsidiaries and incorporated a capital lending company and savings bank into the Group in the latter half of 2020, which ultimately helped reinvigorate business operations at home and abroad in 2021.

2021 Plans

Woori Financial Group has set forth a management goal to 'Strengthen the Group's Competitiveness Based on Innovation and Efficiency' for the year 2021, with the aim of laying the groundwork for revolutionary changes based on the following six main management strategies:

First, 'Broaden the Foundation for Growth.'

Compared to the competition, Woori Financial Group has more business portfolios to develop, which signifies its comparatively higher growth potential. By expanding business portfolios in a diversified manner, the Group plans to continually strengthen the driving force behind its growth.

Second, 'Emerge as the No.1 leader in digital technology.'

In the past, the key elements of the financial industry were people and paper records, but with digital technology taking the place of the latter, it has become one of the most high-tech industries today. Based on the fact that digital platforms are now the No.1 customer touchpoints of financial firms, Woori Financial Group will innovate its platforms through digital transformation using cutting-edge technology such as AI and big data and emerge as the No.1 financial group in digital technology.

Third, 'Enhance Management Efficiency.'

As the Group celebrates the third anniversary of its establishment this year, it will boost synergy among major business areas including CIB and asset management and carry out a thorough analysis of the human and material resources of the holding company and all the affiliates for optimization purposes.

Fourth, 'Improve Brand and ESG Management.'

In response to the increasing implementation of ESG frameworks, Woori Financial Group will spearhead the efforts to create environmental and social value in finance in line with the 2050 Carbon Neutral Strategy and the Korean New Deal policies and contribute to creating a sustainable society.

Fifth, 'Strengthen Risk Management and Internal Control.'

While market uncertainty has been swelling over the past several years, but in 2020 has been particularly difficult to predict. With this in mind, potential risks will be thoroughly monitored in advance, and the invested assets of the Group will be carefully examined in depth. Also, all the subsidiaries of the Group will be equipped with impeccable internal control systems to comply with the amendments to the Consumer Protection Act, which will come into effect in 2021.

Sixth, 'Pursue Global Business Operations and Assume a Leadership Role.'

Woori Financial Group has been expanding its global network in full swing since years ago, with the belief that a company's competitiveness will be determined in the global market in the near future. The Group has achieved quantitative growth to a level enabling stable local operations in the Southeast Asian market, and it will seek to implement innovative strategies to broaden channels and boost profitability using digital technology in other overseas markets by turning the COVID-19 crisis into an opportunity.

As Woori Financial Group commemorates the third anniversary of its establishment in 2021, Woori Financial Holdings and all the affiliates will strive for innovation with the vision of 'Innovate Today, Create Tomorrow,' with the 30,000-something members of the organization moving forward in unison.

VISION

**INNOVATE TODAY,
CREATE TOMORROW**

Concentrating its resources and expertise as a market leader in innovating for tomorrow to deliver better value to customers

SLOGAN

The First Choice in Finance

Concentrating its resources and expertise as a market leader in innovating for tomorrow to deliver better value to customers

CORE VALUES



CUSTOMERS

Woori thinks of its customers and the community first



TRUST

Woori builds customer trust based on principles



EXPERTISE

Woori has the expertise to lead the market



INNOVATION

Woori shapes the future through innovation

Corporate Governance

Governance Policy of Woori Financial Group

Woori Financial Group, which “innovates today create tomorrow,” is committed to achieving sustainable growth to protect the interests of shareholders, financial consumers and other stakeholders and maintaining a stable, efficient and transparent governance structure. To this end, the principles of governance applied by the Group are as follows:

First, a stable and sound governance structure is maintained through checks and balances of members;

Second, an efficient governance structure is established based on the members’ expertise and diverse perspectives;

Third, a transparent governance structure is maintained by disclosing various operating standards, procedures and results.

Ensuring the Independence of the BOD

To ensure stable and sound operations of the Board of Directors (BOD) and committees, Woori Financial Group complies with the Act on Corporate Governance of Financial Companies, the key provisions of which have been reflected in the internal regulations. The Group is also dedicated to ensuring independence for the BOD to fulfill its role of supervising the executive management in recognition of its importance. In accordance with Article 35 of the Articles of Association, outside directors make up the majority of the BOD and in accordance with Article 44, the Chairperson of the Board is appointed from among outside directors. Since its establishment in 2019, Woori Financial Group’s BOD has been chaired by an outside director. (Outside directors accounting for 67% of the Board members, as of the end of March 2021)

According to the internal regulations on corporate governance, the Officer Candidate Recommendation Committee, Audit Committee, Risk Management Committee, Compensation Committee and Internal Control Management Committee are chaired by outside directors, and outside directors make up the majority of these committees. It is also stipulated that outside directors must form two-thirds of the Officer Candidate Recommendation Committee, which is responsible for recommending candidates for the positions of President & CEO, outside directors and auditors, and the Audit Committee, supervising business management. As of the end of March 2021, the two Committees consist entirely of outside directors.

Outside directors cannot serve longer than six years at Woori Financial Group or nine years at two or more subsidiaries of the Group.

To reinforce the independence of outside directors, related guidelines have been prepared, and all the criteria set forth must be satisfied for outside directors to be deemed independent. The guidelines for independence are as follows:

- The outside director has not worked as an executive, employee, or non-standing director at the Group or its affiliate within the past five years;
- An immediate family member of the outside director has not been an executive of the Group or its affiliate within the past three years;
- The outside director is not an advisor or consultant to the Group or to the executive management of the Group;
- The outside director is not in an employee-employer relationship with an external agency that audits the Group;
- The outside director is not an executive or employee of a corporation with which the Group signed an advisory agreement or technical partnership agreement;
- The outside director is not an executive or employee of a corporation with which the Group signed a transaction agreement, the value of which accounts for more than 10% of the total sales of the Group in recent business years;
- The outside director is not an executive or employee of a corporation whose transactions with the Group in the past three business years account for more than 10% of the total assets or operating income of the corporation;
- The outside director is deemed to have no interests in any of the matters decided by the BOD.

[For disclosures, visit http://www.woorifg.com](http://www.woorifg.com)

Diversity and Expertise of the BOD

When it comes to the procedure and standards for appointing outside directors, Woori Financial Group does not allow any discrimination on the basis of sex, race, ethnicity, country of birth or nationality, age, experience, cultural background, religion, etc. To ensure efficient operation of the Board, outside directors are selected from a diverse group of professionals. (One economic expert, three financial experts, one business management expert and one accounting expert, as of the end of March 2021)

Outside directors from diverse backgrounds, such as a university professor, researcher and CEO of a financial firm, play complementary roles by offering different professional expertise. In consideration of the nature of a financial holding company, efforts are made to appoint outside directors with comprehensive knowledge across various fields. In fact, the outside directors of Woori Financial Group have expertise in two or more areas. Also, outside directors of different nationalities have been appointed to run the company with a more global view, considering the fact that Woori Financial Group’s net income from its overseas operations accounts for more than 10% of the total net income. (four Korean outside directors and one outside director from China and Taiwan each, as of the end of March 2021)

In addition, the following standards to improve diversity and expertise have been established in order for the BOD to make important decisions in consideration of the interests of all stakeholders, including shareholders and financial consumers:

Respecting Diversity

- Gender: Female candidates accounting for at least 20% of the outside director candidate pool to improve the gender diversity of the BOD
- Nationality: Discover candidates from diverse backgrounds in terms of culture, living environment and lifestyle to create a governance structure that meets global standards
- Experience: Avoid concentration of outside directors from similar backgrounds and regions, while taking into consideration the nature of the financial sector
- Other factors: Promote diversity from the perspective of inclusion, while eliminating discrimination on the basis of race, religion, ethnicity, etc.

Strengthening Expertise

- Essential areas of expertise: Finance, economics, business management, law and accounting
- Specific areas of expertise: Areas concerned in the sustainable growth of the Group, including digital, ESG, global, risk management, consumer protection, etc.

Woori Financial Group will include outside directors who are from diverse backgrounds and have different experiences in its BOD to make rational and balanced decisions and proactively respond to the market and financial environment, while striving for efficient operation of the BOD.

[For disclosures, visit http://www.woorifg.com](http://www.woorifg.com)

Faithful Operation of the BOD

It is possible to run the BOD efficiently only if the outside directors with expertise in their respective fields regularly attend the Board and committee meetings. Expertise and diligence are key factors in the appointment criteria for outside directors and are also considered when evaluating the activities of outside directors. In 2020, the BOD was convened fourteen times, with an average attendance rate of 98%.

[For disclosures, visit http://www.woorifg.com](http://www.woorifg.com)

Transparent Governance

The operating standards, procedures and results related to governance are fully disclosed for transparency.

The matters disclosed as prescribed in the internal regulations concerning governance in order to achieve transparency and objectivity are as follows:

First, an annual report on the operation of the BOD, governance and remuneration system is published on the website of Woori Financial Group and the Korea Federation of Banks 20 days before the ordinary meeting of shareholders each year;

Second, the Articles of Association, internal regulations on governance, regulations for the committees within the BOD, and other regulations concerning governance are available on the website of Woori Financial Group for stakeholders to better understand the governance structure and operating system of the Group;

Third, the key matters pertaining to governance, such as the appointment and dismissal of executives and nominations of outside director candidates, are published on website of Woori Financial Group for stakeholders to obtain the information at any time.

[For disclosures, visit http://www.woorifg.com](http://www.woorifg.com)

Composition of the BOD and Its Committees

The BOD of Woori Financial Group, as of the end of March 2021, is comprised of nine members (six outside directors, one non-standing director and two standing directors). Within the BOD, there are seven committees. Woori Financial Group has launched the ESG Management Committee in March 2021 to firmly establish a system for executing its ESG

management strategies and to reinforce its ESG system. The key roles of the ESG Management Committee are setting forth ESG management policies and the direction of related strategies and making decisions concerning ESG management.

* Please refer to the attachment for details on BOD composition.

Committee	Members	Key Roles
Audit Committee	Chung, Chan Hyoung (Chairman) Ro, Sung Tae Chang, Dong Woo	Outside director Outside director Outside director <ul style="list-style-type: none"> Supervising the work performed by directors and the executive management Selecting and requesting the dismissal of independent auditors
Risk Management Committee	Park, Sang Yong (Chairman) Dennis Chan Tian, Zhiping Kim, Hong Tae	Outside director Outside director Outside director Non-standing director <ul style="list-style-type: none"> Establishing basic policies and strategies for risk management Determining the level of tolerable risk Approving the risk capital limit and loss limit Establishing and amending risk management standards
Compensation Committee	Chung, Chan Hyoung (Chairman) Ro, Sung Tae Park, Sang Yong Dennis Chan Tian, Zhiping Chang, Dong Woo Kim, Hong Tae	Outside director Outside director Outside director Outside director Outside director Outside director Non-standing director <ul style="list-style-type: none"> Evaluating the design and operation of the performance compensation system Independently establishing and implementing compensation policies Determining recipients of performance compensation in the management Evaluating the performance of executives and providing compensation Filing and disclosing annual reports and reporting on the operation of the performance-based compensation system
Officer Candidate Recommendation Committee	Chang, Dong Woo (Chairman) Ro, Sung Tae Park, Sang Yong Chung, Chan Hyoung Dennis Chan Tian, Zhiping	Outside director Outside director Outside director Outside director Outside director Outside director <ul style="list-style-type: none"> Recommending candidates for the positions of Chairman & CEO, outside directors and members of the Audit Committee
Group CEO Candidate Recommendation Committee	Son, Tae Seung (Chairman) Ro, Sung Tae Park, Sang Yong Chung, Chan Hyoung Dennis Chan Tian, Zhiping Chang, Dong Woo	Standing director Outside director Outside director Outside director Outside director Outside director Outside director <ul style="list-style-type: none"> Recommending candidates for the position of CEO for the subsidiaries
Internal Control Management Committee	Park, Sang Yong (Chairman) Kim, Hong Tae Son, Tae Seung Lee, Won Duk	Outside director Non-standing director Standing director Standing director <ul style="list-style-type: none"> Establishing an internal control system and the operating standards Checking the operation of the Group's internal control system
ESG Management Committee	Ro, Sung Tae (Chairman) Park, Sang Yong Chung, Chan Hyoung Dennis Chan Tian, Zhiping Chang, Dong Woo Kim, Hong Tae Son, Tae Seung Lee, Won Duk	All members of the BOD <ul style="list-style-type: none"> Matters concerning the establishment of ESG management policies and the direction of strategies Matters concerning important decisions related to ESG management

2020 News Highlights

01

Addition of Woori Financial Capital and Woori Savings Bank into the Group



Woori Financial Group signed a Stock Purchase Agreement (SPA) to acquire Aju Capital (incl. Aju Savings Bank) on October 26, 2020 and added Aju Capital and Aju Savings Bank as a subsidiary and a sub-subsiidiary, respectively, on December 2020. On January 13, 2021, the companies were renamed as Woori Financial Capital and Woori Savings Bank, respectively, with the latter added as a subsidiary on March 12. Accordingly, Woori Financial Group now has thirteen subsidiaries and gained two companies specializing in consumer financing at the same time. Woori Financial Capital, with a competitive advantage in the car financing business, recorded KRW 7.8 trillion in total assets, KRW 96.7 billion in net income and 12.4% in ROE in 2020. The incorporation into Woori Financial Group helped the company gain stability in the capital-raising process, while lowering related interest rates, and it is expected to grow at an accelerated rate through cooperation with other affiliates, including Woori Bank. Woori Savings Bank, generating more than KRW 10.0 billion in net income annually, is also expected to contribute to boosting income for the Group. Woori Financial Capital and Woori Savings Bank will improve convenience in financing for customers by providing loans to SMEs and vulnerable groups, together with Woori Bank and other affiliates, while playing a pivotal role in consumer financing for the Group. By creating synergy with existing subsidiaries, they will bolster the competitiveness and value of Woori Financial Group.

02

The Beginning of the Digital Tower Era: Declaration of the Digital Vision and Launch of the Digital Innovation Committee

Woori Financial Group has begun pursuing digital innovation in full swing, with the name of the office building, Woori Financial Namsan Tower, changed to Woori Financial Digital Tower, and the Digital and IT Department of Woori Financial Holdings and the Digital Development Unit of Woori FIS moving into the building. Woori Financial Digital Tower has become the undisputed digital control tower of the Group, as the home of not only the Digital Financial Group of Woori Bank but now the digital departments of various affiliates as well. A work environment optimized for digital collaborations has been created to produce synergy within the Group using digital technology. Woori FIS, a subsidiary specializing in IT, has some 240 developers working in the same space, allowing subsidiaries to co-plan digital development projects and reducing the time it takes to take action based on the plan. The new digital vision of Woori Financial Group has been declared as 'Digital for Better Life,' signifying the Group's intent to concentrate all its capabilities and resources in digital transformation. Meanwhile, the new management slogan has been announced as 'Digital First, Change Everything.' To strive for digital innovation, Woori Financial Group has launched the Digital Innovation Committee, thereby securing top-down leadership, and involved the Blue Team, comprised of young and innovative members of the organization, in the committee to create a bottom-up innovation system to better deal with the rapidly changing digital trends.



03

Woori Bank Named Global Bank of the Year 2020 by The Banker



Woori Bank was honored as the Global Bank of the Year 2020 by The Banker, a global financial magazine, as the first among Korean banks. It was also selected as the Bank of the Year in Asia and the Bank of the Year in Korea, taking home three prestigious awards. The Banker is a monthly publication for the banking and finance industry operating under The Financial Times headquartered in the UK. They create a list of best banks at the global level as well as by region and country based on a rigorous screening process. It has been reported that Woori Bank received favorable reviews for having provided timely financial support in response to COVID-19, engaging in various social contribution activities and pursuing digital transformation through partnerships with other industries to prepare for the post-COVID-19 era. Woori Bank was thus honored with the title of Global Bank of the Year partly in recognition of its COVID-19 response. It is also worth noting that the bank was chosen as the Bank of the Year in Korea for three consecutive years from 2016 to 2018 and as the Bank of the Year in Asia in 2017, but this was the first time for Woori Bank to be named the Global Bank of the Year among Korean banks.

04

Woori Bank, the First in the Financial Sector to Launch an Electronic Document System at All Branches

On March 9, 2020, Woori Bank applied the electronic document system (Phase II) to document processing at all of its branches across the country, thereby eliminating the need for paper documents. The system, which was applied only to the depository and household loan services in the first phase, began to be used for all other operations including corporate loan and foreign exchange services. Instead of filling out paper documents, customers are now requested to use the tablet PC provided at each counter, and the screen and content of the document are shared on the staff's monitor for processing purposes. This is the first time a financial institution in Korea has digitized all documents for customers. From the bank's perspective, digitizing paper documents enhances work efficiency and lowers administrative costs. By applying the electronic document system across all business processes, it will be possible to save about 20 minutes when closing the accounts at the end of the day. Meanwhile, using electronic documents for deposits and loans will help cut related costs. From the customer perspective, it eliminates the need to fill out redundant or unnecessary forms and lowers the risk of incomplete sales in which the customer is not provided a full explanation of a financial instrument. Prior to the application, Woori Bank had repeatedly tested the system to prevent inconveniences for customers. Once the staff and customers get used to the electronic document system, banking services will become faster and more convenient for both sides.

05

The Quintessential Card Surpasses the 8 Million Mark in the Shortest Time



The Quintessential Card series launched by Woori Card surpassed the 8 million mark, as of November 24, 2020. The series has set the record of achieving this feat in the shortest time in the industry in just 2 years and 8 months after its launch, and this is equivalent to the opening of at least 250,000 new accounts each month (8.27 million accounts, as of the end of December 2020). The secret to the popularity of the Quintessential Card series is said to be the benefits experienced by customers, with customized services provided in reflection of the rapidly changing consumption patterns, and the trendy design of the card plate that has led to high customer satisfaction. Woori Card launched the series with the Quintessential Card POINT in April 2018, followed by 24 credit card products and 10 check card products. Recently, the Quintessential Card UNTACT AIR, exclusively available on mobile devices, was launched in line with the contactless consumption trend. Woori Card has bolstered its brand power with the success of the Quintessential Card series, dubbed as a "sellable product," which is highly sought-after by consumers on various channels including its branch locations. At the same time, it has boosted sales of other financial products, including Woori Card Minus Loan and car loans, thereby contributing to an increase in revenue.



06

Woori Investment Bank Successfully Increases Capital by KRW 100 Billion

In November 2020, Woori Investment Bank completed paid-in capital increase of KRW 100 billion in an effort to pursue sustainable growth and business expansion. As the one and merchant bank in Korea, Woori Investment Bank successfully obtained subscriptions primarily from existing shareholders who subscribed to 91.35% of the 200 million new stocks issued. With the stocks listed on the stock exchange, it paved the foundation for increases in loans and investments, through which it will seek to improve profitability and boost the value of the company through IR. With the recent paid-in capital increase creating a ripe environment for business expansion, Woori Investment Bank is poised to achieve quantitative growth at an accelerated rate. As of 2020 3Q, the company has recorded KRW 418 billion in total capital and achieved about a 24% increase through the paid-in capital increase, and this is expected to drive forth growth. While Woori Investment Bank is not a securities firm, it is capable of engaging in related businesses concerning fixed-income investments, commercial papers, privately placed bonds and short-term bonds, which is why it will be able to create synergy with Woori Bank. Woori Investment Bank generated KRW 62.2 billion in net income in 2020, a 13% YoY increase, and it is diversifying its asset management portfolio to include not only short-term credit but also mid- and long-term loans and investments in marketable securities.

07

Woori Asset Trust Creating Synergy by Entering the REITs Market

Woori Asset Trust obtained the preliminary license to operate as the Real Estate Investment Trusts (REITs) Asset Management Company (AMC) in December 2020 and is expected to obtain the official license in the first half of 2021. The REITs refers to an indirect real estate investment product in which funds collected from multiple investors are invested in prime real estate properties to generate income, which is in turn used to pay dividends to the investors. The REITs AMC, therefore, is a company that establishes REITs and entrusted with asset management from the REITs.

The REITs market in Korea has grown from KRW 6.9 trillion AUM in 2009 to KRW 61.4 trillion in 2020, which is an 8.8-fold increase over eleven years, and it is fast-becoming an attractive investment area. Once Woori Asset Trust is licensed as the REITs AMC, it will be able to produce various synergistic effects with the affiliates of Woori Financial Holdings. Of particular note, it will be possible to diversify the business structure in connection with REITs, Woori Financial Holdings and the affiliates of the Group. Above all, what is noteworthy is the possibility of developing Anchor REITs using the enormous financial firepower of the Group and its network. Woori Asset Trust plans to solidify its business base centering on safe, traditional assets, such as office and retail properties, and target the REITs market in housing and urban regeneration in order to raise brand awareness as quickly as possible and gain a greater chunk of the market.



08

Woori Asset Management Establishes ESG Investment Processes and Operates the Industry's Largest Fixed-Income ESG Fund

Woori Asset Management has renamed its publicly offered fund as "Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1 (Bond Fund)" and incorporated the ESG management strategy into its investment management strategy. While pursuing profitability by maintaining the original management strategy, it will be considering ESG in the investment decision-making stage so as to reduce non-financial risks and ensure stability and sustainability simultaneously. Woori Asset Management has gained confidence from its customers, attested by the fact that it has been chosen as the MMF management company by the National Health Insurance Service seven times in a row. In November 2020, it became the first in the industry to launch a fund product in connection with the Shanghai Stock Exchange Science and Technology Innovation Board (SSE STAR), which is described as the Shanghai equivalent of NASDAQ, and launched a TDF in connection with BlackRock. Further, it has taken a strategic approach in setting up ESG investment processes in response to the growing interest in environmentally conscious and sustainable management among domestic companies. Recently, Woori Asset Management officially began ESG investment, managing the largest fixed-income ESG fund valued at KRW 400 billion, the largest of its kind in the industry, with plans to assume a leadership position in ESG fixed-income investment funds. Following the appointment of Choi Young-gwon, known as an ESG investment expert, as CEO, the company newly established the Responsible Investment Research Team and has been working closely with external ESG evaluation agencies, with emphasis on the importance of responsible investment.



09

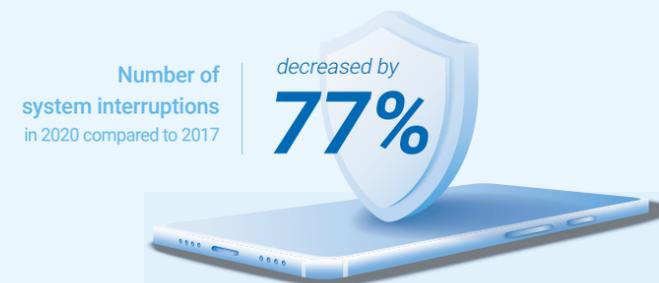
Woori Fund Services Reaches KRW 142 Trillion in AUM

Woori Fund Services reached KRW 142 trillion in assets under management (AUM) based on the closing balance on March 18, 2021. Woori Fund Services, entrusted with the affairs of funds by Woori Asset Management in March 2020, has successfully positioned itself as a major transfer agent in just a decade after its inception. Since commencing services as a transfer agent for Woori Global Asset Management in September 2020, its AUM has been on a steady rise. It also acquired an investment pool from a private pension fund in December 2020 and continued business activities in asset management, private equity management and REITs. The AUM (closing balance), which has been steadily increasing from KRW 62.8 trillion in 2016 to KRW 71.3 trillion in 2017, KRW 75.9 trillion in 2018, KRW 92.2 trillion in 2019 and KRW 134.5 trillion in 2020, jumped by more than 5.7% to KRW 142.3 trillion in 2021 (as of March 18, 2021). Meanwhile, the AUM (closing balance) in the first half of 2021 is projected to increase by more than 11.5% and reach over KRW 150 trillion. Woori Fund Services overhauled its risk management system in March 2020 and improved fund compliance. In August, it set up a management instruction forwarding system to manage the entire process in which the asset management company delivers management instructions to the transfer agent, with the aim of achieving technical innovation and stringent risk management. Using its knowhow in serving as a transfer agent for a major asset management company, it has been handling the newly obtained AUM with ease and is poised to achieve further growth in the future.

10

Woori FIS Sets a New Record with the Uninterrupted Operations Campaign, Clean Road 90

Woori FIS' Clean Road 90 campaign is aimed at preventing interruptions in system operation to ensure smooth financial transactions during peak demand such as on holidays. It set a new record for the longest uninterrupted system operation at 140 days on December 30, 2020, which was a major leap from its previous record of 53 days set in 2019. Clean Road 90 is a campaign initiated to run an uninterrupted computer system for a 90-day cycle, based on an IT operating system with high integrity, for the purpose of ensuring stability in IT services. Woori FIS achieved stabilization of the next-generation system of Woori Bank through the recent campaign, with the number of interruptions dropping by 57% in 2019 and 77% in 2020 compared to 2017 before the system was introduced. Woori FIS, providing IT services to Woori Bank, Woori Card and other affiliates, has been checking and controlling factors causing system interruptions in order to drastically improve the quality of the computer system. As a result, the system was able to handle the massive loads occurring during holidays, such as the Lunar New Year and Chuseok, caused by a surge in transactions.



Business Portfolio

Woori Financial Group is reinforcing its competitiveness as a financial group engaging in businesses across the financial sector and endeavoring to expand its business portfolio to include M&A and more. Since the establishment of the holding company in 2019, the Group's portfolio has been expanded to include asset management companies, Real Estate Trust company, capital lending and savings bank operations, and it will continue its efforts in expanding the non-banking business portfolio in areas of securities, insurance, VC and NPL investments to emerge as a leading financial group with the optimal business portfolio.

expected to achieve accelerated based on the Group's risk management capabilities and collaborations with other affiliates including Woori Bank. Meanwhile, Woori Savings Bank, which had initially been incorporated as a sub-sub-subsidiary, was incorporated as a subsidiary of Woori Financial Group through cash acquisition on March 12, 2021 and was granted an equal position as other subsidiaries, thereby creating the foundation for the affiliates to create synergy. On April 15, 2021, the shares (12.65%) held by Aju Corporation, the second biggest shareholder of Woori Financial Capital, were acquired to increase the percentage of shares to 86.89%.

2020 Performance

In December 2020, Woori Financial Capital (formerly, Aju Capital) and Woori Savings Bank (formerly, Aju Savings Bank) were incorporated into the Group as a subsidiary and a sub-sub-subsidiary, respectively, for consumer financing services. Woori Financial Capital, with a competitive advantage in the auto financing business, recorded KRW 7.8 trillion in total assets, KRW 96.7 billion in net income and 12.4% in ROE in 2020, while Woori Savings Bank, generating more than KRW 10.0 billion in net income annually, is also expected to greatly contribute to boosting income for the Group and improving shareholder value. Furthermore, two companies, which are experiencing stability in raising capital and lower interest rates as part of Woori Financial Group, are

2021 Plans

In 2021, Woori Financial Group will continue on with its strategy to expand its non-banking business portfolio, including M&As, to secure mid- and long-term growth engines and complete its business portfolio lineup. By expanding into various non-banking businesses through securities, VC and NPL investment companies, the Group plans to power sustainable growth after the end of the COVID-19 pandemic and grapple with prolonged low interest rates. Furthermore, it will seek measures to incorporate non-banking businesses into the portfolio from various perspectives and manage and nurture the newly incorporated asset management companies, trust and capital companies and savings bank operations, with the aim of drastically improving its competitiveness and solidifying the synergistic system.



Synergy Promotion

Woori Financial Group has been expanding the areas of synergy creation by incorporating additional subsidiaries since its establishment in January 2019. In order to continually build its capacity as a financial group, it is encouraging collaboration among its subsidiaries, promoting new business areas for synergy creation, offering advanced financial services and endeavoring to maximize profit. The Synergy Council, in which the Group and all its thirteen subsidiaries participate, plans new businesses and carries out joint marketing campaigns to maximize synergy and generating additional profits, in addition to seeking measures to reduce costs.

2020 Performance

In 2020, marking the second anniversary of the founding of the holding company, Woori Financial Group made full-fledged efforts toward synergy creation based on the synergy operating system it had created. The thirteen subsidiaries discovered and pursued a total of nineteen businesses for synergy creation and produced tangible results based on cross-selling and joint marketing. The synergy creation projects are systematically managed by the Synergy Council, consisting of executives in charge of related projects; the Synergy Working Level Council, consisting of department heads at the forefront of project implementation, and unit meetings held in the presence of working-level staff of each project.

The Group Synergy Creation Section and the Group Synergy Idea Contest helped draw attention to synergy creation and encouraged members of the organization to discover and pursue new businesses in their day-to-day activities. By developing profit-generating models through the Group synergy systems, the following core project were pursued:

First, efforts were made to boost the executives' and employees' interest and participation in projects to create synergy with other business units. The unit projects derived from the oversight organization were further subdivided to be implemented by each business unit. Of the projects discovered by business units, those requiring oversight at the Group level were carried out as Group-wide projects.

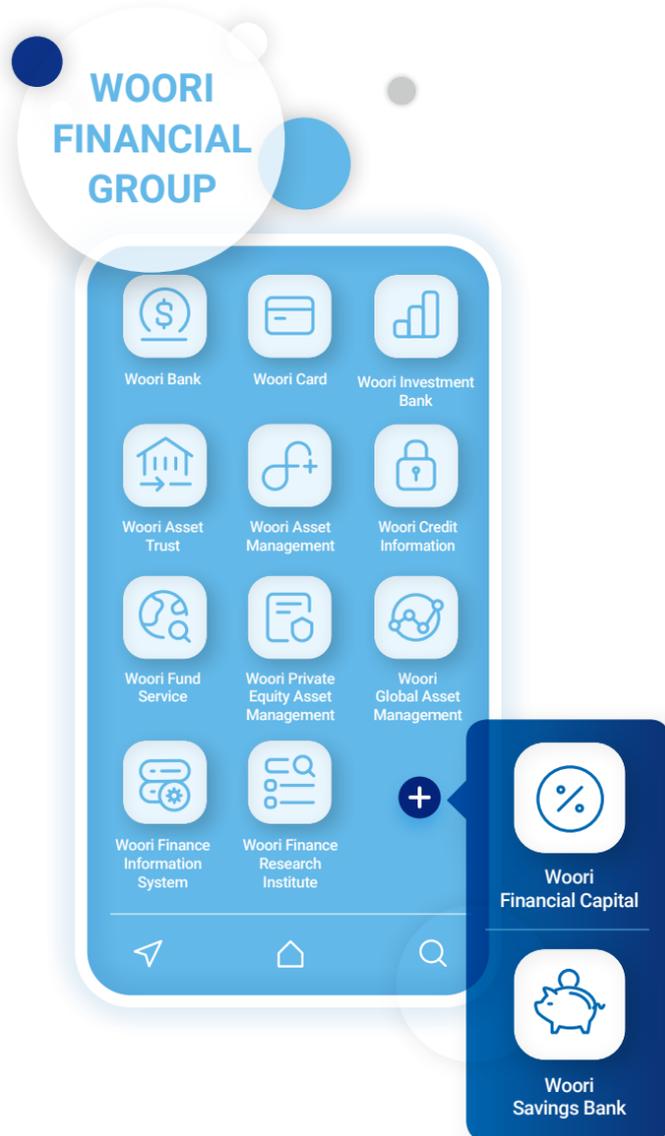
Second, the competitiveness of the non-banking business units was reinforced by managing the performance of newly incorporated subsidiaries and supporting their growth. Joint projects and marketing campaigns were discovered for Woori Financial Capital, Woori Savings Bank and other subsidiaries. Of particular note, the synergy created with the newly incorporated subsidiaries was maximized by promoting their collaboration with Woori Bank.

Third, tangible results were produced by establishing strategies and pursuing businesses for synergy creation among Woori Bank, Woori Card and Woori Investment Bank. The driving force behind joint projects was boosted by facilitating communication among the subsidiaries and coordinating the projects in such a way that would protect their respective interests.

2021 Plans

In 2021, Woori Financial Group will attempt to level-up the performance across all areas of synergy creation in an effort to achieve synergy transformation. To this end, Woori Financial Group will promote collaboration between the four business areas (retail, asset management/pension, CIB and global business operations) and business units and between the newly incorporated subsidiaries and other subsidiaries of the Group. Also, it will strive for mega-growth of synergy of the Group, based on three strategies: expanding joint businesses,

achieving stable operations of the newly incorporated subsidiaries as soon as possible and innovating the group control system. Furthermore, when acquiring additional companies, such as a securities firm, through M&A, collaboration among the subsidiaries will be strengthened, with Woori Financial Group playing a central role, in an effort to achieve continuous growth by increasing market shares in the banking and non-banking sectors.



Expansion of Business Portfolio



	Aju Capital > Woori Financial Capital	Aju Savings Bank > Woori Savings Bank
Date of incorporation as a (sub-) subsidiary	Dec. 10, 2020	Mar. 12, 2021
Percentage of shares acquired	74.04% > 86.89%	100%

Digital Innovation

With the prolonged low interest rates, entry of BigTech companies into the finance industry and growth of digital finance among other factors, it has become essential to strive for digital transformation. To achieve digital innovation as quickly as possible, Woori Financial Group has established a digital system in relation to its vision, organization and tasks by setting a digital control tower and set forth 3 goals, 10 implementation tasks and 40 innovation tasks to realize the vision. Based on the digital transformation policy established in 2020, Woori Financial Group will make a giant leap to become the No.1 digital financial group in the world in 2021.

2020 Performance

Accelerated Digital Transformation of the Group

Woori Financial Group has established the Digital Innovation Committee to play the role of a digital control tower for the Group, followed by the selection of 40 innovation tasks to achieve swift and powerful digital transformation. First of all, digitization of the business processes using Robotics Process Automation (RPA) has produced the effect of boosting the work speed and cutting costs, while zero-contact business operations were promoted by carrying out loan processes for small business owners and offering a number of products exclusively on mobile platforms and the web. In order to accelerate the digital transformation of offline channels, a system was introduced to allow customers to fill out documents on mobile devices and a mobile appointment booking service was introduced. An Out-Door Sales (ODS) system was set up to improve sales capacity as well.

Reinforcement of the Digital Platforms

Woori Financial Group reinforced the digital platforms serving as non-face-to-face customer touchpoints. First of all, Woori WON Banking, Woori Card App and Woori Pay App for retail customers were upgraded. In addition to simplifying the product subscription procedures, the product recommendation page was designed to provide information the most suitable products in consideration of the customer's transaction patterns, age and other factors. The Group also launched Woori WON Together, a one-stop service allowing users to manage their assets with Woori Bank, Woori Card, Woori Investment Bank, etc., subscribe to products offered by other subsidiaries and apply for issuance of a new card. Woori Financial Group began servicing Corporate Woori WON Banking Customers to increase the contact points for corporate customers. The app providing financial service tailored to the needs of corporate customers offers a customizable main page, non-face-to-face loan services and up to 500 simultaneous transfers.

Leading New Businesses and Strengthening the Digital Capacity

Woori Bank and Woori Card obtained official approval for the credit information management business (MyData) from the Financial Services Commission. Through this business, they will provide personalized MyData services, allowing users to make various decisions in their day-to-day lives based on their personal data. Moreover, internal controls were reinforced using RegTech, a way of using information technology to enhance regulatory processes, and open banking services were improved so that customers could access the accounts of other banks in a faster and more convenient way. Also, the Group is building cloud infrastructure for all the affiliates in order to switch to a cloud environment characterized by speed and flexibility.

Woori Financial Group reorganized DinnoLab, a startup cooperation program that has been in operation since 2016, as a joint program of the Group in June 2020. Through this program, the Group has discovered 54 startups, with which the subsidiaries of the Group have collaborated on 16 projects, and this helped the Group successfully internalize new digital technologies such as FinTech, AI and big data. Furthermore, Woori A-D Venture, an in-house venture incubation program, was accepted as part of the effort to drive forth innovation within the Group.

Digital Transformation

- Established the Digital Innovation Committee and selected innovation projects
- Pursued digitization of work processes based on robotics process automation (RPA)
- Pursued digitization of face-to-face channels and reinforced non-face-to-face channels

2021 Plans

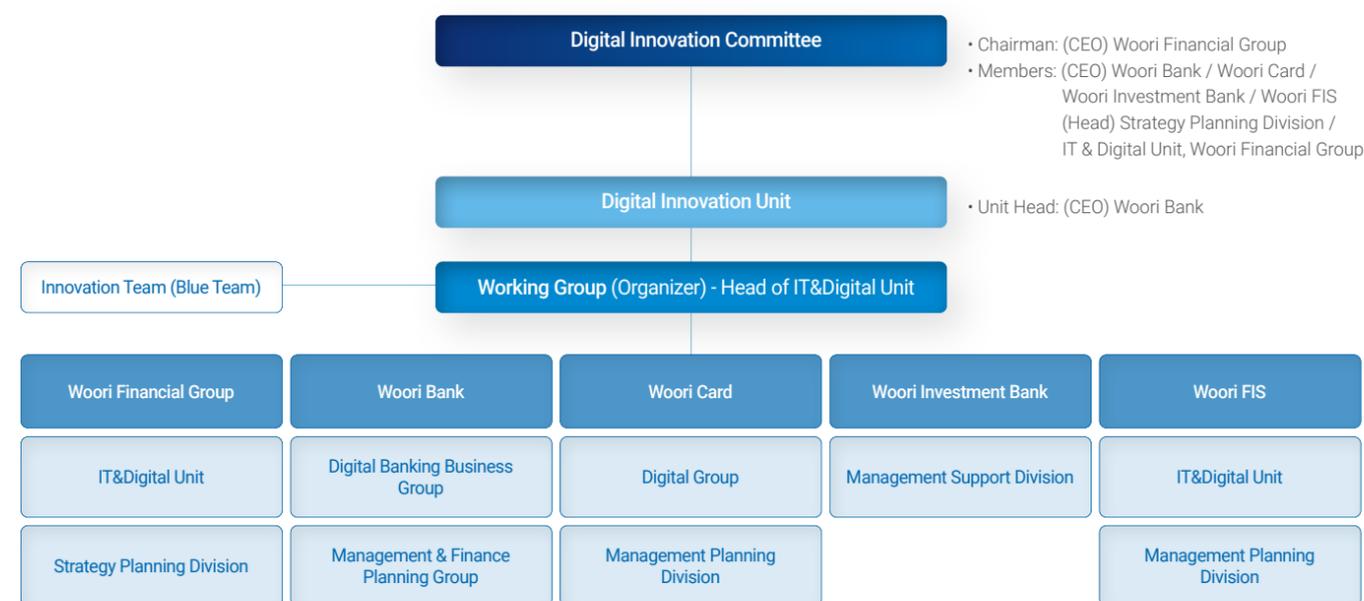
Woori Financial Group will strive to become the No.1 digital financial group in 2021, based on the digital transformation policy set forth in 2020.

In recognition of the imminent transition to a platform-based payment and settlement market, the Group plans to create and launch an integrated payment platform. It will be provided as an open service to expand the payment and settlement ecosystem centering on the Group's platform and, at the same time, common services from the Group will be provided on the platform to improve customer convenience. While increasing seamless services by connecting the digital channels of subsidiaries, the digital synergy created by the subsidiaries will be further boosted through an integrated membership program, integrated products and integrated marketing. The Group also plans to pursue the MyData program in full swing. By jointly creating a MyData ecosystem within the group, it will create an inter-subsidiary cooperation system and introduce a platform that provides information on products offered by the Group.

Secondly, Woori Financial Group will lead the future of the finance industry through Coopetition (cooperation + competition). As part of these efforts, it is discovering innovative startups through DinnoLab and Global Hackathons, through which it is internalizing innovative technologies and services as well as a culture of innovation. By partnering with credible media outlets and platforms, it will secure online promotion and marketing channels and create content related to startups to spearhead the creation of a startup ecosystem. Woori Financial Group will also find partners in other industries, including distribution and communications, to broaden customer touchpoints, while expanding its external network by discovering ways to cooperate with TechFin companies that are setting new trends in finance.

Last but not least, Woori Financial Group will sharpen its digital competency. In addition to building an integrated education and training platform to foster digital experts, the Group will operate digital industry-university cooperation programs consisting of practical training and hands-on experiences. By propagating the agile culture across all areas of the Group, it will pursue digital transformation with speed and success.

Digital Structure of Woori Financial Group



Global Business

In the midst of internal and external challenges in 2020, Woori Bank strengthened the integrity of its network in the Southeast Asian market that is highly profitable with a strong growth potential and increased its capital. By implementing region-specific business strategies and taking advantage of its outstanding non-face-to-face channels, the company paved the foundation for sustainable growth with respect to its global business operations.

By adding business channels in promising regions, such as Vietnam and Indonesia, Woori Bank expanded its global network to include 447 branches worldwide. Through the merger of the subsidiary in Cambodia and relocation of business establishments, it improved its network efficiency and broadened its retail business channels. It further heightened its growth potential by increasing capital in the Vietnamese and Cambodian markets that have been achieving accelerated growth.

In line with the spread of contactless practices across the world due to COVID-19, Woori Bank renewed the global mobile banking services in Vietnam and other overseas locations, developed new products exclusively for mobile platforms and launched services in partnership with FinTech companies. By introducing the tablet branch system, it successfully built the infrastructure for Out-Door Sales (ODS). To grapple with increased risks, the company sought to ensure asset soundness and upgraded its internal control system through related consulting on AML and so on.

2020 Performance

Expansion of the Global Network

Woori Bank became the first commercial bank in Korea to open an overseas branch, launching operations in Tokyo in November 1968. After taking the first step toward the global stage, it has been relentlessly endeavoring to gain a stronger foothold in the global financial markets. In 2014, it became the first Korean bank to acquire a bank listed on an overseas stock exchange and launched PT Bank Woori Saudara in Indonesia. Shortly after in 2016, it acquired a savings bank in the Philippines and has been creating synergy with its partner, VICSAL Group, ever since. Following the acquisition of WB Finance, a savings bank in Cambodia, in June 2018, Woori Bank gained a greater

business coverage across the country, and in November, it founded Woori Bank Europe in Germany, thereby creating a base to advance into other regions in Europe.

In 2020, Woori Bank opened three branches overseas, Hoam Kiem Branch in Vietnam, Dallas Branch in the United States and Asabrisemarang cash-office in Indonesia, resulting in a global network of 447 branches. It is pursuing organic growth based on key areas in Bangladesh and Myanmar as well. Through a merger between Woori Cambodia Finance and WB Finance, the local subsidiaries in Cambodia, Woori Bank successfully laid the groundwork to emerge as a leading financial institution in the country.

Securing Sustainable Growth Engines for Global Business Operations

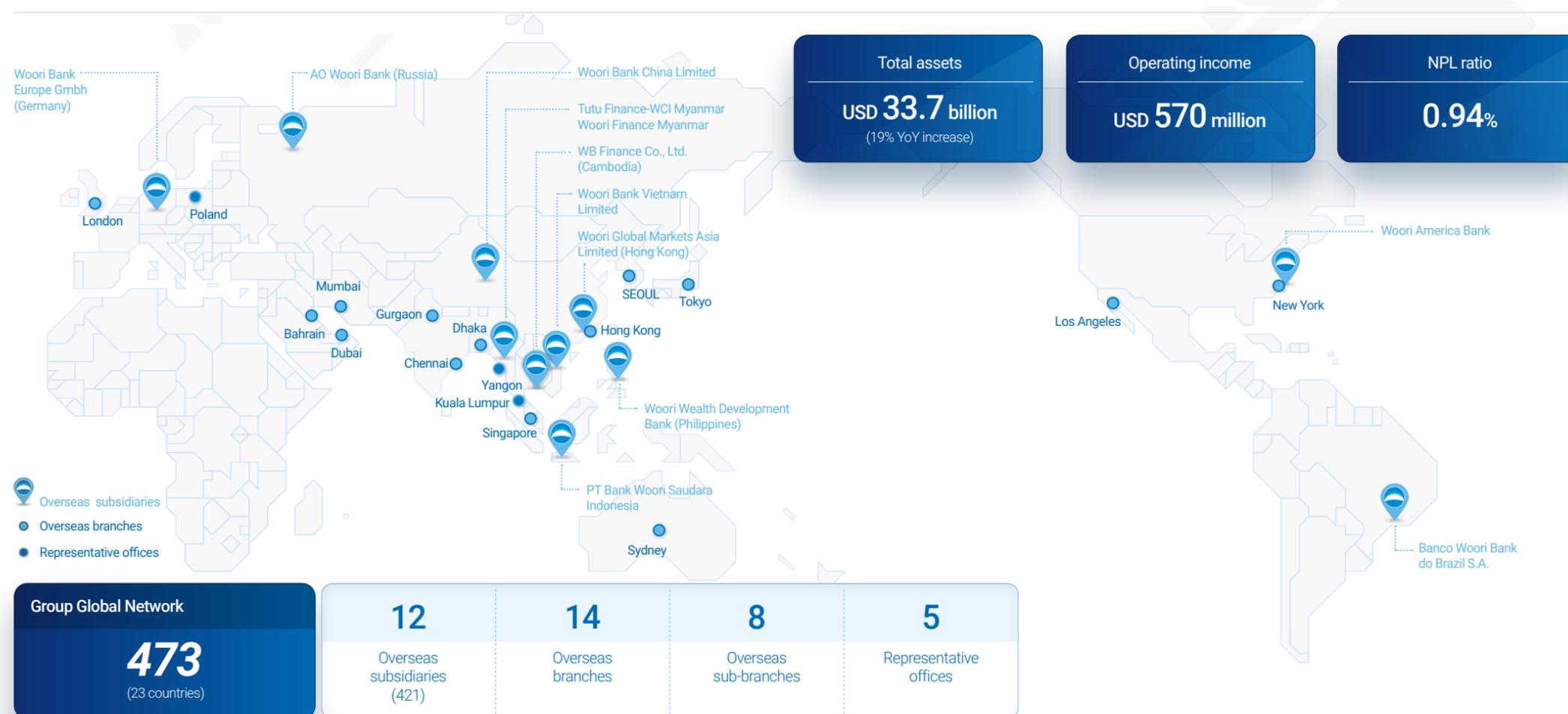
In order to secure sustainable growth engines for global business operations, Woori Bank pursued substantial growth centering on capital increase and high-yield assets.

It pursued localized business operations, with capital increases in the fast-growing Vietnam and Cambodia and an expansion of the product lineup for retail customers in emerging markets according to the local economic and financial environments, through which it gained stronger market dominance. In advanced countries, on the other hand, a two-way strategy to strengthen competitiveness in corporate finance, such as IB and F/X, was implemented.

Strengthening Global Digital Business Infrastructure

Woori Bank is sharpening its competitive edge using non-face-to-face channels in an effort to respond to the changes in the global financial environment and set new trends. It renewed its mobile banking services in Vietnam and other overseas locations, began offering a wide range of products on mobile platforms, such as a mid-range interest rate loan, and introduced the tablet branch system in Indonesia for ODS.

By forming partnerships with local FinTech companies among others, Woori Bank was able to launch products exclusively available on mobile platforms, such as the easy money transfer service in partnership with ZellePay in the United States and non-facial revolving credit facility products receivables in partnership with FIN2B in Vietnam, and expanded its local business operations using digital technology.



ESG Management

Building Relationships with Global Banks

Woori Bank has been forming friendly ties and strengthening cooperation with prominent banks around the world. Through these efforts, it has been able to secure credit lines to provide financial support to Korean enterprises expanding into overseas markets as well as local blue-chip companies. Through a wide range of trade finance techniques, such as bills bought and Banker's usance and other L/C transactions as well as payment guarantees, Woori Bank is contributing to the promotion of import and export transactions.

Reinforcing Compliance and Internal Controls

With financial authorities worldwide raising the bar on compliance, Woori Bank upgraded a filtering system in relation to AML and sanctions and diagnosed the compliance levels of domestic and overseas branches together with a consulting firm. Based on the results, it made ongoing improvements to various aspects including the operating manual. It shared matters requiring improvement through working-level meetings with members from relevant departments at the headquarters to boost the capacity to achieve global compliance. Training programs are also administered through internal instructors and external agencies for capacity building of personnel responsible for compliance.

Providing Support for Overcoming COVID-19 Worldwide

Woori Bank joined in on the international efforts to overcome the COVID-19 crisis and commenced social contribution activities beyond the borders of Korea through local subsidiaries. Relief supplies and monetary donations were delivered to Wuhan, China in order to help contain the virus. In addition, Woori Bank donated money, hand sanitizers and face masks to Cambodia and hazmat suits to Jakarta, Indonesia.

2021 Plans

Implementing Growth Strategies at Each Branch

Woori Bank plans to pursue change and growth in its global business operations by pursuing structural improvement in 2021. It will group overseas branches according to the region-specific business environment and establish growth strategies tailored to each group.

Securing Additional Growth Engines for the Future

Woori Bank will strengthen its competitiveness in digital channels as a means to secure additional growth engines for the future and operate such channels strategically by concentrating its investments in high-growth, high-return regions.

Increasing Local Support

Woori Bank will increase training programs for capacity building of employees dispatched abroad and invigorate local business operations by hiring locals at overseas branches. It will maximize the synergistic effect by pursuing collaborations with relevant business groups and increase collaborative operations among branches at home and abroad.

Ensuring Sound Risk Management

In order to prevent a surge in insolvency filings in the post-COVID-19 era, Woori Bank will examine and manage asset soundness in advance and ensure systematic management by upgrading its internal control system in the aspects of AML and operational risk.

The recent trend seen across the world is the increasing emphasis placed on non-financial performance of companies centering on sustainability, such as environmental protection activities, CSR management and transparent management. Along with this, ESG management has become crucial, which is evidenced by the fact that institutional investors are considering ESG when making investment decisions. In consideration of this new paradigm, Woori Financial Group has established an ESG strategy to pursue sustainable growth and set up an ESG management system to integrate the ESG framework into its corporate culture.

2020 Performance

Declaration of Reinforcing ESG Management

Woori Financial Group included 'Reinforcing ESG management' as a core strategy among its mid- and long-term strategies and the 2021 management strategies and established an ESG organizational structure to underpin the efforts to strengthen ESG management. In addition to proclaiming the 'Woori Financial Group ESG Management Principles' at the 2021 1H Management Strategy Workshop, the Group joined the CDP* and endorsed the recommendations of TCFD**, as part of its efforts to pursue sustainable management and lead the financial industry in fulfilling its environmental and social responsibilities.

Proclamation of the ESG Management Principles

In January 2021, the 'Woori Financial Group ESG Management Principles', the key points of which are to practice ESG management at the Group level and to lead the financial industry in fulfilling social responsibility, were established and proclaimed. The declaration consists of the Top 6 ESG Management Principles, which concern pursuing management activities in connection with the relevant global initiatives, specifically the UN SDGs and the Paris Agreement, exerting positive impacts on the environment and society through financial products and services and endeavoring to manage related risks.

Establishing the ESG Organizational Structure

Establishing an ESG Organization and the Group ESG Management Council • Woori Financial Group newly established the ESG organizational structure in order to pave the foundation for strengthening ESG management. In December 2020, departments dedicated to ESG were established in Woori Financial Holdings and Woori Bank following reorganization of the Group. Then, in January 2021, the Group ESG Management Council, comprised of the CEOs of the affiliates as members, was launched to raise efficiency in ESG management and facilitate communication and cooperation among the affiliates in ESG management activities. Based on the newly established ESG organizations and council, Woori Financial Group will pursue world-class ESG management and serve as a leader.

ESG Structure of Woori Financial Group



Establishment of the ESG Management Committee within the Board • For the purpose of consolidating the ESG organizational structure and bolstering ESG management, Woori Financial Group established the ESG Management Committee within the Board of Directors in March 2021. The Group's ESG management activities will be managed and supervised by the Board, based on which a robust ESG management system will be created. The ESG Management Committee, comprised of 9 inside and outside directors from Woori Financial Holdings, will play the role of the top decision-making body in ESG management of the Group.

2021 Plans

Preparing Mid- and Long-Term ESG Strategies for the Group

Establishment of an ESG Strategy System • Woori Financial Group plans to pursue effective risk management activities and produce excellent business performance, based on an advanced ESG strategy system. Of particular note, the Group has set forth mid- and long-term strategic goals in ESG and is discovering and implementing related tasks to meet the needs of diverse stakeholders. Furthermore, in order to promote ESG management at the Group level, ESG goals began to be assigned to each affiliate in 2021, with plans to put forth a system in which their performance will be evaluated by the management.

Sophisticating the Strategic System in Connection with Global Initiatives • With the growing importance of effectively responding to climate change risks, Woori Financial Group has been carrying out environmental management activities in connection with global initiatives. In January 2021, the Group declared its support for the TCFD and is set to establish a mid- and long-term implementation roadmap in 2021. There are plans to create a system to check and manage the performance related to reducing Greenhouse Gas (GHG) emissions in four areas, 'Governance,' 'Strategies,' 'Risk Management' and 'Quantitative Indicators/Goals, and introduce a process for tracking the results. The relevant performance will be disclosed to the public through the issuance of sustainable management reports.

In the case of CDP, response to climate change risks and opportunities were designated as major strategic tasks upon joining the organization in February 2021, based on which Woori Financial Group will set forth mid- and long-term GHG emission reduction goals for the Group and be committed to becoming a carbon neutral financial group. Also, in the second half of 2021, an integrated environmental control system will be set up for the Group, with plans to systematically control GHG emissions, waste production and energy and water consumption of the Group and disclose the related data with transparency following verification by an external agency.

Promoting ESG Finance

Establishment of ESG Finance Principles & ESG Finance Classification System • Woori Financial Group plans to effectively respond to various social and environmental issues and the interests of stakeholders through the establishment of the ESG finance principles. The Woori Financial Group Principles for ESG Finance were established for the purpose of joining the global current of switching to a low-carbon economy, expanding upon inclusive finance to solve environmental, financial and social issues and contributing to the sustainable development of society as a whole. The Woori Financial Group Principles for ESG Finance outline the background and purpose of ESG finance, governance, framework, scope and principles, monitoring and reporting. Meanwhile, in order to take leadership in ESG finance, Woori Financial Group is setting up an ESG finance classification system within the Group. The classification system, which will be applicable to all products offered by the Group including credit, depository, PF and investment, will contribute to the transparent and clear ESG finance product development and dissemination. The ESG finance classification system, which is set to be announced in the first half of 2021, will help Woori Financial Group effectively manage the ESG finance performance in an integrated manner with the actual management performance.

Green New Deal Policy and ESG Finance Verification (Certification)

• There are plans to offer a wider ranger of products in connection with the government policy to promote green finance and inclusive finance on a broader scale. Woori Financial Group will contribute KRW 4.2 trillion for Digital New Deal, KRW 4.7 trillion for Green New Deal and KRW 1.1 trillion for reinforcement of safety nets, for a total of KRW 10 trillion, in the course of the next five years. While providing green finance support in connection with the government's Green New Deal Policy and 2050 Carbon Neutral Policy, the Group will increase its PF investments in new and renewable energy, such as hydrogen fuel cells, wind power and solar power, to contribute to the transition to a low-carbon economy. Meanwhile, with the release of ESG finance products by domestic and foreign entities, it has been noted that there is a need to verify and certify these products. This past March, Woori Financial Group became the first financial holding company in Korea to issue an ESG bond that was given the highest ESG certification grade (ST1). By ensuring thorough follow-up management, the Group will contribute to the creation of a virtual cycle of ESG finance in financial markets.

Strengthening the ESG Capacity of Subsidiaries • Woori Financial Group has derived a wide variety of strategic tasks to internalize ESG management across the organization and strengthen ESG capacity. These tasks were largely divided into 'Common Tasks,' 'Industry-Specific Tasks,' derived in consideration of the nature of business of each subsidiary, and 'Tasks in Response to Government Policies,' and the

subsidiaries have each formulated specific implementation plans. The tasks that must be carried out for internalization of ESG management, such as preparing a system for nurturing female managers and setting up a human rights management system, are being carried out as swiftly as possible, as part of the efforts to strengthen the ESG capacity across the organization.



Risk Management

With the rise of contactless services to better cope with COVID-19, a digital transformation has occurred in nearly all aspects of life, including banking. As of June 2020, 64.3% of all banking services are obtained on either the Internet or mobile platform, quite a jump from 52.2% in 2018. Financial markets are seen a surge in online transactions arising from technological advances, an introduction of non-face-to-face authentication services and ease of use, and competition is intensifying across all business areas, including areas centering on contactless products and services and platform, with the entry of BigTech companies, such as Naver, Kakao Bank and Toss. Accordingly, Woori Financial Group continually comes up with measures to cover emerging risks in relation to the changes in financial markets.

2020 Performance

Detailed Analysis of Emerging Risks

Digital innovations, including FinTech, bring forth new opportunities in financial markets, but at the same time, they can act as serious risk factors for businesses without any proper management measures. For instance, there are operating and reputation risks associated with misuse or abuse of customer information or leakage thereof, which can be devastating for the company. After recognizing the changes in its environment, such as changes in financial markets, rising transactions resulting from technological advancement and rapid speed of financial transactions, Woori Financial Group analyzed the potential risks of expanding non-face-to-face product and service channels in relation to the elimination of geographical limitations, accessibility of external users, anonymity of users and use of public networks. Based on the analysis, three emerging risks were predicted: conduct risk; digital fraud risk; and cyber security and data privacy risk. First, conduct risk refers to a risk of causing adverse outcomes for customers with poorly designed products or sales processes in the midst of a flood of information due to diversified sales channels and digitization. Next, digital fraud risk is a risk of causing losses to the bank by subscribing to a fraudulent product via a non-face-to-face channel. Lastly, cyber security and data privacy risk is a risk that arises from misuse and mismanagement of personal data obtained via non-face-to-face channels.

Development of the Top 3 Risk Management System Following Reform

In 2020, Woori Financial Group formed an emergency management committee in early on in the face of an unprecedented global crisis brought upon by COVID-19 to systematically deal with the ensuing challenges, with the safety of customers and staff as its No.1 priority.

Also, in reflection of the final Basel III reforms that are set to be implemented starting in 2023, Woori Financial Group developed and introduced the top 3 risk (operating, market and credit) management system. In September 2020, a credit risk management system was introduced to be prepared for the regulatory requirements of Basel III, and it became the first financial holding company to set up operating and market risk management systems as well in March 2021.

As a result, Woori Financial Group was able to promote its operating stability by eliminating potential risks and managing losses and build the foundation for recovering from the effects of unexpected risks, such as the pandemic, for a business continuity plan.

Monitoring Indicators for Emerging Risk Management



Conduct Risk

- No. of Subscribers by age group
- No. of Scrapping errors
- No. of Same-day cancellations
- No. of Subscriptions by seniors and minors
- No. of Failed real name verification attempts



Cyber Security & Data Privacy Risk

- No. of Hacking attempts
- No. of System failures
- No. of Security patch installations
- App log increase rate
- Average app usage time by customer



Digital Fraud Risk

- No. of Subscriptions using prepaid phone numbers
- No. of Financial fraud cases
- No. of Login attempts from overseas IP addresses
- No. of Login attempts after re-reporting the password
- No. of Subscribers with erroneous customer information

2021 Plans

Reinforced Risk and Internal Controls

2020 was a tough year for many sectors due to COVID-19, and the financial sector is expected to be exposed to a number of risk factors in 2021. With the enforcement of the Financial Consumer Protection Act in 2021, Woori Financial Group will endeavor to build an impeccable internal control system, a prerequisite to ensuring consumer protection and excellent sale processes. Potential risks will be continually monitored and the investment assets of the Group will be examined more thoroughly.

Woori Bank, an important subsidiary of Woori Financial Group, will reestablish its business model encompassing products and services, processes and data with the aim of achieving cutting-edge data-centric banking services, based on a mid- to long-term strategy to strengthen the digital business.

Management Measures for Emerging Risks

Non-face-to-face channels are characterized by ease of access, simple procedures and analysis of diverse data. It is also advantageous for those seeking to secure new technologies, as there are many areas that are still untapped. To better manage the emerging risks associated with the rise of non-face-to-face channels, Woori Financial Group plans to establish and operate an emerging risk management system with an understanding of the characteristics unique to non-face-to-face channels. Woori Financial Group is sharing its risk management value and culture and systematically examining the risk factors associated with non-face-to-face channels. Also, emerging risks are clearly identified through management reports and risk assessments and reviews to better deal with them.

Details of the Emerging Risk Management System

Conduct Risk • There are plans to subdivide risk factors according to the non-face-to-face product subscription stages, which include consultation, sale and follow-up management, in order to examine risk factors for each step. Also, Woori Financial Group has secured the time necessary to be prepared for the final Basel III reforms by introducing an operating risk management system (Principles for the Sound Management of Operational Risk, PSMOR) for the first time among the 8 major financial holding companies in Korea. Based on trial and error before the implementation of Basel III, it will endeavor to improve the system and promote operating stability.

Cyber Security & Data Privacy Risk • Cyber security risks will be mitigated by monitoring for hacking and information leakage, while data privacy risks will be addressed by setting forth a clear set of standards in relation to the use of personal information. In addition, core digital technologies, such as cloud, machine learning and AI, will be introduced, in addition to establishing a system to recruit and foster digital experts, in order to build the necessary infrastructure and manpower for the digital channels.

Digital Fraud Risk • There are plans to pursue multifaceted risk management by using a wide array of data based on a database created to collect, analyze and manage internal, external, structured and unstructured data. To enable risk management based on RiskTech services, the risk management system will be upgraded in reflection of the latest digital trends, such as AI risk management, non-face-to-face credit assessment models and fraudulent corporate loan detection system.

PSMOR in Relation to the Operating Risk Management



Development of Products and Services



Sales of Products and Services



Follow-up Management

1

Ensure consistency and efficiency by classifying products and services and establishing a standardized management system for each type

2

Strengthen the connection between the headquarters and branches centering on the key businesses and perform integrated management at the company level

3

Promote the effectiveness of risk management by deriving monitoring measures suitable for each risk and control activity

Social Responsibility

Woori Financial Group undertakes social contribution activities alongside local communities with the vision of 'Benefit from Finance, Warmth from Sharing.' Based on the three core values, Humanity, Happiness and Hopefulness, the Group is dedicated to sharing with local communities and practicing ESG management. It has also established its own sustainable development goals (SDGs) in consideration of the nature of the financial industry and joined in on the international effort toward sustainable development centering on five social contribution areas: inclusive finance, fostering the future generation, supporting the underprivileged, spreading the mecenat spirit of philanthropy and protecting the environment.

Woori Financial Group's CSR Strategies

Implementing CSR strategies aligned with the UN SDGs for sustainable management and creation of social value



Inclusive Finance

Promoting inclusive and sustainable economic growth and creating jobs



Fostering the future generation

Guaranteeing inclusive and equitable quality education, promoting lifelong learning opportunities



Supporting the underprivileged

Reducing inequality within and among countries and contributing to social integration



Spreading the Mecenat activities

Spreading cultural value by sponsoring the arts, cultural and sports sectors



Protecting the environment

Responding to climate change and pursuing sustainable protection and restoration of ecosystems

2020 Performance

INCLUSIVE FINANCE



Support for microfinance • Woori Financial Group provides wide-ranging support for microfinance in order to deliver the social value of finance by alleviating the burden of financial costs for ordinary citizens and to grow alongside them. With its notable microcredit product, 'New Hope Spore Loan,' Woori Bank handled KRW 551.8 billion, as of the end of 2020. Non-face-to-face channels were opened in 2020 to improve convenience for those who find it difficult to visit the bank in person. 'Sunshine Loan 17' launched to support microfinancing in line with the government's policy targeted borrowers who were forced to turn to the secondary financial sector and private lenders due to poor credit scores, despite having an income. Through this product, KRW 107.0 billion was extended to borrowers, and it helped reduce the polarization in the financial sector. Meanwhile, Woori Bank began the "Special Program for Pre-Workout for Household Loans" on April 29, 2020 to support borrowers who have overdue loan repayments or are at such risk due to a decrease in income during the pandemic. Vulnerable groups suffering financial hardships due to COVID-19 and borrowers with overdue payments were allowed to defer the payment of the principal (for 6 or 12 months), extend the loan period, renew the loan or switch to a different loan product. As of the end of 2020, a total of 77 such cases amounting to KRW 1,607 million were handled.

Support for Small Business Owners and SMEs • Woori Bank became the first financial institution to initiate consulting services for SMEs (SOHOs) in 2001. Today, financial experts including management consultants, certified accountants and tax accountants at the Bank provide SMEs and SOHOs with individually tailored consulting on various aspects of managing a business, including accounting and taxation. Special funding was provided to support innovative SMEs and small business owners bearing the brunt of the coronavirus crisis and facing hardships due to the economic downturn and crisis in their respective industries in managing their businesses with stability and creating jobs. A special funding agreement valued at KRW 40 billion was signed with credit guarantee foundations across the country, including the Korea Credit Guarantee Fund and the Korea Technology Finance Corporation, through which KRW 2.3 trillion was extended as guaranteed loans under special funding agreements with a guarantee ratio of 100% and loans for the guarantee fees with the maximum guarantee fee rate of 0.8% (0.4%, 2 years) to support innovative SMEs and revitalize local economies.

FOSTERING THE FUTURE GENERATION



Supporting Underprivileged Children and Youth in Online Learning

Woori Financial Group donated KRW 500 million, which included donations from executives and employees, to the Korea Council of Group Home for Children and Youth to help underprivileged children and youth engage in online learning during the pandemic. To facilitate online learning, 340 computers and peripheral devices and online education program vouchers were donated for children and youth belonging to group homes, in addition to introducing assistant teachers for children with disabilities. Woori Financial Group will continue its efforts to promote equal education opportunities for underprivileged children in the midst of rapid changes in the education environment caused by COVID-19 and foster the future generation.

Digital Talent Promotion Project for Specialized Vocational High Schools

Each year, Woori Financial Group offers assistance to students from low-income facilities attending specialized vocational high schools who are facing difficulties in pursuing career development or acquiring the skills to apply digital and information technology due to daunting private education costs. In 2020, vouchers for online classes on digital and information technology were provided to 100 specialized vocational high school students faced with constraints in capacity building and learning due to COVID-19. It entailed education in various aspects of digital and information technology, including but not limited to big data, information security, application programming interface (API), web development and artificial intelligence, and executives and employees from Woori FIS, which provides comprehensive ICT services within Woori Financial Group, provided mentoring via live streaming videos to help students explore career paths and develop practical skills.



Woori FIS staff mentoring students to nurture them into digital talents

Woori Bank Kkumnamu Scholarship Program

Woori Bank Kkumnamu ("Dream Tree") Scholarship Program is a social contribution program that was launched in 2011 to foster future generations using the Woori Love Fund with donations voluntarily made by executives and employees from their paycheck. In 2020, KRW 50 million in scholarships was provided to 75 children from children's centers with which Woori Bank has formed sisterhood ties with, along with messages of encouragement written by executives and employees. Not only that, but Woori Bank also invited 966 elementary school students from children's centers across the country to take part in a non-face-to-face financial education program offered by Woori Bank Museum (for a total of 53 sessions). As such, various educational programs are being organized to nurture future talents.

SUPPORTING THE UNDERPRIVILEGED



Social Contribution Activities of the Employees of the Group

Woori Financial Group has been organizing volunteer activities on an ongoing basis since the launch of Woori Bank Volunteer Group in July 2007. Woori Bank has formed sisterhood ties with social welfare institutions and children's centers near its branch locations across the country, and its executives and employees pay regular visits to volunteer and deliver donations throughout the year. In 2020, 758 volunteer sessions were carried out with the participation of a total of 7,004 members of the organization to assist underprivileged neighbors in the local community. Also, KRW 518 million was donated to social welfare institutions and children's centers to assist vulnerable groups as well.



New hires engaging in volunteer activities

Support Programs to Overcome COVID-19 • Woori Financial Group initiated a wide range of social contribution programs in an effort to overcome the COVID-19 crisis in 2020. In January 2020, KRW 100 million worth of COVID-19 prevention kits, each consisting of masks, a hand sanitizer and a thermometer, was donated to welfare facilities helping children and seniors who are particular vulnerable to the virus. In February, KRW 200 million worth of infection control supplies was delivered to shelters for children at high risk in the Daegu and Gyeongbuk regions, which were COVID-19 hotspots at the time. In March, 6,000 food kits and 1,000 bags of rice valued at KRW 300 million in total were purchased from traditional markets and donated for children and seniors in the Daegu and Gyeongbuk areas, which helped support vulnerable groups and revitalize the local economy at the same time. KRW 200 million was donated to the Daegu Branch of Korean Red Cross to provide healthy meals to the healthcare professionals at major hospitals in Daegu to help boost their immune systems and nourish their bodies and souls. Wibee Cloud, a crowdfunding platform of Woori Investment Bank, was utilized to carry out a donation project with the participation of Woori customers, with the aim of assisting those who have been hit hard by COVID-19. Along with these activities, the Good Consumption Movement was launched to support small business owners and turn the economic tide. Gift certificates valued at KRW 10 billion were purchased from traditional markets and given to employees, in an effort to support local merchants, and around 100 restaurants near the head office were prepaid for KRW 100 million worth of meals.

Blood Drive Campaign • Woori Financial Group carried out a blood drive with the participation of executives and employees across the organization after becoming aware of the decline in blood donations due to social distancing measures. The Blood Drive Campaign was conducted for the 15th consecutive year in 2020 since the related agreement was concluded with Korean Red Cross in 2006. Executives and employees voluntarily visited the blood banks near the office or branch during the month-long campaign period to donate blood as well as the blood donation certificates. In October 2020, a total of 500 blood

donation certificates and KRW 200 million donated by executives and employees of the Group were provided to Seoul National University Children's Hospital. Going forward, Woori Financial Group will continue its blood drives with the participation of executives and employees as a way to give blood and share life.

Sharing with Vulnerable Groups on Holidays • Woori Financial Group has been sharing with those in need during the Lunar New Year and Chuseok holidays each year. In January 2020, some 300 new recruits of Woori Financial Group made 3,000 Woori Hope Boxes consisting of holiday food at the head office of Woori Bank and donated them to senior welfare facilities around the country. In September, 2,000 food kits were prepared and donated to some 40 senior welfare facilities operating under the Comprehensive Support Center for the Elderly Living Alone. Woori Financial Group will continue its charity activities in an effort to fulfill its CSR and eliminate the blind spots in welfare.

Woori Bank's Charity Culture: Woori Love Fund • Woori Bank is known for the Woori Love Fund, a charity program where executives and employees donate a portion of their paycheck each month. Created with voluntary participation in 2003, the fund amassed KRW 384 million in 2020 alone with contributions made by 5,524 members of the organization a month, on average. The money collected is used toward assisting those in need, supporting volunteer groups of the bank and holding contents to select excellent social welfare programs. Woori Love Fund Contest Program, which has been in operation since 2009, is aimed at selecting exceptional social welfare programs operated by social welfare facilities to support marginalized classes. In 2020, KRW 200 million was donated to twelve social welfare institutions and ten children's centers. A social media campaign was carried out to involve customers of Woori Bank and its partners by having them leave comments and like and share posts to show their support for underprivileged children.



Sharing Woori Hope Boxes for the Lunar New Year



Woori Financial Group's blood drive

SPREADING THE MECENAT ACTIVITY

The 23rd Woori Bank Woori Art Competition • The Woori Bank Woori Art Competition launched in 1995 celebrated its 23rd year in 2020. It is an iconic social contribution program of Woori Bank in the arts and cultural sector that is aimed at giving an opportunity for children and youth to share their hopes and dreams. In the past 25 years, around 750,000 young artists participated in the competition, boasting a long history and tradition, and unleashed their artistic potential. In 2020, the preliminary and final rounds were held online for the first time, thereby enabling young artists to continue fostering their dreams even in the midst of challenges brought upon by COVID-19.

PROTECTING THE ENVIRONMENT

Environmental Protection Campaign to Coexist with Nature • Woori Financial Group has been carrying out an environmental protection campaign throughout the year as part of the efforts to promote ESG management and environmentally conscious practices since 2019. In 2020, all members of the Group engaged in eco-friendly practices, such as using tumblers, refraining from the use of disposables and saving energy. A donation drive was held to collect used toys from executives and employees and donate them to the Seoul Green Toy Library. Through these activities and more, Woori Financial Group is leading the efforts to protect the environment and leave behind a clean and healthy planet for future generations.

Woori Finance Forest of Life • Woori Financial Group held the completion ceremony for the second forest created as part of the Woori Finance Forest of Life Project at Eoul Elementary School in Anseong, Gyeonggi-do Province in December 2020. Initiated in 2019, the first forestation project was carried out at Inheung Elementary School located



Woori Protects the Earth

in the area that was destroyed by the massive wildfire in Goseong, Gangwon-do Province, and it helped restore the natural environment and allow children receive education surrounded by greenery.

Eoul Elementary School situated in the vicinity of Anseong training center of Woori Financial Group was chosen as the second forestation project site, and every step of the project, including planning, design and forestation, was carried out based on the opinions collected from students, teachers and staff as well as local residents. Woori Financial Group will pursue social contribution programs in connection with ESG management to promote coexistence between man and nature.

2021 Plans

Practicing Green Management and CSR Management

Woori Financial Group plans to establish ESG management processes in 2021 to reinforce ESG management, in addition to strengthening its CSR management by diversifying CSR channels and pursuing green management. After joining global environmental initiatives to build a climate change response system, the Group will come up with a long-term roadmap to countering climate change and formulate specific measures to achieve the intended objectives, such as building the infrastructure for reduction of carbon emissions and carrying out campaigns to raise environmental awareness among the employees.

In light of the recent trends related to the widespread use of digital technology and the need to carry out social contribution activities while maintaining social distancing, Woori Financial Group plans to introduce digital CSR programs and discover and implement zero-contact CSR activities. In the first half of 2021, small business owners suffering from a sharp decline in sales due to the prolonged pandemic will be provided with digital signage at Woori Bank branches across the country and digital ads on Woori WON Banking, a mobile banking app. To boost sales, small businesses will be offered an opportunity to open shop on Wibee Market, an online open market operated by Woori Card. In addition, the One Click Funding System will be introduced on WON Banking services for customers to make donations in the event of a national disaster or emergency so as to facilitate speedy recovery with timely assistance.



Good Stores in Woori Neighborhood to support small business owners

BUSINESS OPERATIONS

- 046 Woori Bank
- 072 Woori Card
- 074 Woori Financial Capital
- 076 Woori Investment Bank
- 078 Woori Asset Trust
- 080 Woori Asset Management
- 082 Woori Savings Bank
- 084 Woori Credit Information
- 086 Woori Fund Service
- 087 Woori Private Equity Asset Management
- 089 Woori Global Asset Management
- 091 Woori Finance Information System
- 092 Woori Finance Research Institute

Woori Bank



www.wooribank.com

Woori Bank has consistently spearheaded bank-wide operations for digital transformation under a strategy that aims to lead digital innovation and conducted digital-focused organizational reshuffling to respond rapidly to the changing market. Moreover, Woori Bank intensified competencies to utilize digital technologies including AI, big data and RPA as core values of a 'customer-oriented approach' and 'enterprise-wide productivity innovation' and transformed mobile banking services.

The Banker Named Three World's Best Banks



- 2020 Global Best Bank
- Asia's Best Bank
- Korea's Best Bank



Retail Banking

Retail banking has undergone dramatic changes since the outbreak of COVID-19. Along with a sharp decline in customers visiting banks in person, there has been a surge in demand for mobile banking. Also, with the expansion of asset markets, including equity investments and real estate, and low interest rates, retail banking is expected to fulfill its fundamental roles, such as ensuring convenient transactions. Under these circumstances, the Retail Banking Business Group is effectively dealing with changes brought upon by COVID-19. It is providing a wide variety of products and services for retail customers, planning partnerships and marketing campaigns and focusing on the fundamentals of the retail banking business.

2020 Performance

In 2020, Woori Bank provided its 23.8 million retail customers with differentiated value and customer experience in the non-face-to-face era.

The Prime Power Loan (PPL) application process, for example, was taken to the online platform for customers to file an application online without having to visit in person. The campaign using Pinkfong characters that are popular with young children was continued, while the e-sports (League of Legends Championships Korea, LCK) sponsorship agreement from last year was renewed to attract Generation MZ, which includes millennials and Gen Z, as part of the strategy to consolidate the digital native customer base. In addition, the new and improved Tablet Branch, WINI mini, and smart kiosks were used to speed up the processes for a more convenient digital experience for customers.

Expansion of the Customer Base

The Retail Banking Business Group provided customers with benefits through customer-oriented promotions. In January 2020, the launch of a high-interest savings product called Woori Customers, Thank You led to KRW 1 trillion in sales. Also, various marketing campaigns were carried out with partners to consolidate the customer base. High-interest rate installment savings products began to be offered in connection with Hyundai Card and Woori Card to attract customers looking to generate interest income, while marketing campaigns targeting young children, youth, wage earners and others were carried out. As a result, the monthly balance of the low-cost funding accounts of individual customers was KRW 10.5 trillion higher compared to the end of the previous year, thereby contributing to the improvement of profitability for the bank.

Efforts to Promote Non-Face-to-Face Banking

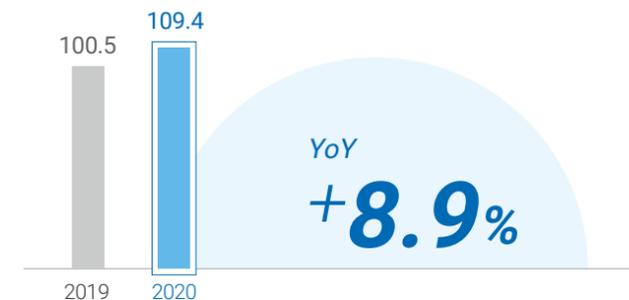
Through digital transformation, the product subscription process was re-established to raise the competitiveness of flagship products. It is now possible for customers to look up their maximum loan amount and interest rate within just two minutes on the web, without the need to install the WON Banking app. Woori WON Loan for Workers, launched exclusively for the digital platform in March 2020, recorded a balance of KRW 2.1 trillion by the end of the year, the success of which was owed to the convenient process. Furthermore, the PPL program was completely moved to the online platform to attract more prime customers.



Total Loans of Retail Banking (Unit: KRW in trillions)



Total Deposits of Retail Banking (Unit: KRW in trillions)



Total Customers of Retail Banking (Unit: thousand customers)



Renewal of the E-sports (LCK) Sponsorship Agreement

The Retail Banking Business Group became the first in the financial industry to sponsor the League of Legends Championships Korea (LCK) and has been sponsoring the international esports league for two years since 2019. The ambassadors of 20-Year-Old Woori, a youth brand of Woori Bank, achieved the effect of a KRW 180 billion ad campaign over the course of two years, with the issuance of nearly 27,000 LCK cards. Based on Woori Bank's industry know-how and strategies to attract the avid fans of the LCK, a strong partnership was formed with the organization and the contract was renewed until 2023. The Retail Banking Business Group is actively communicating with Gen MZ, making up the biggest portion of LCK viewers, by incorporating the LCK into its marketing campaigns.



Woori Bank & LCK's partnership agreement ceremony

2021 Plans

Going forward, a wide range of strategies will be applied to gain more retail customers amid fierce competition. An exclusive marketing brand will be launched to attract prime customers among wage earners, while efforts will be made to appeal to Generation MZ who are gaining stronger social and economic influences.

Further, the Retail Banking Business Group will seek to achieve digital transformation (DX) of the product and service subscription and banking processes, through which low-cost funding accounts and prime assets will be increased in a non-face-to-face manner in order to achieve greater financial soundness.

COVID-19 Support Activity

- **ATM Fee Reduction**
 - For individual customers & individual business owners in the Dae-gu and Gyeongbuk areas (Mar. 6, 2020 to May 31, 2020)
- **Pre-workout for household loans in the COVID-19 era**
 - For borrowers who have failed to make their loan payments (or have concerns thereof) due to decreased income since the outbreak of COVID-19 (Feb. 2020)
 - Payment of the principal deferred (for 6 or 12 months), etc.



Corporate Banking

The Corporate Banking Business Group of Woori Bank, providing services to corporate customers, including major domestic conglomerates (Samsung, LG, POSCO, etc.), has the largest number of corporate group customers in Korea, as of late 2020. The branch managers, who are corporate finance experts who have turned Woori Bank into Korea's top corporate banking service provider, and the (corporate) finance center managers in charge of supporting the affiliates and business partners of corporate customers and overseeing retail banking for their executives and employees, help meet various financial needs of corporate customers in a timely manner. Woori Bank prides itself on having provided corporate customers with world-class financial services that helped them emerge as global leaders over the past 122 years and is committed to using its know-how to better serve new and existing corporate customers.

2020 Performance

In 2020, the Corporate Banking Business Group made achievements befitting its status as the No.1 leader in corporate banking services by providing top-notch financial services to corporate groups including main debtor groups. Along with this, diverse financial needs were discovered through the operation of Woori Diamond Club for CEOs of large corporations, and efforts were made to strengthen relationships with customers. In response to the growing emphasis on corporate social responsibility, products aimed at developing win-win relationships with enterprises were developed in an effort to promote cooperation. The Corporate Banking Business Group managing KRW 24.1 trillion in total assets, as of the end of 2020, generated KRW 679.2 billion in operating income.

Corporate Banking Total Assets of 2020



Strengthening Relationships on an Ongoing Basis

With the corporate customers growing into global leaders, their financial needs are changing faster and more diverse than ever. To better cater to such needs, Woori Bank has been operating Woori Diamond Club since 2003. Woori Diamond Club, celebrating its 18th anniversary, plays an important role in strengthening Woori Bank's relationships with its corporate customers and providing services tailored to the financial needs of customers in a timely manner.

Supporting Win-Win Relationships with SMEs and Large Corporations

Woori Bank offers a product package in which it enters into business agreements with large corporations and offers to finance small- and medium-sized enterprises (SMEs) at low interest rates. Through the Sangsaeng Loan for Partners of Large Companies launched in 2008, 2,499 enterprises were provided with KRW 770.6 billion in loans, while Woori Sangsaeng Partner Loan, a loan package for settlements developed in 2013, helped provide KRW 597.9 billion in loans to 7,576 enterprises, as of the end of 2020, through a system upgrade in 2015. As the bank with the largest number of corporate group customers in Korea, Woori Bank contributes to the formation of win-win relationships between large corporations and SMEs by reducing financial costs for SMEs with its Sangsaeng (win-win relationship) System and extensive client network.

2021 Plans

The Corporate Banking Business Group will strengthen its corporate banking services under the slogan, "No.1 Corporate Banking Service Provider Based on Total Marketing," and implement the following strategies to achieve this objective:

First, it will diversify sources of revenue by developing new financial products and markets and normalizing interest rates and fees to pursue profit-generating businesses.

Second, it will pursue a balanced loan business by ensuring adequate growth of conglomerate assets and managing related risks.

Third, it will implement the total marketing strategy by promoting transactions among partners, executives and employees using its conglomerate network.

SME Banking

The Small and Medium Corporate Banking (SME Banking) Business Group oversees financial services for SOHOs/SMEs/middle market enterprises, handling a total of KRW 98.0 trillion in loans and KRW 61.5 trillion in deposits, as of the end of 2020, while ensuring customer satisfaction. Rather than simply pursuing profits, it is dedicated to practicing sustainable management with the aim of achieving mutual growth with its customers, even amid various challenges such as economic recession, a drop in the base interest rate and more. Woori Bank is a leader in providing inclusive banking and productive banking services, fulfilling its corporate social responsibility and contributing to the national economy and local communities through financial assistance to enterprises suffering financially due to COVID-19, financial consulting to SOHOs, support for innovative enterprises and so on.

2020 Performance

2020 was a year in which Woori Bank made qualitative and quantitative achievements by offering full-fledged support to SOHOs and SMEs through the COVID-19 financial assistance program and more. Compared to 2020, loans increased by KRW 8.3 trillion (9.3% △), deposits by KRW 7.8 trillion (7.4% △) and business customers by 100,000. Financial soundness was substantially improved with the weight of prime assets reaching 86.7% (2.5%p YoY increase).

Despite the continued drop in the base interest rate in the low growth era, the profitability of loans was boosted thanks to efficient asset management, and as a result of providing more loans to SMEs in a prime asset and reducing non-performing assets, the default rate of SMEs dropped 0.07%p from the end of the previous year to 0.28%.

Not only that, but the SME Banking Business Group provided KRW 26.0 trillion in financial assistance to around 170,000 borrowers affected by COVID-19 in 2020 and extended KRW 7.3 trillion to enterprises with excellent technological prowess, including material, parts and equipment manufacturers and innovative enterprises, thereby contributing to the national economy and local development. In response to the government policies, Woori Bank offered KRW 2.3 trillion in policy fund loans to SOHOs and financially vulnerable groups and fulfilled its corporate social responsibility through financial inclusion.

Leading Productive Finance through Support for Korean New Deal and Innovation Finance

Woori Bank provided KRW 8.2 trillion in investment and loan support for the Korean New Deal and innovative financing support, thereby increasing financial support for enterprises in the digital and environmental sectors, enterprises with excellent technologies and Intellectual Properties (IPs) and enterprises creating jobs. There are plans to continually increase support based on inclusive and innovative financing through the New Deal industry guarantee, funding from policy funds and preliminary loan limit assignment, total marketing in connection with large corporations and so on. Other than that, Woori Bank achieved a KRW 7.1 trillion increase in technical financing in 2020 alone by issuing technical evaluation reports to innovative enterprises with leading technologies of the Fourth Industrial Revolution in a prompt and systematic manner based on an in-house evaluation system. In order to discover and nurture enterprises with outstanding technologies, Woori Bank holds a contest twice a year to select 20 enterprises to be funded KRW 1.0 billion each, in addition to operating a wide variety of direct and indirect investment programs and programs that incorporate investment and loans as forms of support. Plus, technology financing training is provided at all the branches each year to help employees acquire qualification certificates as technology credit appraiser, as part of the efforts to discover and nurture exceptional financial experts.

Building Policy Funds and Offering Guaranteed Loans

In line with the government policies, Woori Bank offered low-interest policy funds of KRW 2.3 trillion to SOHOs and SMEs in 2020. The primary and secondary loan programs for secondary preservation of the interest rate and security on a letter of guarantee helped provide KRW 1 trillion at low interest rates as emergency liquidity programs. Other than that, Woori Bank promoted policy funding with competitive interest rates using on-lending arrangements with the Korea Development Bank and the Export-Import Bank of Korea, along with C1/C2 funds from the Bank of Korea. Moreover, KRW 39.4 billion was extended based on agreements were concluded with the Korea Credit Guarantee Fund, foundations and central and local governments, in addition to providing guaranteed loans of KRW 2.3 trillion, which helped increase prime assets and asset soundness.

Providing COVID-19 Support and a Safety Net for SOHOs and SMEs

Woori Bank provided prompt and practical assistance to SOHOs and SMEs suffering from COVID-19 by providing some 170,000 applicants with KRW 11 trillion in new funding, KRW 13 trillion in renewed loans and KRW 2 trillion in deferrals and interest exemptions amounting to a total of KRW 26 trillion in value.

In addition, a debt readjustment program and a soft landing plan for borrowers through payment deferrals were implemented to help customers overcome the COVID-19 crisis. Woori Bank is providing total financial solutions to customers through extraordinary support for business stabilization, support in connection with guarantee providers, the operation of a customer service center for those with financial difficulties. Also, there are five locations of Woori SOHO Support Center providing online and offline consulting on business management, including taxes, accounting, entrepreneurship and crisis management. In 2020, there were 565 SOHO financial consulting cases, and there are plans to open new locations in four regions, Gwangju, Daegu, Daejeon and Seoul, 2021.

2021 Plans

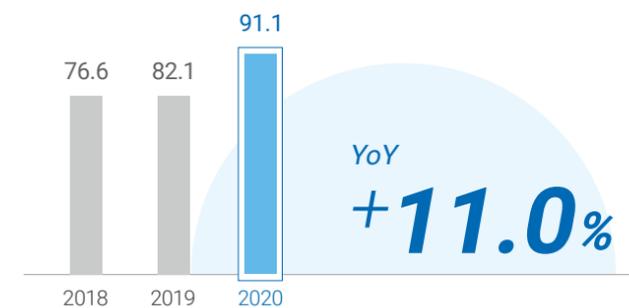
In 2021, Woori Bank will be dedicated to achieving tangible growth based on innovation and inclusive financing for SMEs. Through the agreements with government-funded financial institutions and development of financial services to SMEs, Woori Bank will boost profitability, growth potential and soundness through systematic support for new customers and follow-up management, in addition to increasing financial support to innovative companies with outstanding technologies and enterprises that have been adversely affected by COVID-19.

With plans to upgrade its internal system in order to design customer-centric and customer-first financial schemes, Woori Bank will boost the competencies of the personnel overseeing services to SMEs and discover best practices to be disseminated throughout the organization. Furthermore, Woori Bank will leap forward to become the No.1 bank by building the best-in-class customer-centric asset management system and analyzing comments and feedback obtained through the Voice of the Customer (VOC) system to strengthen protection for financial consumers and support customers in achieving success.

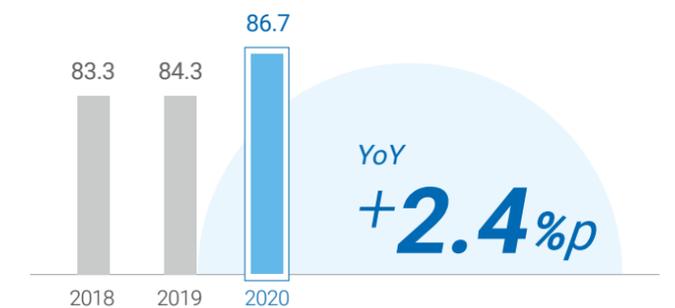
No. of SOHO & SME Customers



Total SME loans in Won (Unit: KRW in trillions)



Prime Asset Ratio(SMEs) (Unit: %)



Institutional Banking

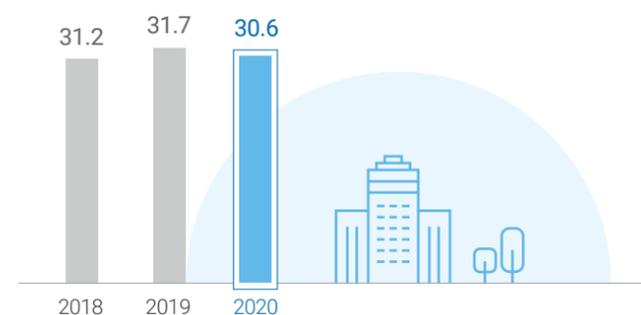
The Institutional Banking Business Group consists of the Institutional & Public Fund Customer Department, which caters to the needs of the central and local governments, courts and public institutions, and the National Pension Department dedicated to providing financial services to the National Pension Service (NPS), one of the three largest pension funds in the world, and other domestic pension funds.

The Institutional Banking Business Group became the first in the Korean banking sector to establish a pool of institutional banking specialists for institutional relationship management (RM) to provide first-class financial services to institutional customers. As of 2020, Woori Bank serves a number of institutional customers including the Ministry of Land, Infrastructure and Transport (MOLIT), Korea Post, NPS, Korea Land & Housing Corporation (LH), Korea Railroad Corporation (KORAIL) and Korea Exchange (KRX) and managing the coffers of the Seoul Metropolitan City and 20 district offices of Seoul. As such, Woori Bank has consolidated its position as the bank with the largest number of public institution clients in Korea.

2020 Performance

Woori Bank broadened its services for government agencies, local governments and major public institutions and built a reputation as a financial institution working for the people through diverse social contribution activities in local communities. Since March 2018, it has been serving as the primary bank of the NPS, one of the world's three biggest pension funds, managing around KRW 830 trillion in funds. In 2020, Woori Bank provided institutional banking services as the primary bank to 102 out of 340 public institutions designated by the Ministry of Economy and Finance, and it maintained banking relations with around 5,000 institutions, with loans and deposits amounting to a total of KRW 31.2 trillion.

Total Deposits (Unit: KRW in trillions)



Providing Optimal Financial Solutions to the Government and Public Institutions

Woori Bank assigns competent professionals to the Institutional Public Fund & Customer Department to effectively support the government and policy institutions in policy and project implementation by providing optimal financial solutions for the execution of public projects. Selected as the primary banking partner for the Korea Institute of Science and Technology (KIST), Korea Medical Device Development Fund (KMDF) and others in 2020, Woori Bank worked toward the success of the new growth policies of the government. With a differentiated fund management system, Woori Bank was chosen as the foreign exchange service provider by the Korean Teachers' Credit Union and has been playing a critical role in its business operations ever since.

Maximizing Synergy While Serving Institutional Customers

The Institutional Banking Business Group not only provides financial services directly to institutional customers but also discovers and delivers opportunities for SMEs and individuals to become involved in projects initiated by institutions. As one of the key businesses in 2020, Woori Bank provided comprehensive financial services for companies that have been successful in R&D, while managing and executing R&D funds for system operations and beyond, as the bank designated to handle the research and development (R&D) funds for the Ezbaro program of the Ministry of Science and ICT. Furthermore, the group has laid the groundwork to attract and support promising exporters through the export voucher program management system supervised by the Korea Trade-Investment Promotion Agency (KOTRA).

Clients among local governments

Seoul Metropolitan City, 20 gu offices in Seoul and Gwangmyeong City

Clients among government and public agencies

Ministry of Land, Infrastructure and Transport, Korea Post, National Pension Service, National Health Insurance Service, Korea Housing Finance Corporation, Korea Land & Housing Corporation, Korea Housing & Urban Guarantee Corporation, Seoul Housing and Communities Corporation, Korea Railroad Corporation, Korea Exchange, Korea Securities Depository, Korea Public Finance Information Service, Korea Institute of Startup & Entrepreneurship Development, Korea Inclusive Finance Agency, Agency for Defense Development, etc.

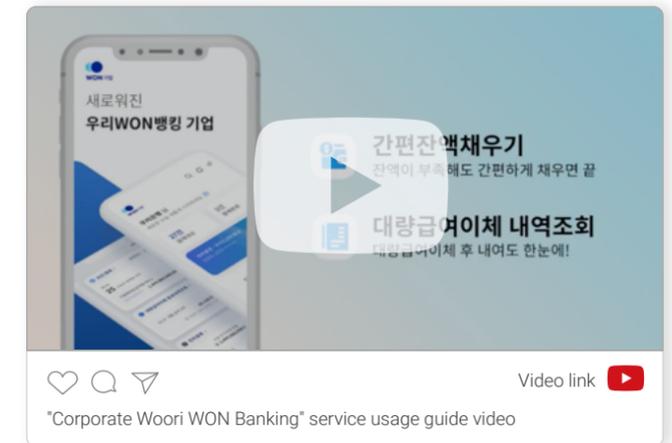
Digital Banking

With the rapid digitization of financial services due to the Fourth Industrial Revolution, COVID-19 pandemic and other factors, digital competency has become a critical factor in determining the survivability and competitiveness of a bank. Woori Bank has been implementing a streamlined strategy to achieve Digital Transformation (DT) with the aim of leading digital innovation and even restructured its organization for digital readiness to boost its executive power and make agile responses to the changes in the market. In addition, Woori Bank further strengthened its capacity to generate income by honing its competitive edge in finance using new digital technology and proactively responded to changes in the financial environment by forming more partnerships and creating innovative businesses. Going forward, it will consolidate its position as a digital leader in the banking sector by doing away with outdated practices and bolstering its execution power, with the aim of 'Incorporating the Digital DNA' into its business methods, work environment and organizational culture to accelerate the bank-wide DT.

2020 Performance

Boosting Digital-Based Operations and Increasing Business Coverage

In 2020, Woori Bank established objectives for non-face-to-face channels to boost digital-based operations and improved digital performance indicators and developed Business Internet Banking (BIB) products. Digital marketing carried out in connection with branches was modified as an indicator to assess the digital performance of the bank as one of its main businesses, and products in line with the current market trends were launched to strengthen competitiveness. Through partnerships with external entities, channels have been created to attract new customers and funds. In July 2020, Woori began implementing the mobile take-a-number system on a wider scale in partnership with Naver, which helped create an environment for collaborating with FinTech companies and developing digital business models with promising companies. Additionally, digitization of corporate financial services and other business areas unique to the banking industry was pursued to discover digital business opportunities across the banking business.



A System for Constantly Advancing Digital Channels

In 2020, Woori Bank made two major updates in reflection of user requests for improvement through the operation of the WON Banking Innovation Task Force and set up a system for constantly advancing digital channels by reflecting customer feedback, upgrading the UX/UI and so on.

In December 2020, the "Corporate Woori WON Banking" was made available. Prior to the re-launch, the would-be users were interviewed and user tests were carried out for a couple of months to clearly identify the needs of corporate customers. Based on the results, the main channels, including corporate banking and notification app, were renewed. The renewed mobile app offering a personalized main page and new services befitting the mobile platform, such as a non-face-to-face loan service, helped raise the efficiency in serving corporate customers.

The launch of Corporate Woori WON Banking, following the launch of Woori WON Banking for individual customers in 2019, helped Woori Bank take a step closer to completing its digital financial platform. Keeping in pace with the trend of growing importance of non-face-to-face channels in the financial industry, Woori Bank will continually develop WON Banking services as the representative marketing platform of Woori Financial Group by offering convenient and personalized services.

Part 3. Financial Innovation and Bank-wide DT

Woori Bank is continually reinforcing its digital market monitoring system and pursuing new businesses to be prepared for innovative financial policies and market trends. In August 2020, Woori Bank was chosen for a priority review for the MyData Project in recognition of its readiness and acquired a preliminary approval in December, after which it has been discovering innovative business models. In order to explore new business opportunities from various angles and fulfill its role as a project partner, Woori Bank newly established the DT ACT(Agile Core Team)in July 2020 to actively support the discovery of potential projects to collaborate on for the Group. Furthermore, efforts are being made to spread digital innovation across the bank through reverse mentoring to executives and communication channels for collaboration on DT, in addition to promoting collaboration and agile operations and pursuing change management at the head office.

2021 Plans

In 2021, it is expected that the competition with FinTech and BigTech companies will become fiercer than ever, as non-financial companies enter the market with increase ease thanks to the growing demand for non-traditional banking channels and changes in related regulations. DT will also be driven by the digital financial innovation policy of the government through the implementation of the open banking and MyData projects and approval of comprehensive payment and settlement businesses.

Based on this forecast, Woori Bank plans to be prepared for the digital financial market based on its 'Digital First, Digital Initiative' policies and by pursuing Digital Transformation across the organization. First, digital innovation will be pursued through self-core of the Group for the purpose of seeking digital transformation of all its business operations and achieving digital business performance. Also, efforts will be made to increase digital business coverage by revamping its zero-contact financial services for corporate customers and personal financial management (PFM) services, which are areas where the Group has a competitive advantage against FinTech and BigTech companies. Plus, Woori Bank will respond to the shift toward digital-based financial consumption patterns, restructure its asset management system, expand its open banking services and open key financial services, such as MyData/PFM and MyPayment, in a step-by-step manner for improved customer experiences. By introducing collaboration tools for efficient management of development procedures and analyzing and eliminating obstacles causing delays in DT, Woori Bank will improve its corporate culture and re-orient its operations for efficient execution.

Number of People Using Woori's Digital Platform

(as of December 31, 2020)



* The sum of digital platform users of Woori WON Banking and Corporate Woori WON Banking

**Digital First,
Change Everything**

Digital Slogan



Investment Banking

Woori Bank's Investment Banking Business Group consists of three departments: the Investment Finance Department, the Project Finance Department and the Global IB Finance Department. There are a total of 12 teams: the CIB Team, M&A teams 1 and 2, Equity Investment teams 1 and 2 and Innovative Growth and Finance Team under the Investment Finance Department; the Infrastructure Finance Team, Structured Finance Team, Power and Energy Team and Real Estate Finance teams 1 and 2 under the Project Finance Department; and the Aircraft and Ship Financing Team, Global Syndication Team and Global PF Team under the Global IB Finance Department. With increasing importance placed on the IB business of banks, Woori Bank has expanded its core IB business also in the fields of blue-chip equity investments and M&A finance, power generation and infrastructure arrangements, while broadening the business scope through its global network and IB desks. In October 2006, Woori Bank established Woori Global Markets Asia Ltd. in Hong Kong, becoming Korea's first financial institution to set up an overseas business unit with focus on international IB. As of 2020, Woori Bank has global IB desks running in New York, London, Germany, Singapore, Sydney, Vietnam, and Dubai, through which international IB opportunities are being created on an ongoing manner.

2020 Performance

In 2020, the IB Group generated higher non-interest income by boosting financial arrangements and making aggressive principal investments (PIs) in power generation, infrastructure and real estate projects as well as M&A finance, and new global IB desks were additionally set up, promoting international business expansion. With a competitive advantage in M&A finance and equity investment markets, Woori Bank outperformed its competitors in non-interest income and operating income per person. It has also been achieving remarkable growth in global IB assets and gains by managing seven global IB desks, the largest number among commercial banks in Korea, which in turn enabled the IB Group to generate an operating income of more than KRW 500 billion in 2020.

It also increased high-yield investments through close ties with global top-tier asset management companies, provided aircraft financing, participated in overseas infrastructure and power generation projects, broadened structured finance and issued FRNs in connection with its IB subsidiary in Hong Kong, thereby maximizing short-term profits while preemptively making investments for future growth. The IB Group has been contributing to the creation of a financial ecosystem to promote innovative growth as envisioned by the government and investing in innovative enterprises through the Innovative Growth and

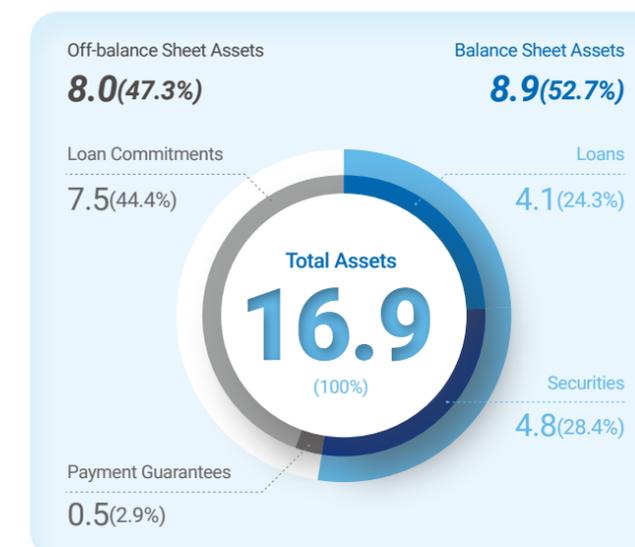
Finance Team, the first of its kind to be established by a Korean commercial bank at the end of 2018. It has also hosted six competitions, as of late 2020, executing a total of 55 direct investments in innovative growth companies.

2021 Plans

The IB Group will strive to achieve further growth in 2021, as one of the most crucial business area of the organization creating synergistic effects within the holding company, based on the efforts it has made over the past two years since the founding of Woori Financial Holdings in 2019. With the primary objective of 'Leapfrogging into a Global IB Group by Building an Innovative Profit Structure,' the group plans to 'build a foundation for sustainable growth' and 'optimize assets to maximize profits.' In response to the growing volatility in capital markets across the world, efforts will be made to set up swift and efficient asset management processes and systems. Last but not least, the group will continually endeavor to create synergy with the affiliates under Woori Financial Holdings, including Woori Financial Capital (formerly, Aju Capital) acquired in 2020, by solidifying cooperative relations. In addition, the group will further strengthen the CIB business based on collaboration with major shareholders in securities, insurance and asset management as well as with other business groups within the bank, while seeking ways to raise synergy with the affiliates of the holdings company, including securities, insurance and VC firms.

Total Assets of Investment Banking Operations in 2020

(Unit: KRW trillion)



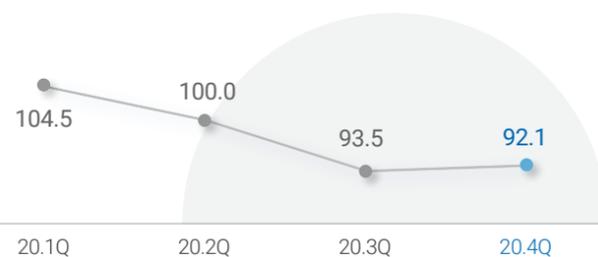
Financial Market Business

The Financial Market Business Group consists of the Treasury Department managing Woori Bank's funds and liquidity; the Trading Department in charge of business operations concerning financial derivatives; the Securities Management Department managing marketable securities; and the, which performs back office duties. In particular, Woori Bank is a leader among all domestic commercial banks in trading derivatives in relation to handling forwards, swaps and options based on the interest rates, foreign exchange, equities and other underlying assets.

2020 Performance

As a key player in obtaining and managing funds for Woori Bank, the Financial Market Business Group focused on improving profitability in 2020 by managing liquidity and boosting efficiency in raising and managing capital. The group contributed to enhancing profitability by maintaining an optimal Loan-to-Deposit Ratio (LDR), diversifying ways to obtain funds and downsizing short-term assets. It also improved the public image of Woori Financial Holdings and Woori Bank by improving capital adequacy and capital-raising practices by issuing contingent capital securities denominated in KRW and sustainability bonds denominated in KRW and other currencies. As a result, the group was able to keep the Liquidity Coverage Ratio (LCR, minimum 100% from January to March and minimum 85% in April and onward), foreign currency LCR (minimum 100% from January to March and minimum 70% in April and onward), NSFR (minimum 100%) and the mid and long-term foreign currency financing ratio (minimum 100%) in compliance with the liquidity requirements set forth by the financial supervisory authorities of Korea. The Financial Market Business Group strengthened its competitiveness in F/X and derivatives trading by diversifying traded currencies and proactively managing its positions. It also ran night-time equity derivative desks to respond to market risks arising from changes in markets across the world.

LCR (Liquidity Coverage Ratio) KRW (Unit: %)



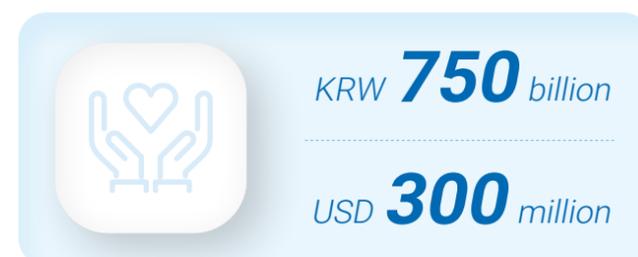
Stable Management of Liquidity

Successfully Responding to the New LDR Rule • In preparation for the new LDR rule introduced in 2020 to apply a different weight to loans according to the borrower, the group preemptively increased deposits and restructured its capital-raising structure by issuing marketable CDs and covered bonds. As a result, Woori Bank recorded an LDR of 99.1%, as of December 2020, attesting to its successful response to the newly introduced rule.

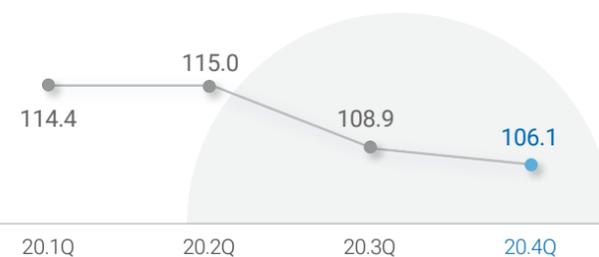
Issuing CoCos in Korean Won • The Financial Market Business Group established preemptive financing plans and launched active IR efforts, thereby issuing CoCos in KRW amounting to KRW 600 billion at an all-time low interest rate (March, 1.94%) to attract investors of a prime asset and better compete in the market. Through these efforts, Woori Bank was able to create a strong foundation for stable business operations.

Fulfilling CSR by Issuing Sustainability Bonds • The issuance of sustainability bonds (KRW 750 billion and USD 300 million) to meet the growing demands among domestic and foreign investors to use the funds toward environmental or social contribution purposes helped improve the public image of Woori Bank as a financial institution that fulfills its Corporate Social Responsibility (CSR) and cut financing costs.

Issued Sustainability Bonds in 2020



LCR (Liquidity Coverage Ratio) Foreign Currency (Unit: %)



Complying with Korean Regulatory Guidelines • In 2020, the LCR, foreign currency LCR, NSFR and mid- and long-term foreign currency financing ratio were kept in line with the regulatory standards based on preemptive capital-raising activities and liquidity management.

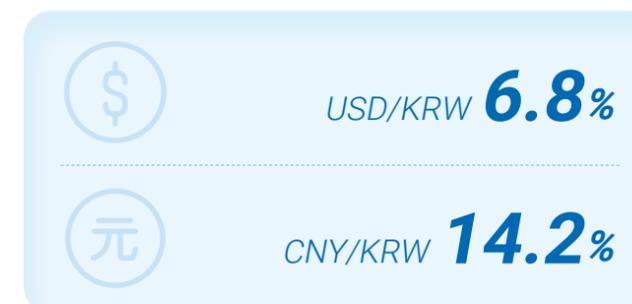
Reinforcing Competitiveness in the F/X and Derivatives Business • In 2020, the Financial Market Business Group made an effort to strengthen its competitiveness by creating new sources of income and promptly responding to market volatility.

F/X Dealing • In F/X dealing, the group sharpened its currency forecasting capabilities by analyzing both domestic and overseas F/X markets and obtained remarkable gains on F/X trading by taking anticipatory and proactive action in response to the fluctuations in international financial markets. With high shares (6.8% in USD/KRW exchange, 12.67% in CNY/KRW exchange) of the Seoul F/X market recorded in 2020, Woori Bank is playing the role of a leading Market Maker in Korea.

Derivatives • In the derivatives market, the group predicted the trend of market variables related to Korean and international financial policies and fluctuations in supply and demand, thus managing positions ahead of time and establishing a secure foundation for derivatives trading. The group also offered consulting services on F/X and interest rate risk management and customized solutions for SMEs that were lacking experience and knowhow in risk management.

Securities • As for securities, the group analyzed monetary policies and bond markets at home and abroad to better manage bonds and increase interest and non-interest incomes. It also diversified its sources of non-interest income by varying and increasing bond lending transactions for which risk-free commissions are paid.

FX Market Share (Leading market maker in Korea)



2021 Plans

In 2021, the Financial Market Business Group will successfully minimize fluctuations in funds by effectively managing liquidity indicators, such as the LDR, LCR and NSFR, even amid the challenges posed by the prolonged COVID-19 pandemic and preemptively managing liquidity in preparation against regulatory tightening. In addition to managing liquidity across the bank by boosting retail deposits, issuing marketable CDs and securing committed lines, the group will raise profitability through the reinforced control of capital-raising management portfolio. In trading, the group will broaden both its F/X and derivatives income by diversifying strategies such as arbitrage in F/X and derivatives trading and foreign currency and interest rate hedging. Based on the expectations of rising volatility across the globe driving up the demand for risk hedging, the group will continue to broaden F/X and derivatives trading by offering the right product at the right time for all customers. Also, a team of experts dedicated to serving investors among securities firms, insurers, government agencies and other financial and public institutions will attract new prime customers and help raise non-interest income.



Real Estate Finance

Woori Bank renamed the Housing Finance Division as the Real Estate Finance Business Unit in 2013, with the aim of managing real estate financing more systematically and professionally. It is also managing the National Housing and Urban Fund (NHUF) of the Ministry of Land, Infrastructure and Transport (MOLIT) as a custodian. Accordingly, it is offering NHUF products that are available to the low-income class, in addition to the conventional banking products, thereby satisfying diverse customer needs.

2020 Performance

In 2020, the Real Estate Finance Business Group Unit of Woori Bank recorded the second biggest share of the mortgage market and the biggest share of the NHUF market. The Real Estate Finance Business Unit not only eased the burden arising from loan repayments by actively participating in the government's efforts to provide financial assistance to vulnerable groups but has also been leading the domestic housing finance market by proactively responding to the changes in the market driven by government policies. In recognition of its track record in providing a wide range of housing finance products as a custodian of the NHUF in the past decade, Woori Bank was ranked as the No.1 custodian of the NHUF in 2020.

Expanding the Customer Base as a Custodian of the NHUF

The NHUF is a crucial program in broadening financing options for prospective home buyers and renters, including vulnerable groups. As a custodian of the NHUF, Woori Bank plays a leading role in raising funds and executing the budget. After it was re-selected as a custodian in 2018, it continued provided a wide range of housing finance products and recorded a 37.3% share of the demand-side housing subscription loan market and a 24.4% share of the housing subscription savings market in 2020. More than 920,000 people signed up for a housing subscription savings account in 2020, with the dream of purchasing their first homes. Going forward, Woori Bank will pave the foundation to offer NHUF products to many more customers.

Upgrading the Real Estate Information Platform as a Non-Face-to-Face Channel

The Real Estate Finance Business Unit made an effort to deal with changes in the financial sector and provide customers with useful real estate information. By launching WONTHELAND, a platform for providing real estate and financial product information, it is serving as a leader in providing customers with real estate information via a non-face-to-face communication channel with improved convenience.

2021 Plans

In 2021, Woori Bank will strive to maintain dominance over the NHUF market, with the biggest market share, develop various other non-face-to-face channels and diversify NHUF product subscription channels in partnership with TechFin companies (Kakao, Naver, etc.). In addition to improving customer convenience as a custodian of the NHUF, Woori Bank will concentrate its efforts to obtain new customers for the demand-side housing subscription loans, such as Jeonse (Key Money) Deposits, Monthly Rental Loan Plans and the Beotimmok (Support) Jeonse Deposit Loan Plan, recording a skyrocketing demand, as well as housing subscription savings accounts. Also, using its knowhow and experience in raising and managing funds and its differentiated computerized system, Woori Bank will operate a taskforce to be re-selected as a custodian of the NHUF in 2023. Efforts will also be made toward supporting the housing welfare programs and promoting and improving national housing. Furthermore, Woori Bank will provide financial assistance for prospective home buyers to contribute to the government's efforts to provide housing finance to ordinary citizens and create an asset portfolio designed to achieve balanced asset growth and optimal profitability, while taking minimal risk.



Investment Product Strategy Group

Investment products, accounting for a significant portion of the bank's non-interest income, is one of the important scales for gauging the business competitiveness of a financial institution. The Investment Product Strategy Group established in July 2020 is comprised of the Investment Product Strategy Department in charge of investment product strategies, the Affiliation Product Department responsible for fund and bancassurance products and the Trust Department in charge of trust products to ensure streamlined implementation of investment strategies and timely launch of investment products. The group is committed to broadening its investment product lineup under well-organized strategies and sophisticating its complete sales processes to offer investment products that are geared toward sustainable growth.

2020 Performance

For the purpose of solidifying the foundation for the investment product business, the Investment Product Strategy Group continually strengthened its research capabilities, broadened its investment product lineup and pursued digital transformation of investment products.

Amid the growing market uncertainty due to the spread of COVID-19, the group implemented the strategy of increasing non-face-to-face customer touchpoints and gained customer trust in the investment products offered by Woori Bank.

Investment Product Strategies

The Investment Product Strategy Department is responsible for establishing streamlined investment strategies through the Investment Strategy Team formed by integrating multiple analyst groups handling different funds and trust products into one. A comprehensive investment product strategy system, encompassing funds, trusts and bancassurance products, has been created through the Product Strategy Team as well. In order to formulate strategies based on market outlooks from diverse perspectives provided from the frontline, the group offers research data, including house views from Woori Bank and a number of prominent securities firms, through comprehensive business agreements. Woori Wealth Live, a web seminar for customers, was held to prevent gaps in customer services even in the midst of a pandemic.

Investment Funds

Woori Bank launches a wide array of investment fund products based on sales brokerage agreements signed with leading asset management firms. The Affiliate Product Department, in particular, does not just sell investment fund products but provide financial services, including analytical data on domestic and overseas equity and capital markets, for customers to gain a better understanding of such products and make well-informed investment decisions. In 2020, the focus was placed on establishing a complete sales procedure, which involves providing full explanations and delivering crucial documents, for investment fund products and gain customer trust.

Also, by ensuring rigorous product selection and follow-up management procedures, an effective and stable product management system was created to sell mainly products offered by asset management companies with proven track records. Fund products in line with market trends that are easy to understand for customers were launched in a timely manner to promptly respond to changes in the market. A non-face-to-face consultation channel was created to offer consultation on fund products on a video conferencing platform in response to the COVID-19 restrictions.

Bancassurance

As a leader in the bancassurance market since its introduction in 2003, Woori Bank has been offering a wide variety of insurance products in partnership with some 30 insurance companies. In 2020, special promotion products with fixed interest rates and products with excellent posted interest rates were launched to maximize gains for customers, in addition to the introduction of guaranteed-type products to meet customer needs.



Wealth Management

Trusts

The Trust Department offered diverse trust products to meet customer needs in relation to investment products in the midst of rapidly changing market situation. Consistent sales of Money Market Trust (MMT) products, in particular, contributed a substantial portion of Woori Bank's non-interest income.

In 2020, improvements were made across the system with the aim of establishing a complete sales procedure for trust products. As part of such efforts, restrictions were placed against ELT sales channels and subscriptions to products with a higher risk than what the investor is willing to accept. Also, customers subscribing to money trusts via a non-face-to-face channel were provided with material information through a video call. Key products, including ELT, ETF, MMT and fixed-income trust products as well as the Senior Plus Woori Secure Trust, a living trust, underwent renewals for a relaunch and KRX Gold Trust and hybrid bond were newly launched to expand the product lineup.

2021 Plans

The Investment Product Strategy Group has chosen the Establishment of Streamlined Investment Product Strategies, Ongoing Provision of Customer-Oriented Investment Products and Field-Oriented Business Support as its core project for the year 2021.

Investment Product Strategies

In 2021, there are plans to build a system allowing close cooperation with the production departments to launch investment products in line with the latest trends and customer needs identified through thorough market research and to provide rebalancing guides based on ongoing product analysis and reviews even after the product launches. Moreover, an AI-based market forecasting system will be utilized to offer house views containing market analysis, asset allocation and product evaluation information and research data, such as asset allocation strategies, from experts.

Investment Funds

In 2021, a universe of key investment fund products will be created based on market reviews and investor propensity analysis. Key products will be chosen among the ones enabling portfolio investment and boosting returns for customers, while taking into consideration the government's policy direction, market currents, latest trends and more.

Plus, an asset management system will be introduced so as to provide support for customers in selecting products and managing the return on investment in addition to recommending suitable products.

Bancassurance

The Affiliate Product Department plans to increase its offerings of bancassurance products tailored to customer needs and strengthen its competitiveness through non-face-to-face channels in 2021. Guaranteed-type insurance products and pension insurance products, in addition to savings-type insurance products, will be continually launched to diversify the product portfolio, and some of the products will be made exclusively available via non-face-to-face channels to improve accessibility.

Trusts

In 2021, the Trust Department will offer more diverse trust products, including living trusts and gift in trust products, after establishing the New Trust Team staffed with legal and tax experts to strengthen its competitiveness in the trust business in the long run. There are also plans to expand the lineup of ELT, ETF and other major products and bolster the business in property in trust through business agreements within the Group.



The Wealth Management(WM) Group is comprised of 3 departments (WM Strategy Department, PB Customer Department, and Pension Department) and 12 teams that are responsible for overseeing the wealth management businesses of Woori Bank, including Private Banking (PB).

The WM Strategy Department oversees asset management bank-wide and sales strategies targeting PB customers. It is in charge of financial performance management and institutional improvements, in addition to managing and carrying out new businesses and marketing activities. It also sets forth non-face-to-face asset management strategies and operates and manages related systems. The PB Customer Department is dedicated to fostering professionals in asset management and operating and managing asset management channels. Also, it provides asset management services, including financial planning and taxation and real estate consulting, to High-Net-Worth Individuals (HNWIs).

The Pension Department oversees the sales strategies for retirement pensions and supports the development and marketing of related products and services. It also supports business operations concerning retirement pensions such as education and yield management.

In addition, the Customer Care Center Team is in operation directly under the Wealth Management Group. The team has various responsibilities aimed at protecting investors, such as managing yields for customers, inspecting the sale processes for investment products, checking for incomplete sales, and monitoring and analyzing risks.

2020 Performance

As of the end of 2020, Woori Bank has 682 wealth management branches, of which there are one Two Chairs Exclusive (TCE) Center and five Two Chairs Premium (TCP) centers, which providing services specifically to HNWIs. There are 694 Private Bankers (PBs) and Financial Advisors (FAs), who specialize in wealth management, and PB customers, in particular, are provided with wealth management services of the highest standard through a PB brand called 'Two Chairs.'

Expansion of the Customer Base

The core part of the wealth management business is PB customers. As of the end of December 2020, Woori Bank has 232,329 PB customers. This is the result of carrying out a wide range of business support and marketing activities to attract new customers and prevent customer attrition.

Expansion of the Sales Base for Wealth Management

In October 2020, a TCE Center was newly established as a channel dedicated to Ultra-High-Net-Worth Individuals (UHNWIs). By operating this channel, it has become possible to provide PCIB* services to UHNWIs and improve the professionalism of wealth management services. Also, based on a one-stop service model, the TCE Center offers outstanding financial solutions tailored to individual customer needs, such as asset management consulting, global investment support, and accounting/legal services.

* PCIB : A business model consisting of three services, PB(Private Banking)+CB(Corporate Banking + IB(Investment Banking)

Growth of Retirement Pension Business

Woori Bank pursued customer-oriented services in order to better respond to the rapid changes in the labor market and to help customers be financial stable after retirement. It continually provided pension-related information, such as key issues and trends and asset management data, and managed pension assets through the Pension Asset Management Center. As a result, the pension AUM increased KRW 2.7 trillion YoY to KRW 22.2 trillion in 2020. Customers were provided with improved convenience by expanding the scope of non-face-to-face IRP services, and the target date fund (TDF) lineup was expanded to boost returns for customers.

Ensuring Complete Sales and Strengthening Risk Management

Systems related to complete sales and customer-centric business operations were completely revamped. By requiring the use of the electronic document system and creating a checklist for each step of the product subscription procedure, it was possible to lower the chance of missing documents and set up a complete sales process.

Plus, risk management was reinforced by applying differentiated approval processes according to the amount contributed to the product concerned. Also, risks associated with financial instrument providers were eliminated in advance by disallowing launches of substandard products or terminating related contracts based on risk assessments.

Number of PB customers in 2020

232,329 Customers

Compliance Management

Woori Bank has established the Woori Code of Conduct and Standards of Conduct, which sets the standards for the way its executives and employees perform their day-to-day responsibilities and raises awareness of the importance of ethical management and fulfillment of corporate social responsibility for survival and sustainable development in the era of global competition. By providing reliable financial services through the Woori Code of Conduct, Woori Bank strives to fulfill its responsibility to all stakeholders, including customers, shareholders, executives and employees, the nation and society, and contribute to social development.

By practicing ethical management, Woori Bank works to prevent non-ethical corporate practices and build morality among members of the organization, in addition to engaging in fair competition in adherence to the law and fundamental principles based on compliance management.

2020 Performance

Reinforcing Ethical and Compliance Training

In 2020, Woori Bank carried out various ethical and compliance training programs for all its employees to understand and practice ethical management.

First, in order to raise awareness of ethical management among its executives and employees, Woori Bank held the Woori Bank Code of Conduct Compliance Pledging Ceremony.

Second, the Ethics/Compliance Self-Check Test and We-Check Day (a cyber pact) were carried out every other monthly with the participation of all staff members so that they could develop a clear understanding of the Code of Conduct and examine the Code of Conduct and Standards of Conduct applicable to their respective job positions.

Third, education materials concerning ethics, internal control and legal compliance were posted on the Ethics and Compliance at Work section on the intranet so that they could be used during the monthly compliance training and in the field.

Lastly, Woori Bank convened the Council of Compliance Officers four times to provide instructions on internal control, compliance monitoring activities, insider trading control and prohibition against the use of undisclosed material information, as part of the efforts to raise awareness of the importance of internal control.

Programs for Practicing Ethical Management

Woori Bank has a number of programs in place to promote ethical management. The first being the Woori Hotline, through which a violation of the Code of Conduct committed by an executive or employee can be report. It is a channel for executives and employees, partners and other stakeholders to report on various irregularities and violations of ethical management standards, aimed at encouraging compliance with the laws, regulations and the Code of Ethics.

Second, the Ethical Management Support Council serves to propagate the concept of ethical management and compliance across the organization. The Council, chaired by the Compliance Officer, meets biannually to discuss and decide on policies related to ethical management, including measures to practice the Code of Ethics and ways to improve ethical management.

Third, members are advised to report any compensations they received for external activities and encouraged to contribute to charities. Executives and employees are required to report any payments they received for services they rendered, such as giving a lecture and teaching class, as well as any allowances, such as transportation expenses via the Supplemental Income Reporting Center. Also, if the amount received, excluding the allowances for necessary expenses, exceeds a certain amount, they are encouraged to donate the excess amount. These practices help create a culture of integrity and anti-corruption within the organization.

Lastly, Woori Bank implemented the Clean Contract System to ensure transparency and fairness in tenders, contract conclusion and contract execution, thereby contributing to the promotion of fair trade and the spread of ethical management.

Field-Oriented Legal Support

Woori Bank established a legal team for more rigorous management of legal risks by ensuring independence of those dealing with legal affairs. Legal advice is provided promptly and efficiently by lawyers, each assigned to a specific business group, and there is a pool of lawyers dedicated to providing emergency legal counseling to branches on the frontline. Case-specific standard agreements uploaded on the legal portal system ensure promptitude in providing on-site legal support as well. Furthermore, the bank provides the FAQs About Legal Cases, with answers to the most frequently asked questions from branches, to raise understanding among bank employees of legal cases they may come across in their line of work.

2021 Plans

Woori Bank plans to run a wide range of ethical training and legal compliance programs to promote transparency and ethical management across the organization and make various system improvements to minimize legal risks, as part of compliance management. A new regulatory management system, with improved user convenience in searching for regulations and so on, and a new legal portal system for prompt and accurate legal support will be introduced.

A comprehensive legal guide will be provided on common cases occurring at customer touchpoints so as to provide answers to recurring questions about identical or similar legal matters that may arise during business activities and to prevent legal violations by raising awareness of the importance of legal compliance.

Ethical Management Practice Program



ETHICAL MANAGEMENT SUPPORT COUNCIL

A working-level council established for the purposes of decision making and communication on the Code of Ethics programs of practice for employees.



FIT & PROPER(ELIGIBILITY REVIEW) SYSTEM

Aimed at promoting the eligibility, ethical mindset and compliance of employees as financial professionals, this system categorizes items for additional/subtractive points based on the Code of Conduct that employees are required to comply with and presents specific criteria for evaluation. Accordingly, model practitioners receive preferential treatment and violators are met with guidance or restrictive action.



CORPORATE ETHICAL MANAGEMENT INDEX FOR CREDIT EVALUATION

This program of practice aims at disseminating and inducing CSR and ethical management. The corporate ethical management index is reflected into the evaluation items for loan review, so that ethical management by transacting counterparties is reflected into the decision in extending loans to them and determining applicable interest rates



CLEAN CONTRACT SYSTEM

Woori Bank has a "Clean Contract System" with all partners participating in contracts and purchases with us to encourage transparent and honorable bidding, contract signing and contract implementation. Furthermore, this system is a declaration of Woori Bank's commitment to ethical management and aims at disseminating ethical management among partners.



WOORI HOT-LINE (REPORTING AND COUNSELING)

Woori Hot-Line receives reports from executives and employees, partners and stakeholders regarding various irregularities and violations of the ethical management policy as well as complaints. After confirming the details with the relevant departments, an investigation is requested if it is deemed that an internal violation has occurred. Through this direct reporting channel, Woori Bank is endeavoring to become as a strong and honest organization and contribute to the establishment of sound practices in the finance sector.

Last but not least, Woori Bank plans to serve as a great example, both internally and externally, through its ethical management activities and publish a new guidebook on the Code of Ethics to be used as an education material designed to promote compliance and a sound workplace culture. These efforts in turn will allow executives and employees to gain a deeper understanding of ethical management and practice it in their day-to-day activities.

In 2021, Woori Bank will "innovate today [to] create tomorrow" with an understanding of the importance of ethical management.

Information Security

Woori Bank is dedicated to preventing customer information breaches by enhancing its level of administrative and technical security and fortifying its information security organization.

Bolstered Information Security Organization

The Head of the Information Security Group bears the responsibilities of Chief Information Security Officer (CISO) and Chief Privacy Officer (CPO), managing all teams dedicated to privacy (credit information) protection.

Woori Bank regularly convenes the Information Security Committee, chaired by CISO, with the meetings held in the presence of 15 department heads who are responsible for information security, IT operations and development, handling customer information and so forth. The Committee discusses agenda items that cover IT security issues as well as internal control and overall institutional improvements for privacy protection.

The Global Information Security Team was newly incepted in 2020 to support compliance with local information security regulations and conduct infiltration tests as a way to examine the IT security system on a regular basis. Woori Bank also became the first bank in Korea to analyze the entry route of malware using big data from overseas branches and is applying financial security technology of the highest standard throughout its network.

Administrative Protection Measures

To prevent the potential abuse or misuse of customer information, Woori Bank grants employees with access to only the bare minimum amount of customer data required to perform their job duties. The bank continually reinforces internal controls for both the head office and branches by regular monitoring of unauthorized personal information queries deemed irrelevant to work duties, along with inspections of how they are managing customer information. In addition, all employees are mandated to attend an information security training at least twice a year, and Woori Bank also makes onsite visits to promote privacy awareness and prevent security breaches.

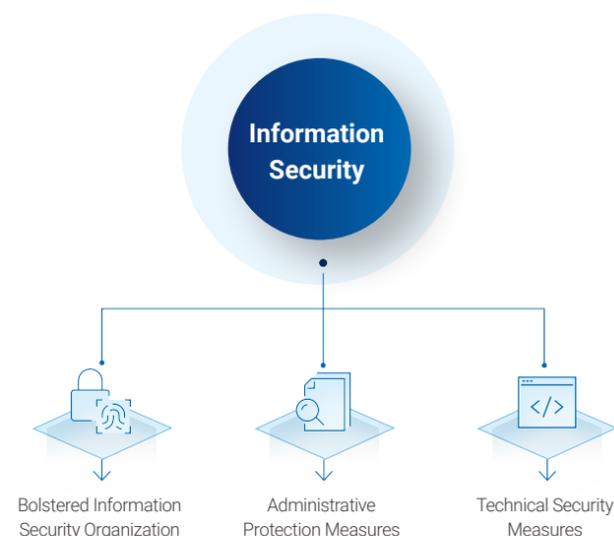
As part of the efforts to proactively respond to the enforcement of the three laws on data in relation to the movement and disclosure of public information, Woori Bank became the first in the finance sector to acquire ISO 27701 and ISMS-P certifications pertaining to privacy protection, attesting to its strengthened capacity to protect personal information through a world-class information security system.

Technical Security Measures

In response to the series of DDoS attacks against financial institutions in Korea, Woori Bank has built a multi-level defense system by equipping itself with equipment capable of defending against DDoS attacks, becoming the first in the industry to set up a cloud-based defense system with the Financial Security Institute, and adopting KT's automatic clean zone transition system at the DR Center. Voice phishing using a remote access app has been on the rise and in response, the policy to detect and block remote access apps has been strengthened. Further, a secondary authentication process is required for ID and password logins. This is to prevent financial scams and better protect consumers.

2021 Plans

Going forward, Woori Bank will introduce an Identity and Access Management (IAM) system for integrated management of user access to its systems and prevention of illegal access by internal users and set up a system for real-time monitoring of abnormal behaviors concerning the use of customer information using AI technology. Through these efforts, it will further sophisticate its personal information protection system and strength internal controls for information security. Moreover, a hyper-personalized Fraud Detection System (FDS) will be established based on customer journey analysis using big data to better respond to new types of digital frauds and financial cybercrimes. This will help protect invaluable customer information and assets, through which Woori Bank will gain customer trust.



Anti-Money Laundering

Woori Bank has established policies in conformance with domestic laws and recommendations from international organizations prohibiting money laundering and terrorism financing. A dedicated organization as well as related regulations, guidelines and systems are also set in place as part of a money laundering and terrorism financing control structure. The Anti-Money Laundering Center, a department working to prevent Woori Bank's involvement in any money laundering and terrorism financing activities, is responsible for the prevention of money laundering and terrorism financing at home and abroad and management of sanctions and is dedicated to maintaining a control system that is up to par with domestic and international standards.

2020 Performance

Strengthening the Money Laundering Prevention System at Overseas Branches

In order to be better prepared for the global compliance regulations that are becoming stricter by the day, a project was carried out to strengthen the money laundering prevention system at overseas branches in connection with a global consulting firm. By upgrading the Anti-Money Laundering (AML) system at overseas branches, it was possible to create a world-class system for managing all relevant aspects, including the Know Your Customer (KYC) policy, transaction monitoring and risk assessment.

At the same time, in line with the increasing demand for international money laundering and terrorism financing prevention efforts, such as mutual evaluations by the Financial Action Task Force (FATF), the compliance of foreign subsidiaries of Woori Bank was enhanced to check the money laundering and terrorism financing prevention activities and upgrade related programs. In addition, an AML diagnosis satisfying the global standards led to improvements in many areas, and as a result of continued management and supervision to be prepared for inspections by American supervising agencies requiring the strictest compliance in the world, Woori Bank's American network has been noted for its excellent anti-money laundering system.

Strengthening of the Sanctions Compliance Program

Woori Bank conducted a wide range of control activities to strengthen its Sanctions Compliance Program. First, it strengthened the review concerning the sanctions law. It became the first bank in Korea to carry out rigorous F/X reviews for regions at risk of being placed under sanctions, and it even reviewed trade documents using AI technology

for greater internal control. Second, sanctions risk assessments were carried out on domestic and overseas branches for reinforced internal control. The inherent risks of banks in relation to sanctions were determined and the appropriateness of the internal control activities was assessed, followed by improvements to the identified vulnerabilities. Third, employee awareness of sanctions and compliance was raised by providing education on economic sanctions and sharing information on the latest trends as quickly as possible. A video education program for sanctions compliance was developed and administered to all employees, and customized training was provided to the staff primarily responsible for F/X processes for imports and exports. By keep executives and employees informed about the latest changes in the environment concerning sanctions, the sanctions compliance program was strengthened further.

Reinforcement of Internal Control to Prevent Money Laundering and Terrorism Financing

Woori Bank strengthened its Know Your Customer (KYC) policy, which creates three lines of defense: customer verification, inspections of the Anti-Money Laundering Center and independent audits by the Board of Audit and Inspection. It has also upgraded the domestic anti-money laundering system in order to prevent money laundering and terrorism financing. Related education is provided to all members of the organization to raise awareness of the importance of legal compliance, and the national risk assessment data from the Basel Committee on Banking Supervision were standardized and reflected in order to continually improve the internal control system.

2021 Plans

Woori Bank plans to set up an AI-based money laundering and terrorism financing inspection system and re-establish a money laundering and terrorism financing prevention system at its foreign subsidiaries to be prepared for more stringent domestic and international standards.

Woori Bank will introduce an evaluation system for measuring the risks of money laundering and terrorism financing in new businesses in the international community and set up an internal control system, thereby meeting the anti-money laundering and anti-terrorism financing requirements as a global financial institution.

Nurturing Professionals and Strengthening Wealth Management Capacity

Woori Bank is sparing no efforts or resources in nurturing qualified wealth management professionals. Each year, the bank carries out customized training for PBs and FAs based on clear CDP. In 2020, in particular, a PB qualification system was introduced in order to evaluate the professional competency of PBs and verify their performance related to returns for customers.

2021 Plans

The objective of the Wealth Management Group in the year 2021 is to create a stable profit structure and a foundation for long-term growth. By strengthening the competitiveness of its face-to-face and non-face-to-face channels, expanding the PB customer base and fostering related professionals, Woori Bank will innovate the way it does business, through which it will achieve strong growth and gain recognition from the market.

Strengthening Channel Competitiveness

The TCE and TCP centers will additionally be established in key regions for the wealth management business, and the specialty and competitiveness of face-to-face channels for wealth management will be reinforced in various areas, including corporate banking and retail banking. Also, the non-face-to-face channels will be upgraded by improving the wealth management platforms and operating consultation channels. There are plans to launch wealth management platforms after optimizing the UI/UX and reorganizing the features centering on users and incorporate MyData, AI and other promising businesses into the platforms in order to build digital capacity. Moreover, for the purpose of setting up a non-face-to-face customer management system at the branches, Woori Bank will establish the Wealth Management Consulting Center, reinforce the in- and outbound wealth management services, and strengthen its non-face-to-face wealth management consulting capacity.

Expansion of the Customer Base

The Wealth Management Group plans to continually expand its PB customer base based on ongoing customer management. It will strategically assign PBs and FAs based on the Value Group (VG) program, a new business system introduced by Woori Bank to provide financial services of the highest standard by promoting collaboration among the branches. By jointly providing services to and managing PB customers, it will encourage existing customers to increase its business with Woori Bank and attract new customers. Loyalty among PB customers will be enhanced through sophisticated target marketing based on big data, while excellent cases of joint services will be continually discovered and shared to achieve further improvements.

Taking a Greater Share of the Pension Market

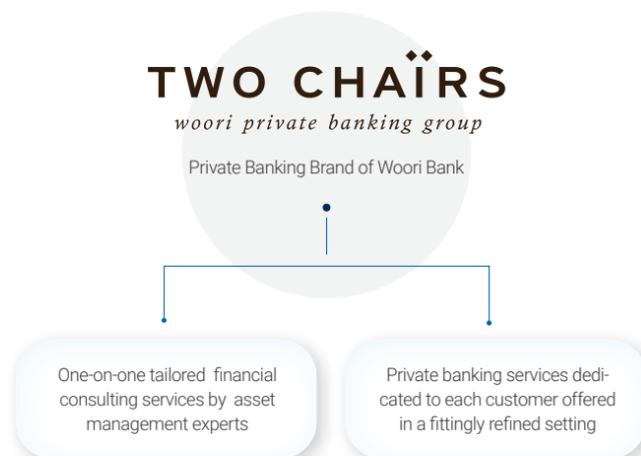
There are plans to secure pension customers who will make Woori Bank their primary bank and take a bigger chunk of the market. When it comes to retirement pensions, stability and ongoing management are especially crucial. Woori Bank will manage returns for customers based on outbound service management such as product switching for customers whose investments have reached maturity and customers with unmanaged assets. The Wealth Management Group will also gain new customers and investments by offering retirement pension ETF according to customer needs, launching products in line with the market trends, and providing a wide-ranging product lineup including guaranteed investments.

Fostering Professionals of the Future

The Wealth Management Group will select and nurture young and competent employees with the potential to become leaders of the future in their respective fields. To do so, it will secure a pool of professionals and promote human resource development according to the CDP system. By offering them with diverse capacity building opportunities, such as work experience, intensive training, and experience working in relevant departments, it will nurture the employees of Woori Bank into wealth management experts with professionalism and sales capacity.



Private Asset Management Brand



Employee Satisfaction

Woori Bank believes that in order to provide customers with the best possible services, the executives and employees must be highly satisfied with the working environment. Accordingly, the Employee Satisfaction Center was established in 2007 and has been developing and implementing a wide array of programs to boost employee satisfaction ever since. As such, diverse employee satisfaction programs designed to create a customer-centric mindset based on a sense of ownership instilled through improved job satisfaction are planned, developed and operated on a regular basis.

2020 Performance

Implementing Programs for improved Employee Satisfaction

Woori Bank has been running a wide range of original and interesting programs to improve employee satisfaction.

In 2020, various new programs were developed and carried out to maximize employee satisfaction, while adhering to the COVID-19 guidelines.

The bazaar, Stay Strong, Korea, was organized to support ... small businesses suffering from the pandemic and provide a chance for consumers to purchase quality products at affordable prices. This was part of Woori Bank's efforts to fulfill its CSR and boost employee satisfaction.

The Employee Satisfaction on LAN Program, on the other hand, was implemented to help employees overcome the Corona blues and engage in pastimes and cultural activities. Themes included cooking, music, at-home workouts and interior decor, and there were even programs inviting employees to participate with their families, which was to promote a balance between work and family life.

Woori Bank is dedicated to promoting employee satisfaction based on the belief that the happiness of employees and their families is what gives the bank a competitive edge.

Stay Strong, Korea Bazaar

The Stay Strong, Korea Bazaar is an employee satisfaction program initiated under the concept of mutual cooperation through the promotion of consumption. Through this program, Woori Bank achieved high employee satisfaction by offering employees with a chance to purchase agricultural and industrial products and specialty products of the finest quality, while fulfilling its CSR by assisting small businesses facing financial hardships due to COVID-19 and enterprises affected by natural disasters such as wildfires, typhoons and torrential rain.

The Stay Strong, Korea Bazaar not only led to increased employee satisfaction but was met with appreciation from many business owners. Even after the end of the program, the executives and employees of Woori Bank continued to purchase from the participating businesses and build win-win relationships with them.



Employee Satisfaction on LAN

The Employee Satisfaction on LAN Program was introduced to support employees in enjoying their pastimes and cultural activities under the theme of 'zero-contact, home, and family.'

It helped employees get over the Corona blues caused by restrictions against social activities and discover and share their talents and capabilities, which promoted communication among employees and boosted employee satisfaction.

The activities included cooking (Home Cook), workout (Home Training), music (Let's Hear You, Home Sing), and interior decor (Show Us Your Home). Home Cook was a non-face-to-face cookoff where contestants participated from home to share their unique recipes and receive votes from other employees.

Risk Management

Home Training was a non-face-to-face bilateral at-home workout program where participants got to take yoga lessons from home and obtain feedback from the instructor on Zoom. Let's Hear You, Home Sing was a non-face-to-face singing competition program where employees were invited to participate with their families. The final round was streamed live on YouTube with the viewers voting for the participants in real time. Show Us Your Home was organized to promote communication among the staff and harmony within each family by giving a chance for them to show off their home interior and companion animals and plants in time for the Christmas holidays and New Year's.

Woori Bank Team Finishes First in the 13th Regular Season of WKBL

Woori Bank women's professional basketball team finished first in the 2020-2021 season of the Women's Korean Basketball League (WKBL), which was its 13th regular season since its launch. Although they did not win the championship (V12) in the playoffs, their results were praiseworthy considering the fact that Park Hye-jin, the team's star player, had been off the roster for an extended period of time due to an injury and Kim Jeong-eun, another star player, had been out for the entire season due to an ankle injury. This actually gave the younger players a chance to be on the court and demonstrate their potential to lead the team in the future.

Woori Bank women's professional basketball team, which recorded its 7th win in 2020 including 6 successive victories in the 2010s, will do its best to become the undisputed No.1 team in the league in the 2020s.



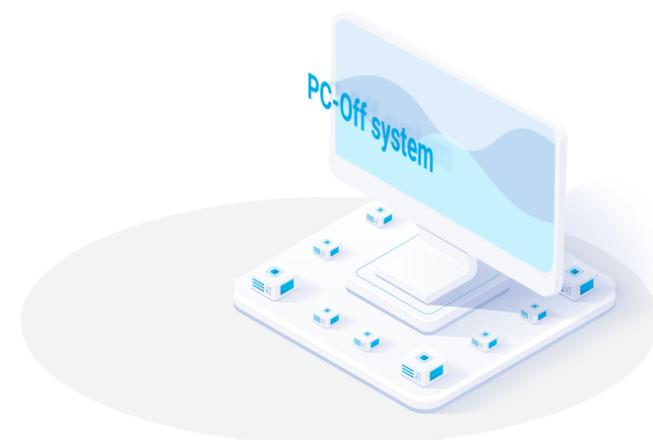
Woori Bank Team Finishes First in the 13th Regular Season of WKBL

Upgrading the PC-Off System to Normalize Work Hours

In 2013, a system was introduced to normalize work hours and improve the work environment, considering that bank employees typically work overtime. The system has become intricately incorporated into the corporate culture of Woori Bank with most of the branches complying with the related standards. Computers are configured to turn off before 7 p.m. so that employees can enjoy leisure activities and spend quality time with their families after work. This practice also boosts work efficiency and concentration, thereby eliminating the need to work overtime. In July 2019, a 52-hour work week policy was introduced and the PC-Off system was revamped to promote a balance between work and family life as well as flextime. Going forward, Woori Bank will improve these systems based on ongoing monitoring and feedback and endeavor to boost employee satisfaction.

Free Rental of the Auditorium at the HQ as a Wedding Hall

Woori Bank allows its employees to use the auditorium at the headquarters as a wedding hall for free. It has been receiving rave reviews, with employees expressing their appreciation in regard to the spaciousness and classy appearance of the auditorium-turned-wedding hall and being given plenty of time to host a wedding. The exquisitely beautiful waiting room for the bride, renovated luncheon area, pyebaek room, and wedding car created from the CEO's car have also gained a favorable response. From 2012 to 2018, a total of 1,023 couples tied to knot at the auditorium, and weddings were held for 160 couples in 2019 and 100 couples in 2020, attesting to the fact that it has become a highly sought-after wedding venue. The wedding hall rental service offered by Woori Bank not only helps employees save money but also gain a sense of pride and loyalty toward the company with increased satisfaction.



In 2020, the global economy took a devastating blow from the COVID-19 pandemic. This in turn led to the contraction of the real economy in Korea, along with increased volatility in financial and F/X markets as well as credit risks. While the tension in financial markets was somewhat eased by market stabilization measures introduced by financial authorities, there still remain internal and external risks, including a surge in confirmed cases and weak recovery of the global economy. Plus, individual businesses are in greater debt amid increasing business uncertainty and household debt has been hitting a new all-time high record each year.

A comprehensive review of the economic situation in 2020 shows soaring household and business debt and asset markets, such as real estate and stock markets, seeing a flood of money, which has been leading to a disconnect between financial markets and the real economy. Unless the real economy recovers adequately, non-performing loans will be on the rise due to the risks in vulnerable areas. This will consequently degrade asset soundness of banks and in turn increase the bad account costs and lower capital adequacy. Accordingly, risk management has become more important than ever. In recognition of this, Woori Bank has been fortifying its risk management system in an effort to remain strong and resilient against external shocks.

2020 Performance

Woori Bank successfully managed risks even in the midst of challenges brought upon by COVID-19 and other internal and external situations in 2020. A proactive risk management system was strengthened to better prepare against an increase in risk factors associated with potential insolvency.

Also, approval was obtained from the Financial Supervisory Service for early adoption of Basel III in the credit risk area. Along with this, a risk management system was established for emerging sectors that have been recording rapid growth and various improvements were made using cutting-edge technology to continually develop and upgrade the risk management system.

Responding to the COVID-19 Pandemic

In 2020, risk management became especially crucial in dealing with the major crisis faced in financial markets and the real economy due to the COVID-19 pandemic.

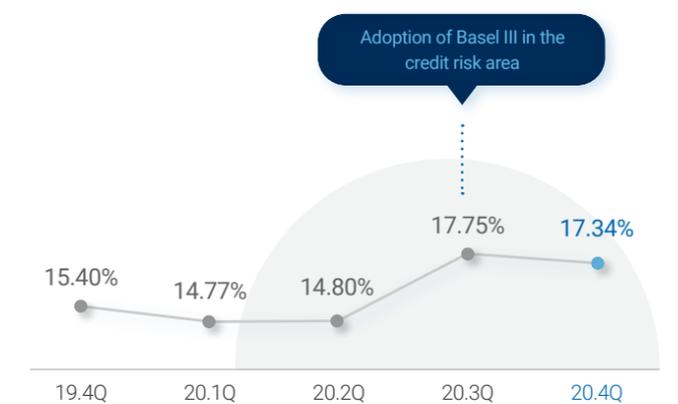
Accordingly, Woori Bank mobilized an emergency response organization and implemented a Contingency Plan(C.P) to successfully manage the risks arising during the crisis situation. Measures introduced to reinforce risk management in vulnerable areas included expanding the scope of management for potential insolvency, and industries with increased credit risks were managed more intensively.

Also, in consideration of fluctuations in the economy caused by COVID-19, the portfolio was rebalanced by reducing concentration on certain industries and managing the limits in a timely manner so as to prepare against an economic downturn.

Approval of Early Adoption of Basel III in the Credit Risk Area

Woori Bank obtained approval from the Financial Supervisory Service for early adoption of Basel III in the credit risk area in 2020 3Q. As a result, the BIS capital adequacy ratio increase 318bp to 17.34%, as of 2020 4Q.

Capital Adequacy Ratio (Unit: %)



IT Group

Advancement of the Risk Management System

IB, derivatives, non-face-to-face products and non-deposit financial investment products, the demand for which has been on the rise due to soaring asset prices and an increase in non-face-to-face channels, were defined as 'Emerging Risks,' and a system to manage these risks was improved by ensuring in-depth monitoring and preparing a regular reporting system. In the case of non-deposit financial investment products, in particular, a procedure for consulting the Risk Management Department ahead of a product launch was newly established, and the risk examination process was reinforced by requiring the Head of the Risk Oversight Department and the Head of the Risk Management Group to attend the Non-Deposit Product Council and Non-Deposit Product Committee meetings.

Aside from this, an integrated interest rate and liquidity manage system was established by creating a dashboard for monitoring related risks and developing a comprehensive analytical tool.

2021 Plans

In 2021, the Risk Management Group of Woori Bank will seek to optimize the Risk-Return profile by ensuring efficient capital allocation and steady asset growth with priority on risk management. To this end, there are plans to pursue businesses in connection with four risk management strategies: be prepared against potential risks, proactively respond to changes in the financial environment, pursue Risk-Tech and sophisticate the risk capital management system.

First of all, in order to be prepared against potential risks, the group will improve its portfolio management against corporate risk exposures and better manage household loans. With respect to corporate loans, the credit limit will be adjusted for each industry in consideration of the changes in risk levels caused by the pandemic and the adequacy of credit analysis will be managed better. The timeliness of loan reviews for those in vulnerable industries will be improved as well.

As for retail loans, the monitoring system for loans provided via non-face-to-face channels will be upgraded, in addition managing high-risk borrowers more intensively. In the global business area, the group will boost its risk management capacity in accordance with the localization strategy and continually strengthen risk management in IB, a high-risk, high-return business.

Second, the group will be prepared against the institutional changes that will have a direct impact on the business environment. In relation to the adoption of Basel III, the group will ensure stability of the regulatory capital calculation system for the credit risk area where the international regulatory framework began to be applied in September 2020 and set up the system for market and operational risks in time for its adoption in 2023.

Third, in response to the contactless trend, the group will pursue Risk-Tech to apply frontier technology to risk management. A good example of such efforts is to apply non-financial information, such as communication information, to non-face-to-face loan strategy model to support the sophistication of the decision-making process for retail loans and develop a non-face-to-face loan model specifically for individual businesses.

Finally, the group will ceaselessly polish the risk capital management system to optimize resource allocation. To this end, the group will allocate and manage risk capital limits in reflection of the financial objectives of each group and risks in the business environment under the principle of considering profitability and the risk level in a comprehensive manner.

Due to the COVID-19 pandemic, there has been a rapid transition from traditional face-to-face financial services to contactless services using new digital technology. It has become essential for financial institutions to attract customers through non-face-to-face channels using information technology, and in response, financial firms across the country are pursuing new businesses incorporated with IT to gain dominance in financial markets.

In order to turn Woori Bank into a leading IT bank in the industry, the IT Group has created a robust foothold for future growth by building cloud infrastructure, reestablishing the bank-wide communications network and ensuring top-class IT services.

2020 Performance

Reestablishment of the Bank-wide Communications Network

In 2020, the IT Group re-established the communications network across the data center, branches and call center to build advanced network infrastructure. Through this project, a major overhaul took place across all areas related to the communications network including the transmission network, IPT, communication security and audio recording system. In the case of the data center, three communication lines were established with the Disaster Recovery (DR) Center to be ensure uninterrupted operation even in the event of a natural disaster or accident. For branches, the communication speed was doubled and the backup lines were replaced to create a stable operating environment. In addition, the latest equipment was introduced into the communications network to be prepared against malfunctions and failures and improve service quality. By building a cutting-edge network, Woori Bank is prepared to readily incorporate new technology and respond to changes in the financial environment, through which it will provide customers with services of higher quality and stability.

Creation of Cloud Infrastructure

Woori Bank endeavored to introduce cloud infrastructure to pursue digital financial business in a timely manner in line with the trends of the age of Digital Transformation (DT). Through this effort, the bank expected a prompt introduction of cloud infrastructure and cut IT costs based on efficient management of infrastructure resources. Woori Bank plans to continue the project on building cloud infrastructure and developing a management portal in 2021 to secure future growth engines.

2021 Plans

The IT Group plans to make 2021 the year of innovation for Woori Bank to take technological leadership in the financial industry, based on the vision of 'Change Starts with IT.'

First, as the 'Innovation Strategy for the Next Normal,' the IT Group will 'completely reform Woori FIS and ITO to spearhead business innovations' and 'pursue IT innovations to shape the next normal' to prepare for the contactless era. Further, the cloud establishment project will be continued in order to build advanced tech-based infrastructure.

Second, the IT Group will 'Develop Human Resources in IT' to secure future growth engines. By strengthening the 'professional competencies of the IT manpower' and 'development capacity of the bank,' the IT Group will improve the quality of development projects, and it will also strengthen the 'marketing capacity of employees through capacity building of data experts.'

Third, the IT Group will 'Reinforce Support for Business Operations.' The investment process will be made swift by improving the review procedure and support will be provided for the core digital businesses of each business group, while providing robust IT services.

Fourth, stability will be ensured by reinforcing risk management. The IT Group will ensure continuity of operations by applying more stringent measures for IT risk management and strengthen internal controls through an internal audit system.

Change Starts with IT

2021 IT Group vision

 Innovation Strategy for the Next Normal

 Develop Human Resources in IT

 Reinforce Support for Business Operations

 Stability Ensured by Reinforcing Risk Management

Woori Card



www.wooricard.com

Woori Card was incorporated in April 2013 following a spin-off from Woori Bank aimed at strengthening the credit card business of Woori Financial Group and fortify its competitiveness in the non-banking sector. Based on an extensive network and customer base, Woori Card formulated optimized business strategies as a card company of a financial group and has been aggressively discovering new business areas to secure new growth engines. With customer value as the top priority in every business area, the company is constantly developing new products and services that meet customer needs. It is planning to provide differentiated services by pursuing digital transformation, pushing forward innovation across all business areas and partnering with companies from other industries.

2020 - 2021 Woori Card wins



- Wibee Market wins the Best Financial Shopping Platform Award at the 2020 Mobile Awards Korea (Apr. 9, 2020)
- The Best Credit Card Award at the 2020 Korea Good Brand Awards (May 28, 2020)
- The Minister of Trade, Industry and Energy Award at the 22nd Korea Brand Awards (Dec. 11, 2020)
- The Governor of Financial Supervisory Service Award at the 2021 Edaily Korea Financial Consumer Awards (Jan. 28, 2021)

2020 Performance

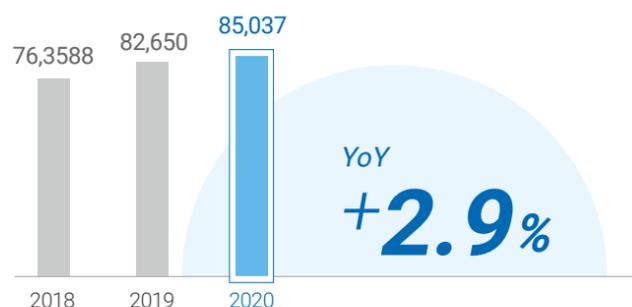
Business Performance

Since 2016, Woori Card has been engaging in installment payment, lease and credit loan businesses to generate income from diverse sources. Also, as part of the efforts to enter overseas financial markets, Woori Card obtained a Micro-Finance Institution(MFI) license in Myanmar in October 2016 and has been offering small-sum loan services since December 2016 following the establishment of TUTU Finance-WCI Myanmar. In 2020, the company has been preparing to initiate new businesses, such as MyData, individual business CB and open banking, in response to the amendments to the three laws on data (Personal Information Protection Act, Act on Promotion of Information and Communications Network Utilization and Information Protection and Credit Information Use and Protection Act) and promotion of the data economy. After receiving approval for the credit information management business (MyData) from the Financial Services Commission in January 2021, it has formed an organization to pursue the business. Based on these efforts, Woori Card recorded KRW 120.2 billion in net income in 2020, an increase of KRW 6.0 billion from the previous year, despite shrinking consumption due to COVID-19. This was possible thanks to an increase in financial assets from car financing and financing services used by credit card users of a prime asset as well as improved asset soundness.

Rationalization of Management

Woori Card is seeking to continually restructure its organization to proactively and systematically respond to the changes in the business environment. It has concentrated its core functions and sped up the decision-making process by restructuring the sales organization to promote the use of cards and recruit additional users. In order to boost prime financial assets and auto financing, a dedicated division and regional centers were newly established. The Future Growth Division was launched to further expand its global businesses and incubate new growth businesses, while digital platform organizations have been integrated into the Digital Innovation Group to pursue digital innovation at an accelerated rate and produce tangible results.

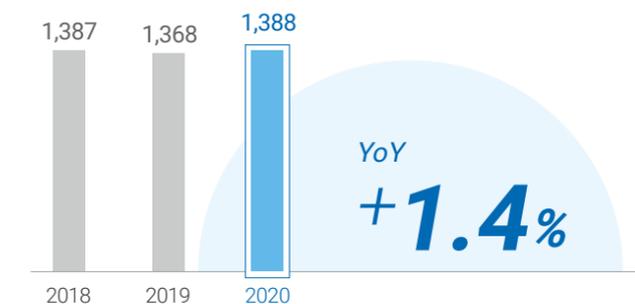
Usage (Unit: KRW in billion)



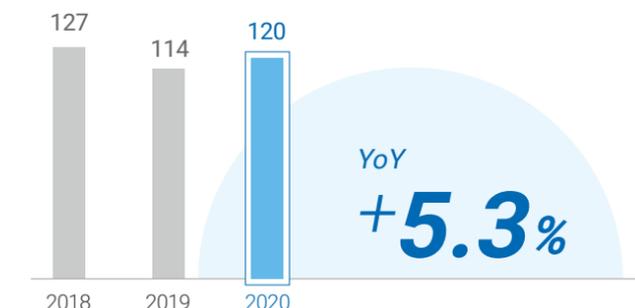
2021 Plans

While an increase in credit sales resulting from recovery of consumer spending is expected in 2021, there are concerns of intensifying competition in card and car loans due to easing of regulations on leverage and a decline in financial soundness of vulnerable groups in relation to COVID-19. Also, the amendments to the three laws on data and the Electronic Financial Transactions Act have given non-financial companies greater power and influence in the financial industry and driven up the demand for data-based businesses. Not only that, but also the tightening of regulations on the Debt Service Ratio (DSR) and recalculation of the merchant fees (2022), posing concerns of lowering profitability for card companies, have necessitated proactive risk management, asset increases and diversification of the profit structure. In response, with the management objective of 'Digital, Efficiency and Growth: A Design of Sustainable Future' for the year 2021, Woori Card has established five management strategies: efficient growth and increase in income-generating assets; discovery of future income sources; fully digital across all areas; data-based risk management; and customer-centric ESG management. Accordingly, it will reorganize its business portfolio as a 'loan specialist that is achieving sustainable growth.' To this end, Woori Card will create steady income streams by implementing differentiated customer recruitment strategies for different channels, building an income-generating portfolio centering on high-yield financial assets, pursuing data-based hyper-personalized marketing and risk management and cutting costs through digitization. In addition, there are plans to create future income sources through business diversification by entering into new business areas of the financial industry, expanding global businesses and initiating the data business and overseas remittance services. Along with these efforts, the company will invest utmost efforts to create synergy with the global network of Woori Bank and the companies under Woori Financial Holdings in order to secure new growth engines.

Operating Income (Unit: KRW in billion)



Net Profit (Unit: KRW in billion)



COVID-19 Support Activity (as of Feb. 2021, KRW million)

Category	Description	Cases	Amount
Deferral of credit card payments	6-month deferral for payment of the principal for credit sales, financing and capital sales	1,347	8,986
Discounts on interest rates for card loans and payment deferrals	Up to 50% discount on the interest rate, Switch from installment payment to interest-only payment	255	2,500
Emergency loans for household spending	Up to 50% discount on interest rates(Up to KRW 3 million)	80	195
Exemption of overdue interest and deletion of related records	Exemption of overdue interest and deletion of related records for up to 3 months from the payment due date	44	127
Postponement of the maturity date (repayment of the principal and interest)	6-month deferral for loans related to financial support for SMEs and self-employed individuals	295	3,233
Pre-workout for personal debt	Deferral of payment of the principal for 6 months or longer for those at risk of defaulting	30	365
Total		2,051	15,406

Woori Financial Capital



www.woorifcapital.com

Woori Financial Capital is one of the leading capital providers in the industry that was established in 1994.

In December 2020, Woori Financial Group took over the position of the largest shareholder from Well to Sea No. 3 Special Purpose Corporation, which marked a turning point for the company. Woori Financial Capital will endeavor to become the best capital provider by pursuing digital innovation, discovering new business areas, creating a synergy system and honing its competitive edge in core business areas by working closely together with Woori Financial Group.



Digital Finance Innovation Award at the 2020 Finance and Securities Awards

In recognition of contributing to the digital transformation of the financial sector by developing innovative digital products



General Financial Blog Award at the i-Awards Korea 2020

Demonstration of excellence through a fair and objective evaluation of the service quality

2020 Performance

Strategic Risk Management in Response to a Downturn in the Real Economy

In 2020, the real economy took a hit from the COVID-19 pandemic, creating concerns of insolvency of borrowers. In response, Woori Financial Capital strengthened its screening capacity by introducing SOHO overview service and managed the soundness of high-risk products and borrowers who are exposed to economic risks, such as personal finance and commercial finance customers. As a result, the percentage of sub-standard credit extended was improved from the previous year by 22% to 1.77%.

Diversification of Income Sources and Improvement of Management Efficiency

It is becoming increasingly competitive in the car financing market, making up the biggest portion of the credit market. Inter-industry competition is growing in the area of auto loans for new cars, in particular, with credit card companies and banks entering the market. Accordingly, Woori Financial Capital has been honing its competitive advantage by concentrating on used car financing and corporate finance. As for used cars, on the other hand, the Dealer Lounge, a platform exclusively for used car dealers, was upgraded and relaunched in September 2020 to maintain a competitive edge by directly dealing with dealers. As a result, the number of dealers using the platform increased by more than 3,000 and sales surged by about KRW 5 billion a month, on average. As for corporate finance, the company has been selectively partaking in excellent deals in PF and real estate collateral that are highly sensitive to changes in the economy. While concentrating on the NPL business, the company recorded 360% YoY growth with a new operating income of KRW 430 billion in 2020. Aside from this, Woori Financial Capital has been discovering future income sources by partnering with a wide array of online platforms and financial firms and entering the general lease market, in addition to pursuing digital innovation by introducing electronic contracts, promoting digital finance and setting up an open API system.

Substandard & below (Unit: %)



2021 Plans

In 2021, it is expected that financial markets will continue to suffer from unpredictable events. There is increased volatility in interest rates, with the rise in long-term interest rates, and financial authorities are tightening regulations, such as contracting the leverage ratio to control the liquidity of the non-card credit providers. With contactless services becoming the next normal across all industries, it is predicted that competition will become heated in financing with the use of new digital technology. Woori Financial Capital was incorporated into Woori Financial Group in December 2020, and it is expected to undergo tremendous growth in the future.

In the midst of rapid changes, the company has established the following four management strategies to attain the management objective to 'Prepare the foundation for a new giant leap with the DNA for innovation':

First, Boost productivity based on digital technology and innovate zero-contact business models;

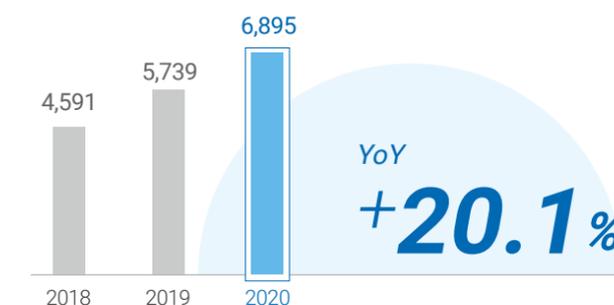
Second, Discover promising businesses of the future and establish measures to strengthen businesses and competitiveness in connection with affiliates;

Third, Break away from the competition with differentiated core businesses;

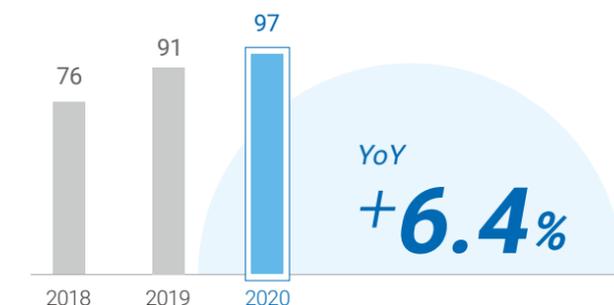
Fourth, Be proactive in responding to financial regulations and the macroeconomic environment.

Furthermore, Woori Financial Capital will increase assets in high-yield strategic products, pursue company-wide risk management and reduce the bad debt expense, thereby promoting asset and profit growth.

Loan portfolio (Unit: KRW in billion)



Net income (Unit: KRW in billion)



COVID-19 Support Activity

- Deferral of principal and interest payment for small businesses affected by COVID-19



KRW **122.5 billion**

- Donating to assist households affected by COVID-19 in regions designated as disaster areas by the State and households in a crisis



Woori Investment Bank



www.wooriib.com

Woori Investment Bank is Korea's one and only all-encompassing financial firm whose primary business areas including depository business, including bills issued and CMA, as well as corporate loans, structured finance and securities management. Recently, Woori Investment Bank has been striving to diversify its sources of income by expanding into NPL investment, brokerage and venture capital areas, while discovering new businesses such as CIB to create synergy with Woori Financial Group.



2020 Performance

Depository Business: Non-Face-to-Face Channels

The Digital Finance Department was newly established to deliver services via non-traditional, contactless channels, as the COVID-19 pandemic ushered in the era of telefinance. A high-interest product exclusively available on online platforms (The Dream Installment Savings) was launched, and online marketing campaigns helped attract more than 30,000 new customers. Woori Investment Bank continually improved its platforms by boosting convenience in opening an account using a computer or mobile device and enhancing information security, in addition to offering new products and services through partnerships with affiliates and FinTech platforms.

Loans & Investment: Expansion of IB and Fixed-Income Business

Amid the low interest rate, low growth trend, Woori Investment Bank concentrated on the securities business in order to boost non-interest income. Woori Investment Bank revitalized its IB business including deal management, arrangement and advisory services and reinforced its organization and personnel for bonds management, acquisition and brokerage services. The company also entered into new business areas, such as housing bond brokerage and P-CBO, to generate commission income. Through these efforts, Woori Investment Bank recorded KRW 33.1 billion in commission income and KRW 6.6 billion in income from bonds management in the IB business, and as a result, the CAGR for non-interest income in the past three years has been on the rise at 89.1%.

Reinforcing Risk Management

Woori Investment Bank strengthened its risk management measures in consideration of growing uncertainties in the financial environment due to the pandemic. The contingency plan was revised in alignment with the Group's crisis response system, and credit lines were secured from domestic commercial banks to prepare against a liquidity crisis. As a result, the maximum credit line has reached KRW 210.0 billion, as of March 2021.

The company recruited additional loan officers to better manage credit risks, in addition to pursuing intensive monitoring of industries sensitive to COVID-19, on-site due diligence of places of business receiving PF and follow-up monitoring of loans. As of late 2020, prime loans account for 87% of all loans, attesting to the efforts made to strive for asset growth in consideration of risks. To scrupulously formulate and implement companywide loan strategies, the Loan Policy Department was newly established.

Woori Investment Bank

Paid-in Capital Increase of KRW 100 Billion

Woori Investment Bank increased the capital by KRW 100 billion in November 2020, with the aim of eliminating business constraints and drive continuous growth, by granting existing shareholders with the preemptive right to new stocks (subscription rate of 91.4%). There are plans to further boost the value of the company through excellent IR and improved profitability achieved by increases in loans and investments.

2021 Plans

The 2021 management objective of Woori Investment Bank is to 'Emerge as the Investment Bank with the Highest Efficiency', based on which four management strategies were established: 'Strengthen Core Competencies,' 'Expand the Business Portfolio,' 'Innovate Risk Management and Internal Controls' and 'Strengthen Infrastructure.'

Based on the paid-in capital increase of KRW 100 billion in 2020, Woori Investment Bank is seeking to increase loans and marketable securities by approximately KRW 1 trillion. To this end, there are plans to concentrate on forging a competitive edge in corporate finance, a backbone of the company's business.

In order to generate a steady stream of non-interest income, the IB business will be further expanded and to achieve this, related specialists were recruited, resulting in an increase in the number of structured finance departments from one to three. There are also plans to expand the DCM business and enter into the ECM business to explore new income sources.

Woori Investment Bank will expand the CIB business in full swing to create synergy with other affiliates of the Group and raise the value of the company by preparing an ESG management system.

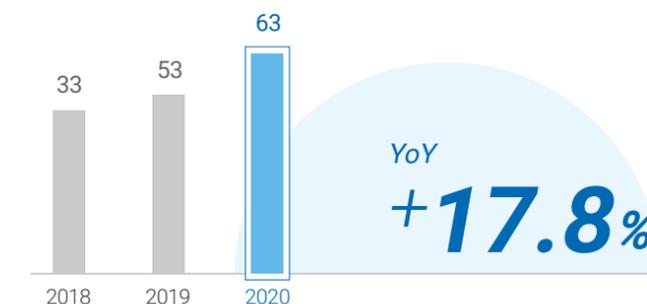
COVID-19 Support Activity

- Exemption of digital money transfer fees for all retail customers : 386,970 exemptions (KRW 190 million)
- Financial assistance for enterprises affected by COVID-19: Postponement of loan maturity: 2 loans (KRW 5 billion)
- Provision of face masks to customers (1,000 masks)
- Discount on rent for enterprises affected by COVID-19
- Crowdfunding on Wibee crowdfunding platform: COVID-19 support and damage prevention by six NGOs
- Compensatory funding for face mask manufacturers
- A charity event to overcome COVID-19 (Gwangju)
- Sponsored the music education program for children from marginalized classes: Beautiful Mind (KRW 3 million)

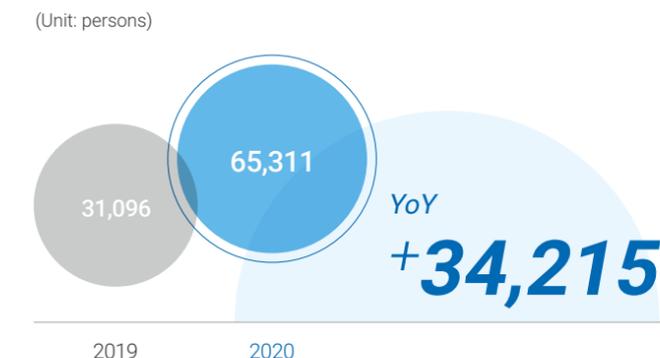
Net operating income (Unit: KRW in billion)



Net income (Unit: KRW in billion)



Number of non-face-to-face customers



Woori Asset Trust



www.wooriat.com

Woori Asset Trust celebrated its 1st anniversary in 2020 after being incorporated into Woori Financial Group in December 2019. In 2020, the company achieved remarkable growth in every area, including new contracts, ROE and profits, by improving the internal organization and systems and entering in land trust agreements with construction completion guarantees.

In 2021, the company will dedicate its efforts to the core business areas and strive to gain dominance in the real estate trust business.



2020 Performance

In order to build the industry's best management system, Woori Asset Trust restructured its organization and review system. The RM Team was separated into the Risk Management Team and Compliance Support Team and the Risk Management Officer and Compliance Officer were appointed so as to reinforce the risk management system. Along with this, the review process for management-type land trusts with construction completion guarantees and loan-type land trusts was made more scrupulous. As a result, Woori Asset Trust recorded an NCR of 1,286%, the second highest among 11 companies, despite aggressively entering into new agreements in 2020.

In addition, considerable efforts were invested in winning new land trust agreements with construction completion guarantees, which greatly improved the business portfolio. The portion of the aforementioned type of trust in the portfolio increased from a mere 12% to 50%, indicating a switch in primary products from collateral trust and agency service to guarantee-type land trust and general management-type land trust, which is expected to enable sustainable growth in the long run.

In 2020, Woori Asset Trust won contracts valued at KRW 128.8 billion, a 69% jump from the KRW 76.4 billion recorded in 2019. Accordingly, net income climbed 13.4%p YoY. It also recorded the highest ROE in the industry at 31.6%, attesting to its excellent efficiency.

(unit: %, KRW in millions)

Company	ROE (%)	ROA (%)	NCR (%)	Net income
Woori Asset Trust	36.4	21.7	1,286	35,312
Korea Trust	28.1	21.2	1,009	45,791
Hana Asset Trust	26.7	18.9	949	80,821
KB Real Estate Trust	23.4	12.7	442	30,725
Kyobo Asset Trust	22.7	17.2	1,322	25,767
Asia Trust	21.9	16.4	887	66,874
Mugunghwa Trust	21.0	10.9	1,023	122,573
Daehan Real Estate Trust	13.9	10.1	948	16,644
Korea Asset Investment Trust	13.8	4.5	1,163	30,924
Korea Real Estate Investment and Trust	11.8	4.6	639	61,521
KORAMCO REITs and Trust	8.3	3.6	508	26,968

Note) Data from Korea Financial Investment Association E-Disclosure Service (as of Dec. 31, 2020, based on 11 asset trust companies)

2021 Plans

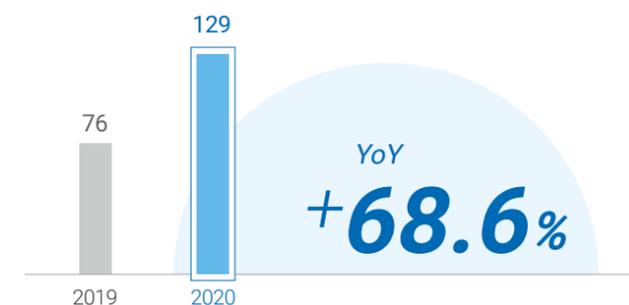
Woori Asset Trust plans to 'Intensively Pursue Core Businesses,' 'Pursue New Businesses' and 'Develop the risk management system and internal control system' as strategies for 'Obtaining a competitive advantage in the real estate trust market with stability and innovative growth,' as the objective for 2021.

As for more specific management strategies, the company plans to hone its competitiveness in the real estate trust area, while striving to secure non-land trusts by creating synergy with the Group. To this end, it will discover management-type land trusts with construction completion guarantees, selectively pursue loan-type land trusts with excellent stability and win contracts for general management-type land trusts with relatively low risks. In addition to increasing agency services centering on local housing cooperatives of a prime asset, the company will endeavor to selectively secure large-scale collateral trusts and win more contracts for collateral trusts and general management-type land trusts by creating synergy with the Group.

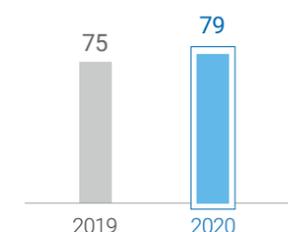
Second, Woori Asset Trust will concentrate on new businesses. It will expand its urban renewal business through the Urban Renewal Team established in 2020 and discover small-scale renewal projects for which regulations have been eased. In addition, the company will firmly position itself in the market by obtaining approval as REITs AMC, establishing related organizations and launching REITs products in 2021.

Lastly, the risk management system and internal control system will be further developed. A preliminary review system and pool of contractors will be created, and partners will be used for pre- and post-construction monitoring. Through the independent operation of a contract review department, the reviews will be carried out more swiftly and with greater professional expertise. Internal controls will be reinforced by creating a related manual and money laundering prevention system, and professionals will be nurtured to effectively deal with operational risks.

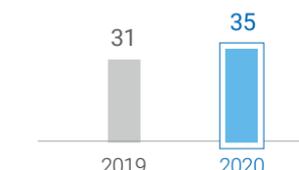
Contract value (Unit: KRW in billion)



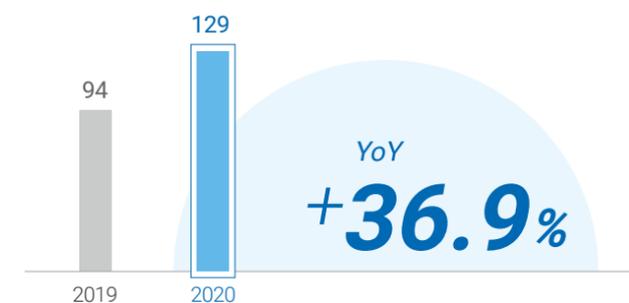
Operating income (Unit: KRW in billion)



Net income (Unit: KRW in billion)



Total equity (Unit: KRW in billion)



COVID-19 Support Activity

- Donated 2,500 face masks to the Soraepogu Merchants Association (Jan. 6, 2021)
- Participated in the donation relay of Sports Doctors and donated KRW 10 million to provide medical care to vulnerable groups during the COVID-19 pandemic (Sept. 10, 2020)
- Donated 450 masks and 5 hand sanitizers to Yeongsin Welfare Society (Apr. 7, 2020)
- Slashed KRW 635 million in agency service fees (for 9 cases)



Woori Asset Management

Woori Asset Management is a comprehensive asset management company offering services in relation to fund management, investment consulting, discretionary investment and more. On top of managing the two major publicly offered bond funds, Woori High Plus Bond Fund and SME High-Dividend Stock-Type Fund, Woori Asset Management has launched Woori High Plus Short-Term Prime ESG and Woori Sustainable ESG Fund, thereby leading the movement to incorporate ESG into the asset management business. Entrusted with discretionary funds from various institutions including pension funds, insurers, banks and mutual aid associations, Woori Asset Management surpassed the KRW 21-trillion mark in terms of assets under management (AUM) in 2020.

2020 Performance

In 2020, Woori recorded KRW 6.9 billion net income, while managing about KRW 21 trillion (net assets, based on the NAV), up a KRW 2 trillion from the previous year. In terms of AUM, its market share was 1.60%, a 0.03%p increase from 1.57% in 2019. Major changes include an increase of KRW 1.9 trillion in MMF (62.9% YoY increase) and a KRW 390 billion increase in fund of funds (813.1% YoY increase), which contributed to a rise in AUM.

With nearly KRW 2 trillion drawn out from credit-oriented fixed-income funds under poor market conditions, the situation became grim for asset management companies including Woori Asset Management, but the credit market gradually stabilized with the flattening of the COVID-19 curve and this led to KRW 1.8 trillion re-entering the market.

The Equity Investment Management Unit ESG Research Team in April 2020 in order to boost research and management capacity in relation to responsible investment. The company has been chosen as an ESG equity investment management company by a number of fund management institutions, such as Teachers Pension. With robust stock research capacity and the introduction of the quant model, the equity investment management process was improved resulting in excellent performance. Among equity investment funds, the SME High-Dividend Fund recorded high returns in 2020 and was thus chosen as the Domestic Equity Investment Fund of the Year 2021 (award given in February 2021 based on 2020 performance).



Korea Wealth Management Awards 2021 hosted by The Bell



Woori SME High-Dividend Securities Investment Trust 1 (Equity) chosen as the Equity Investment Fund of the Year at the Korea Wealth Management Awards 2021 hosted by The Bell (Feb. 24, 2021)

The Global Investment Management Unit launched a TDF product with BlackRock, an American multinational investment management corporation, in September 2020 and began offering an asset allocation solution that takes into consideration the timing of retirement. While offering opportunities for institutional investors to seek absolute returns through multi-return funds, the Global Investment Management Unit broadened its product lineup and strengthened its ability to provide investment solutions.

2021 Plans

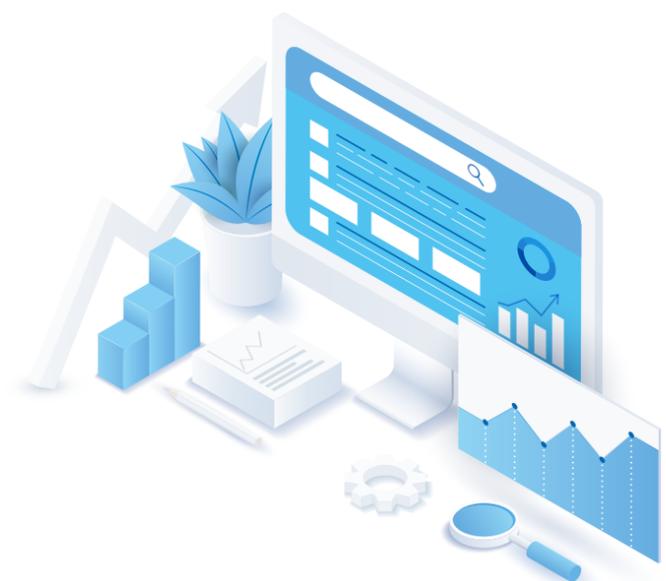
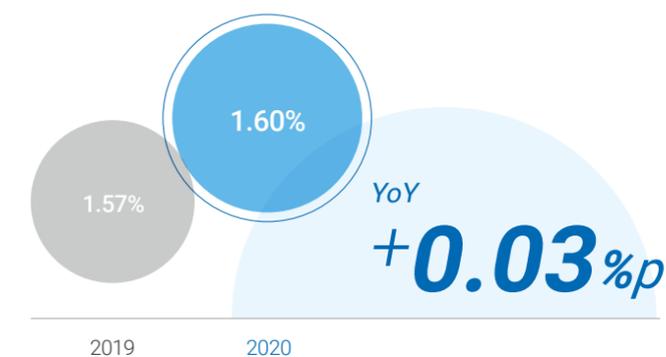
Woori Asset Management's management objective is to switch from a bond-centered portfolio into a more balanced portfolio. It aims to diversify its products, engage in capacity building in relation to various asset classes, forge cooperative ties with the affiliates of Woori Financial Holdings and increase the AUM from KRW 22.1 trillion in 2020 to KRW 25.8 trillion in 2021, a 16.7% YoY increase. Based on this, it is projected that the operating income will rise 26.3% from KRW 840 million in 2020 to KRW 1.06 billion in 2021 and the net income will climb 22.3% from KRW 670 million in 2020 to KRW 820 million in 2021.

In order to achieve these goals, the Equity Investment Management Unit is revamping its investment management processes by further advising the SME stock investment management processes and internalizing the concept of ESG into its investment management policy. The relevant organizations and investment management processes underwent an overhaul to meet the demand for ESG practices among institutional investors, while internal regulations were amended and a responsible investment research team and related systems were set in place to establish ESG-based investment processes. As a result, Woori Asset Management was chosen as an ESG equity investment management company by Teachers Pension, Yellow Umbrella Mutual Aid Fund and others in the fourth quarter of 2020. The company will continue to hone its ESG-based investment capabilities and release related products so as to secure a competitive edge in the market.

The Fixed Income Investment Management Unit plans to absorb the funds for short-term investment in the market by taking advantage of and marketing short-term fixed-income investment and MMF products that can meet the growing demand for short-term money management amid interest rate hikes, abundant liquidity and a slowdown in the stock market.

The Global Investment Management Unit is working to boost AUM by offering diverse products and implementing customer-specific strategies. As part of these efforts, it may launch a multi-asset fund using an investment management strategy in connection with the AI system of Woori Bank to meet the demands for overseas investment and retirement pension. Although the ETF market is already dominated by key players in the industry, the company is reviewing the possibility of developing unique ETF products to enter the market.

Market share (Unit: %)



Woori Savings Bank



www.woorisavingsbank.com

Woori Savings Bank is Korea's leading financial institution serving the general public, especially the working class. Its primary businesses are savings deposit accounts, installment savings accounts and loans. The head office is located on Namsa-ro in Cheongju, Chungcheongbuk-do Province, and there are four registered branch locations: Samseong, Seocho, Suyu and Mullae. Woori Savings Bank was incorporated as a sub-subsidiary of Woori Financial Group in December 2020, which became a stepping-stone to steady growth.



Woori Savings Bank

2020 Performance

In 2020, Woori Savings Bank established a management plan centering on enhancing management efficiency through improved productivity and pursued stable asset growth based on stringent risk management, rather than seeking a mere quantitative growth.

Assets

In the case of household loans, Woori Savings Bank reduced high-interest assets and increased the weight of policy-oriented products, including the Sunshine Loan, as a way to serve its inherent role to serve the working class. As for corporate loans, it reduced precautionary-and-below assets and increased assets centering on loans classified as normal.

Gains & Losses

In 2020, Woori Savings Bank minimized available funds by managing new loans and repayment schedules and implemented a flexible interest rate policy in an effort to minimize interest expenses by attracting deposits from corporate customers. As a result, the interest expense ratio was reduced 0.40%p from 2.61% in 2019. In addition to reducing investments and unstable assets, such as high-risk assets, efforts were made to increase the weight of loans in prime asset through corporate finance and policy-oriented products, which helped improve the interest margin by 0.26%p compared to 4.31% in 2019.

Risk Management

Woori Savings Bank enhanced its risk assessment capabilities by upgrading and standardizing its risk assessment system in 2020. By standardizing the risk assessment request form for corporate customers, it was made possible to write concise reports focusing mainly on key risks. This also helped eliminate unnecessary processes and speed up the assessment procedure. Also, cross-assessments were carried out on the products handled by the bank so as to boost the capacity of the risk assessment officers. Efforts were also made to improve profitability based on proactive risk management. A low-cost credit assessment process was established by attracting customers online, and an emergency response system was initiated in response to COVID-19. A multi-offer system was introduced to maximize efficiency and a multi-product assessment process was developed to propose customers with products that are tailored to their individual needs. As a result of these efforts, Woori Savings Bank was able to outperform industry averages in managing assets, with a delinquency ratio of 2.9% (industry average: 3.3%) and a sub-standard-and-below ratio of 3.4% (industry average: 4.3%), as of the end of 2020.

2021 Plans

Woori Savings Bank's management objective for 2021 is to establish a sustainable management environment by securing new growth engines. To this end, it has set the following strategies: expand the foundation for growth and diversify the income portfolio; expand the digital infrastructure; improve management efficiency; proactively manage risks and reinforce internal controls; and enhance its preparedness for changes in the future.

In order to implement these strategies effectively, Woori Savings Bank plans to discover new income sources, such as mid-range interest rate loans and financial support for the New Deal policy, pursue capacity building for core businesses, innovate digital services centering on customer needs, set up an in-house computer network and remote working system, create synergy with other subsidiaries of the Group, boost efficiency by optimizing the cost structure, establish a preemptive crisis analysis model and response system, sophisticate internal controls and improve financial credibility, stabilize the organization by internalizing the desired corporate culture and play a role as a dependable financial company.

(unit: %, KRW in millions)

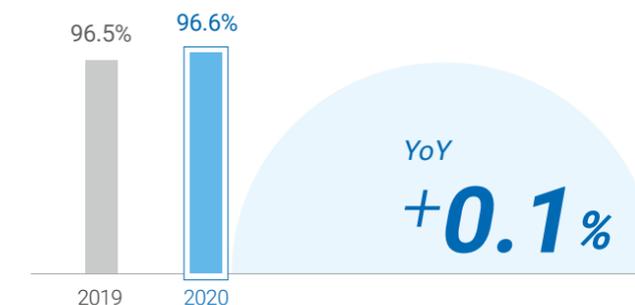
Category		2019	2020	Change (amount)
Loans in Prime Asset	Balance	864.6	994.2	+129.6
	Weight	96.5%	96.6%	+0.1%p

Handling of the Sunshine Loan and Saitdol(Cumulative)

(Unit: KRW in billion)



Prime Asset Ratio (Unit: %)



COVID-19 Support Activity

- In order to assist customers who have defaulted or are at risk of defaulting on their household debt due to financial hardships caused by COVID-19, Woori Savings Bank has been implementing a household loan pre-workout program since April 2020. The program offers relief to those who have taken out household credit loans through payment deferrals (6 months or 12 months), contract extension or renewal and refinancing.



KRW **1.4 billion**
89 cases



Woori Credit Information



www.wooricredit.com

Woori Credit Information boasts the longest history of running debt collection, credit investigation and asset management businesses in Korea. With the smallest liabilities and largest assets among credit information companies operating under financial holding companies in Korea, Woori Credit Information is known for its relatively stable financial soundness. It has even reinforced its business viability by forging relations with a wide range of clients and recording a high level of sales from non-affiliates. Woori Credit Information will maintain its leading position in the market based on vigorous sales capacity and business management efficiency.

2020 Performance

Stable Financial Soundness

Woori Credit Information currently operates business with zero leverage and have been recording a surplus ever since its establishment. In addition, it is financially sound and has the largest assets and the lowest debt ratio (31.7%) among all credit information companies that are operating under the wings of financial holding companies in Korea.

(Unit: KRW 100 million, %)

Category	Woori Credit Information	Company A	Company B
Total assets	409	278	277
Debt-to-equity ratio	31.7%	63.8%	73.9%

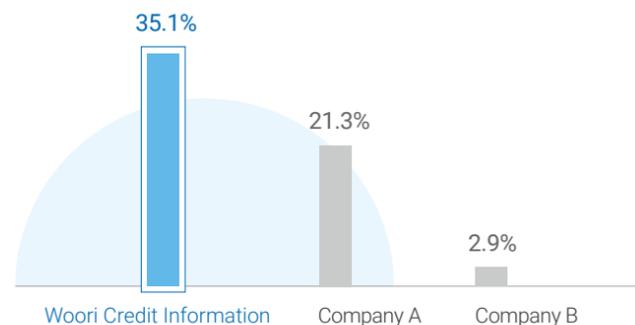
Highest Percentage of Revenue from Non-Affiliates

One measure of the sales capacity of credit information companies affiliated with financial holding companies is the percentage of their revenue generated outside the corporate group. Woori Credit Information has proven its sales capacity with the highest percentage of revenue from non-affiliates in the industry. It has secured various business partners outside the holding company and boosted revenue by continuously expanding the scope of business through aggressive marketing efforts.

(Unit: %)

Category	Woori Credit Information	Company A	Company B
Percentage of revenue from non-affiliates	35.1%	21.3%	2.9%

Percentage of revenue from non-affiliates (Unit: %)



2021 Plans

Woori Credit Information has set forth 'Building the Foundation for Growth, Improving Management Efficiency' as the management objective for this year. It intends to achieve this objective based on the following management strategies:

First, it is to 'Expand the Income-generating Base.'

Woori Credit Information will make every effort to boost sales in non-collection areas and from non-affiliates and diversify the income sources. Efforts will also be made to discover new income sources by expanding the business portfolio to include an examination of the rights and investigation into companies.

Second, it is to 'Enhance Competitiveness in the Market.'

Woori Credit Information will concentrate on raising the recovery rate in the collection business and lease income and hone its competitive edge by improving the quality of its research reports.

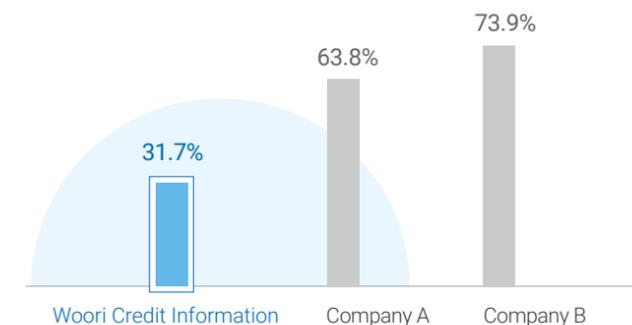
Third, it is to 'Innovate the Cost Structure.'

Efforts will be made to reduce operating costs by innovating the cost structure through improved organizational, personnel and operational efficiency and commission and fee structure.

Lastly, it is to 'Strengthen Consumer Protection.'

Woori Credit Information will promote debt relief for vulnerable groups in line with the government's policy and strive to reduce complaints from customers by collecting debt in compliance with relevant laws and protecting consumers.

Debt-to-equity ratio (Unit: %)



2020 Corporate Social Responsibility Awards



Awarded for the fourth consecutive year in the social welfare category of the 9th Corporate Social Responsibility Awards 2020 organized by the Digital Chosun Ilbo



COVID-19 Support Activity

- Donated 10,000 face masks and 120 hand sanitizers to Jung-gu Office in Seoul to support the local community in overcoming the COVID-19 crisis



Woori Fund Service



Woori Fund Service providing diverse administrative management services for real estate investment companies and handling fund accounting and reference price computation for collective investment vehicles. It has gained trust from its clients and become a leader in the virtual asset market. It is also regarded as a key player in the REIT administrative management service industry, providing administrative management and accounting services for REITs. The company successfully developed the next-generation system, FundOne, in August 2014, and has been continually developing the system and related human resources to offer better services.

www.woorifs.co.kr

Woori Private Equity Asset Management



The private equity market has seen steady growth, as major investors, including pension funds, increase their alternative investments in response to diminishing returns on traditional investments and private capital assumes a larger role in the restructuring and M&A market. Woori Private Equity Asset Management, established in October 2005, was among some of first private equity fund management companies in Korea. In July 2016, the company expanded into management of hedge funds in addition to its existing business of managing private equity funds (PEF), thereby contributing to Woori Financial Group's scale-out in the IB sector. Woori Private Equity Asset Management will continue striving toward quantitative and qualitative growth as a leader in PEF management by presenting the best investment value and realizing customer satisfaction.

www.wooripe.com

Total AUM as of the end of 2020



more than 130 trillion

YoY **+45%**

2020 Performance

Woori Fund Service commenced administrative management services for Woori Asset Management in March 2020 after transferring data and upgrading the system for 6 months from October 2019. In September 2020, it began offering the services to Woori Global Asset Management and even attracted an investment pool of private pensions in December 2020. As such, by providing services to asset management companies, institutions, private equity management companies, REITs and more, it reached KRW 130 trillion in AUM, a 45% YoY increase, as of late 2020. Moreover, the Management Direction Forwarding Service was developed to eliminate the risks associated with reference price computation, making it possible to manage the entire process in which management directions are sent from the asset management company to the administrative management company, and a patent application has been filed in Korea.

2021 Plans

In March 2021, Woori Fund Service signed an agreement to jointly develop a platform for corporate accounting for digital assets designed to provide virtual asset accounting services to corporate members with Peertec, the operator of a virtual asset exchange called GDAC.

The Platform for Corporate Accounting for Digital Assets is a total IT solution enabling management of the entire process concerning digital assets in the client's possession or management. Woori Fund Service has become the first in the industry to begin developing a system facilitating accounting for virtual assets with plans to finish developing a computer system in the first half of 2021 and launching the service in the second half. The key to providing administrative management services for digital assets for corporate customers is to provide assistance based on convenience and reliability. By adopting the digital asset accounting solution, companies can view and be issued accounting data, transaction certifications, balance certificates, management directions and various other evidentiary documents concerning virtual assets that have been verified by a third party, through which they can handle digital assets legitimately. They can also use the solution for internal and external reports, decision-making, submission of required documents to public agencies and financial institutions, accounting, tax filing and reporting, etc.

2020 Performance

Woori Private Equity Asset Management achieved quantitative and qualitative growth by discovering and pursuing various investments with the intention of emerging as an industry leader by delivering maximum value to investors and achieving customer satisfaction.

Entrusted to manage the assets of KDB and Korea Growth Investment Corp, the company had its PEF Department create two blind funds, one at the end of 2018 (Woori-Shinyoung Growth-Cap Private Equity Fund I, KRW 163 billion) and another in May 2019 (Woori-Q Corporate Restructuring Private Equity Fund, KRW 155.1 billion), from which it discovered excellent investment opportunities and made five investments amounting to KRW 131.1 billion in 2020. Woori-Shinyoung Growth-Cap Private Equity Fund I, in particular, achieved remarkably quick investment execution performance with the capital commitment ratio reaching 77.5% in just two years after its establishment, and the investment returns were maximized by building an excellent portfolio.

The Asset Management Department, on the other hand, ventured out of mainly investing in domestic SOC projects and expanded into the overseas development infrastructure, overseas real estate and innovative growth support funds, further boosting its profitability. In 2020, new funds amounting to KRW 162.1 billion, including Innovative Growth Support No. 2, were established for a total of KRW 1,359.3 billion in capital commitment for all funds to date.

Successful Investments by the PEF Department

The PEF Department manages three funds, as of the end of 2020, with a total capital commitment of KRW 361.6 billion.

In 2020, the primary focus was on executing additional investments for the two existing blind funds and meticulously managing investments to better deal with the domestic and international economic situations devastated by COVID-19. In the case of the Woori-Shinyoung Growth-Cap Private Equity Fund I, the company achieved excellent performance, with the capital commitment ratio reaching 77.5% in just two years of its establishment, which was made possible by selectively investing in companies with technological prowess and growth potential, such as global game developers, electric vehicle parts manufactures and semiconductor and wafer manufacturers.

Proactive management of risk factors associated with domestic and international business environments in relation to COVID-19 and aggressive value-up activities targeting invested enterprises led to a remarkable improvement in performance of the enterprises in the portfolios. For some of the portfolios, investments were recovered in 2020, through which a gross IRR of 15% was recorded.

Diverse Investments Characterized by Stability and Profitability

The Alternative Investment Department manages 17 funds, as of the end of 2020, with accumulated commitments reaching KRW 1,359.3 billion in total. 2020 was a tough year due to a downturn in the global business environment triggered by the outbreak of COVID-19, which in turn led to difficulties in discovering new investment opportunities. Despite these circumstances, the company established new funds with a size of KRW 162.1 billion, including Innovative Growth Support No. 2, in 2020 by continually exploring excellent investment opportunities at home and abroad. Woori Global Power Generation Infrastructure Synergy Fund, established as a USD 80 million fund in 2019, was transferred USD 65 million, accounting for 81.3% of the commitments, as of the end of 2020. It is also worth noting that the company has never suffered any investment losses since day one, as a result of fastidious pre- and post-investment risk management practices.

2021 Plans

Woori Private Equity Asset Management plans to achieve quantitative and qualitative growth in 2021, with the aim of emerging as a leading asset management company in the industry known for delivering the best value to investors based on innovation and efficiency. The PEF Department, in particular, will maximize returns by enhancing the values of enterprises contained in the portfolios of the two blind funds, while making additional investments to achieve the best possible results. In addition, it will consolidate its position as a key player in the domestic PEF market by pushing ahead to foster another blind fund of around KRW 200 billion in volume by attracting investments from major institutions. The Alternative Investment Department, on the other hand, plans to increase assets under its management by discovering new investment opportunities in infrastructure and real estate at home and abroad, in addition to ensuring excellent investment performance through stringent follow-up management of its current investments. The department will create a new fund amounting to around KRW 250 billion, which will bring the commitments to a total of KRW 1.6 trillion by 2021, and continue playing an important role as a long-term income generator by managing risks and discovering excellent businesses.

Total Capital Commitment in PEF



Total Accumulated Commitments Reached in Alternative Investment



Woori Global Asset Management

www.wooriglobalam.com

Woori Global Asset Management, which started off as Allianz Global Investors, has emerged as a global asset management company managing about KRW 8.4 trillion in assets, as of the end of 2020. Woori Global Asset Management became an affiliate of Woori Financial Group in August 2019 and broadened its business scope from stocks, bonds and overseas fund of funds, the company to include alternative investments by establishing the Global Investment Unit and Alternative Investment Unit to handle investments in infrastructure, real estate and acquisition financing. Woori Global Asset Management believes that the best way to gain a competitive edge in the market begins by truly understanding the big picture. The company leaves no stone unturned in doing its utmost to fully understand the needs of both the market and its customers, and based on the solid foundation and global networks of the Woori Financial Group, it presents customers with best-in-class management competencies and competitive investment solutions.

Total AUM as of the end of 2020



2020 Performance

Domestic Equity

In 2020, the Domestic Equity Investment Department renewed Woori G Active SRI Securities Investment Trust under its management since 2008 into Woori G Korea ESG Securities Investment Trust to meet the demand for ESG investment. Woori Global Asset Management was also chosen as an asset management company by three institutions in recognition of its improved equity investment management performance.

Overseas fund

In 2003, Woori Global Asset Management launched the very first overseas fund of funds in Korea that was based on the advanced asset management methodology of the German Allianz Group. Since then, the company has been launching multi-asset funds in partnership with leading asset management companies and diversifying its product lineup.

Alternative Investment

The Alternative Investment Department managed to overcome tremendous obstacles such as the pandemic and PEF issues and successfully made deals in real estate, PF, new and renewable energy, PE investment and acquisition financing at home and abroad. As a result, the total commitments in alternative investment funds climbed to around KRW 3 trillion. This has been reviewed as a testament to the quantitative growth of the company as well as its qualitative growth in that it created synergy with the Group and secured competitiveness at home and abroad.

2021 Plans

Amid increased market volatility, Woori Global Asset Management aims to provide investment products providing steady income based on specialized and accurate in-house research and investment management system as well as cutting-edge risk and compliance monitoring systems.

As an affiliate of Woori Financial Group, Woori Global Asset Management will strive to present the best investment solutions to all individual, corporate and institutional customers of the Group and generate synergy with other Group affiliates through aligned business operations, combined product development and more.

Equity Investment Management

The Equity Investment Management Department analyzes the fundamentals and value of companies based on in-house research with mid- and long-term results that exceed the benchmark. Meanwhile, competitive asset management and risk management systems are being set up in order to achieve steady returns from domestic stock funds and SME stock funds. In addition, the company will increase ESG investment by introducing the stewardship code and reinforcing the CSR-related investment management system.

Fixed-income investment

As for fixed-income investment, efforts will be made to build a system that can further stabilize asset management and achieve outstanding risk-adjusted returns. In the case of discretionary investment, the company will bolster collaboration with the marketing unit in order to boost AUM and ensure reliable investment management to increase the net asset value of MMFs.

Global and Alternative Investments

In the case of global and alternative investments, the goal is to become an overseas fund management company trusted by customers by forging strategic partnerships with reputable asset management companies overseas and enhancing management of the launched products and communication with customers. Furthermore, based on its global network in relation to alternative investments, the company will develop various alternative investment instruments in domestic and overseas real estate, infrastructure, aircraft financing and acquisition financing, in addition to its existing product lineup of equity investment funds and fixed-income fund of funds.

Set up the Infrastructure New Deal Fund

In 2020, Woori Global Asset Management set up the Infrastructure New Deal Fund, the first of its kind in the financial sector, and through this product, it will invest in smart logistics facilities, smart transportation facilities and the like. This year, the company plans to uphold the New Deal policy and launch a series of Infrastructure New Deal Fund products in line with the structural reform marked by a transition into a digital economy and an eco-friendly economy.

Created a New Deal fund for infrastructure amounting to KRW 200 billion

Invested in various types of infrastructure including smart logistics centers, data centers, renewable energy complexes including wind and solar farms, hydrogen fueling stations, etc.



Woori Finance Information System

www.woorifis.com

Woori FIS is a subsidiary responsible for total IT outsourcing of major players of Woori Financial Group, including the holding company, banks and card company. Serving as the IT backbone of the Group, Woori FIS is providing the necessary support for the Group to be prepared against changes in the financial business environment where digital technology and non-face-to-face services are becoming increasingly more important. It is also concentrating its efforts to bring upon innovation across the organization, personnel, processes, system architecture and more so that Woori Financial Group can attain its strategic objectives from stable operation of the core systems of Woori Bank and Woori Card and attainment of digital transformation.

Top 3 Management Strategies in 2021

F **Fine**
Operation of High-quality IT

I **Impression**
IT Development for Customer Satisfaction

S **Soar-Up**
Pursuit of IT of the Future



2020 Performance

In 2020, Woori FIS pursued three management strategies, '[Stability] Uninterruptible, High-integrity IT Operation,' '[Innovation] Continued System, Process and Staff Management Innovations' and '[Expansion] Expansion of the IT-Biz Convergence,' in order to achieve the management objective of 'IT-Biz Convergence.' An application Monitoring System was set up for system stability, and system failures were prevented for 140 consecutive days through the Clean Road Failure-Free Campaign, which helped dramatically lower the frequency of system failure. In addition to innovating IT service processes from the customer perspective, Woori FIS initiated a customer pre-proposal system and put 315 pre-proposals into action, as part of its efforts to transform from a passive developer to a proactive business partner. In order to provide uninterrupted IT services even in the midst of a pandemic, a COVID-19 emergency response headquarters was established to create a companywide response system. Staff from different business units were separated and employees were permitted to work from home, if necessary, as a way to contain the spread of the disease in the event that a confirmed case was reported within the company.

2021 Plans

The management objective for the year 2021 has been set forth as 'Future Creator.' To achieve this, Woori FIS will undertake a number of tasks to implement three management strategies: 'Operation of High-quality IT,' 'IT Development for Customer Satisfaction' and 'Pursuit of IT of the Future.' Main tasks include enhanced system monitoring for stable IT operation, expansion of the data center, establishment of digital architecture for flexibility in digital development, an increase in AI-based service support, creation of an on-time corporate customer support system, creation of IT cloud, fostering of digital development manpower and creation of an ecosystem for new businesses. Through these efforts, Woori FIS will serve as a reliable IT and digital partner of Woori Financial Group and dedicate itself to bolstering the Group's competitiveness in every business area.

Woori Finance Research Institute



Woori Finance Research Institute (WFRI) was established in 2012 with the vision of becoming 'Korea's best think-tank specializing in finance and an insight provider that spearheads financial development.' In order to effectively facilitate decision-making for the management, WFRI conducts in-depth research across all aspects of management strategies of financial companies and the economy and financial markets. The institute has successfully positioned itself as an opinion leader in the financial industry of Korea by sharing research results with customers, the authorities and financial market participants.

www.wfri.re.kr

COVID-19 Support Activity

- Supervised market sensing processes in risk management of the Group Emergency Management Committee
- Published 197 daily reports on economic and financial situations at home and abroad in relation to the COVID-19 pandemic



Number of Published Report

197

2020 Performance

As an in-house consulting organization supporting Woori Financial Group in its endeavors to become the No.1 financial group, WFRI has been publishing an increasing number of reports each year, with 357 reports issued in 2020 to present its outlook for the Group in relation to the macroeconomic and financial market indicators. The institute provided internal consulting to subsidiaries, offered support in expanding the business portfolio of the Group, published 'Woori Research Plus' and 'Woori Financial Group CEO Binder,' periodicals designed to promote the utilization of research reports and organized lectures by the advisory committee and external experts for qualitative improvement of research reports. In 2021, for the purpose of reinforcing its role as a consultant that enhances the Group's competitiveness, WFRI will take on five management tasks: strive for qualitative and quantitative improvement of its reports; provide improved consulting to subsidiaries and the global network; increase research to pave the foundation for the Group to grow and achieve digital innovation; hone its competencies in economic and financial risk analysis and forecasting; and lay the groundwork for ESG management research and development of a knowledge platform.



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MANAGEMENT'S DISCUSSION AND ANALYSIS

1. Disclaimers on Forecast Information

Activities, events or phenomena that are expected and predicted to occur in the future in this annual report for Woori Financial Group Inc. reflect the company's thoughts and opinions on the events and financial performance at the time when this document was prepared for disclosure in the same term. The forecast information is based on diverse assumptions associated with the future business environment, and, consequently, such assumptions may be judged to be inaccurate in the future. Moreover, the assumptions include risks, uncertainties and other factors that might cause critical differences between estimated outcomes in the forecast information indicated here and the actual outcomes. Factors that might induce such critical differences encompass factors related to internal corporate management and those related to the external environment, and include other wide-ranging factors.

Woori Financial Group has no obligation to disclose a revised report with corrections on matters prescribed in the forecast information in order to reflect risks or uncertainties that might occur after the preparation of the forecast information.

In conclusion, Woori Financial Group cannot confirm the realization of expected results or matters forecast by the Group or the occurrence of any impacts projected in this business report. Forecast information prescribed in this report is current as of the time the report was prepared. Please note that Woori Financial Group has no plan to provide updates on such risk factors or forecast information. Furthermore, it should be noted that even under such circumstances, the forecast data shall not be used as evidence for legal responsibility regarding investment outcomes for customers.

2. Overview

2020 was a difficult year for the entire world, including Korea, due to COVID-19. Most countries recorded negative growth due to an economic downturn triggered by the pandemic, and Korea, in particular, saw a decline in private consumption and exports, resulting in a 1% y-o-y decrease in real GDP, even though government spending and investment in plants and equipment were up from the previous year. In an effort to boost the economy, the Bank of Korea and other central banks across the world slashed base rates, which in turn increased volatility in financial markets.

Despite the challenges faced at home and abroad, Woori Financial Group sought opportunities for growth in 2020 marking its second anniversary. As a result, it successfully acquired Aju Capital and Aju Savings Bank in the fourth quarter of 2020 in order to gain a stronger foothold in non-banking sectors and strengthen the Group. Such diversification of the business portfolio will not only lead to improved financial performance but also allow the Group fulfill its corporate social responsibility even better by providing financial services to a wider range of customers, including SMEs and vulnerable groups.

With respect to its financial performance, Woori Financial Group earned KRW 1.3 trillion in net income in 2020, based on the consolidated financial statements. This was due to the creation of reserves for COVID-19 response and PE funds (approx. KRW 500 billion) in reflection of potential costs in a time of uncertainty. If such one-time costs are excluded, the financial performance in 2020 is comparable to that of the previous year.

Although the business environment was generally unfavorable due to the global economic slowdown caused by COVID-19, Woori Financial Group made consistent efforts to improve the profit structure based on asset growth and an increase in deposit savings and, as a result, generated KRW 6.0 trillion in interest income, a 1.8% y-o-y increase. With the base rate reduced twice in 2020, the annual NIM dropped 0.13%p compared to the previous year, but it is expected to rebound in 2021, as market interest rates are projected to steadily rise as economic activity becomes normalized in major countries.

As for asset soundness, Woori Financial Group is among the industry's best with an NPL ratio of 0.42% and a default rate of 0.27%. This is an achievement made possible with the management's strong commitment to ameliorate the asset portfolio and carry out businesses based on risk management. In 2020, reserves were created to be prepared for future uncertainty, and asset soundness will be managed within the controllable extent, even if the economy stays sluggish longer than expected or bad debt expenses rise in the process of economic recovery.

In the case of the capital adequacy ratio, approval was obtained from the supervising agency in June for a part of the internal ratings-based approach and the final set of Basel III reforms was quickly introduced to improve the BIS ratio to about 14% and the capacity to deal with uncertainties in the financial environment. It is expected that additional approval of the internal ratings-based approach will further boost the capital adequacy ratio.

As structural reforms continue in the financial industry with the application of new digital technologies, zero contact services are predicted to become the next normal. Kakao Bank's steady growth, the launch of Toss Bank and the growth of other online banks are the latest threats to traditional banks. In response, Woori Financial Group came up with the vision of Digital for Better Life in 2020 in order to pursue digital innovation at an accelerated rate and created a digital system by establishing a digital control tower and more. In 2021, efforts will be made to emerge as a digital leader in the financial industry by creating a MyData ecosystem, strengthening cooperation with the leaders of the future, collaborating with BigTech companies and expanding its external networks.

Also, the stagnant growth of the domestic financial market has made it necessary to diversify income sources by expanding into overseas markets. In recognition of this, Woori Financial Group, which boasts a global network of 473 branches in 23 countries as of late 2020, has been developing new markets through various efforts, such as the mergers of the subsidiary in Cambodia and expansion of the network in Vietnam. By strengthening global business operations to improve the profit structure, Woori Financial Group recorded a 19% y-o-y increase in total assets in global operations, which are now contributing more than 10% to the total income. Going forward, the company will promote its retail business in the rapidly growing digital financial market in Southeast Asia and pursue qualitative growth based on stringent risk management, which involves checking for signs of non-performing assets and so on.

Key Management Indicators

(Unit: KRW in billions, %)

Category		2020	2019	Change (amount)	Change (%)	
B/S	Total Assets (Including AUM)	525,919	473,794	52,125	11.00	
	Total Assets (Excluding AUM)	399,081	361,981	37,100	10.25	
	Loans in KRW ^{Note 1)}	249,889	221,687	28,202	12.72	
I/S	Net Interest Income	5,999	5,894	105	1.78	
	Net Fees & Commissions Income	1,014	1,103	△89	-8.07	
	Other Operating Income	△976	△430	△546	-	
	Operating Income	2,080	2,800	△720	-25.71	
	Net Income	1,515	2,038	△523	-25.66	
		Net Income Attributable to Non-Controlling Interests	208	165	43	26.06
Management Indicators		Net Income Attributable to Controlling Interests	1,307	1,872	△565	△30.18
	ROA	Including Non-Controlling Interests	0.40	0.57	△0.17	-
		Excluding Non-Controlling Interests	0.34	0.52	△0.18	-
	ROE	Including Non-Controlling Interests	6.80	10.11	△3.31	-
Excluding Non-Controlling Interests		5.87	9.29	△3.43	-	
	NPL Ratio	0.42	0.45	△0.03	-	
	BIS Total Capital Ratio ^{Note 2)}	13.84	11.89	1.95	-	

Note 1) Based on consolidated financial statements

Note 2) BIS capital adequacy ratio: Based on the internal ratings-based approach at the end of 2020 and based on the standard approach at the end of 2019

Note 3) Net fees and commissions income: Fees and commissions income in KRW + Note 4) Other operating income: gain (loss) on insurance + gain (loss) on Valuation & Disposition of Securities + gain (loss) on Valuation and Disposal of Loan + gain (loss) on foreign exchange + gain (loss) on derivatives + provision for/reversal of credit loss reserve + provision for/reversal of allowances + dividend income and commissions income in foreign currency + fees and commissions income related to credit cards + fees and commissions income related to securities + fees and commissions income related to leases + fees and commissions income related to brand usage + fees and commissions income related to trust

Note 4) Other operating income: gain (loss) on insurance + gain (loss) on Valuation & Disposition of Securities + gain (loss) on Valuation and Disposal of Loan + gain (loss) on foreign exchange + gain (loss) on derivatives + provision for/reversal of credit loss reserve + provision for/reversal of allowances + dividend income

3. Financial Position & Business Performance

A. Financial Position & Business Performance

(1) Growth

■ Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	At End-2020	At End-2019	Change (amount)	Change (%)
Total Assets (Including AUM)	525,919	473,794	52,125	11.00
Total Assets (Excluding AUM)	399,081	361,981	37,100	10.25
Loans in KRW	249,889	221,687	28,202	12.72
Loans in Foreign Currency	28,029	26,206	1,823	6.96
Marketable Securities	55,179	53,764	1,415	2.63
Credit Card Receivables	8,543	8,399	144	1.71

Note 1) Based on Group consolidated financial statements

Note 2) Loans in KRW: Inclusive of inter-bank loans

Note 3) Loans in Foreign Currency: Loans in foreign currency + domestic import usance bills + bills bought, inter-bank loans in foreign currency

Note 4) Marketable Securities: Marketable securities + investment in subsidiaries + marketable securities credit loss reserve

The total assets (incl. AUM) of the Group, as of the end of 2020, amounted to KRW 525.9 trillion, KRW 52.1 trillion (11.0%) higher compared to the previous year. Major factors contributing to the increase were an increase of KRW 28.2 trillion in loans in KRW, an increase of KRW 15.0 trillion in the AUM of subsidiaries, and the impact of the newly incorporated subsidiary, Woori Financial Capital (KRW 8.9 trillion). The loans in KRW stood at KRW 249.9 trillion, loans in foreign currencies at KRW 28.0 trillion, and marketable securities at KRW 55.2 trillion, as of the end of 2020.

※ Total Assets (Incl. AUM) of Major Subsidiaries

(Unit: KRW in billions, %)

Category	At End-2020	At End-2019	Change (amount)	Change (%)
Group	525,919	473,794	52,125	11.00
Woori Bank	435,066	403,914	31,152	7.71
Woori Card	11,367	10,087	1,280	12.69
Woori Financial Capital	8,880	-	8,880	-
Woori Investment Bank	4,332	3,399	933	27.45
Woori Asset Trust	35,655	27,651	8,004	28.95
Woori Asset Management	21,284	19,248	2,036	10.58
Woori Credit Information	41	38	3	7.89
Woori Fund Service	19	17	2	11.76
Woori PE	1,049	811	238	29.35
Woori Global Asset Management	8,492	8,696	△204	△2.35
Woori FIS	97	91	6	6.59
Woori Finance Research Institute	7	5	2	40.00

Note 1) Woori Bank: Based on consolidated financial statements, Woori Financial Capital: Based on consolidated financial statements, newly incorporated into the Group in 2020

■ Woori Bank

(Unit: KRW in billions)

Category	2020 End of the (current) 187th term	2019 End of the (previous) 186th term	Change (amount)	Change (%)
Total Assets	374,310	348,182	26,129	7.50
Loans in KRW	241,356	219,910	21,445	9.75
Corporate Loans	107,798	97,080	10,718	11.04
Household Loans	130,353	119,720	10,632	8.88
Public and Other Loans	3,204	3,110	95	3.04

Note) Based on consolidated financial statements of Woori Bank

As of the end of 2020, the total assets of Woori Bank, based on consolidated financial statements, amounted to KRW 374.3 trillion, a KRW 26.1 trillion (7.50%) increase year-over-year. The main driver was the growth of loans in KRW by KRW 21.4 trillion (or 9.75%) y-o-y. Meanwhile, corporate loans increased by KRW 10.7 trillion and household loans by KRW 10.6 trillion, with each asset category assuming a similar share out of total as the year before. Woori Bank will continuously implement balanced asset growth strategies in 2021, taking into account risk management and profitability.

■ Financial Information of the Major Subsidiaries

(Unit: KRW in millions)

Category		At end-2020	At end-2019	At end-2018
Woori Card	Asset	11,366,594	10,087,342	9,987,400
	Liability	9,312,985	8,299,175	8,305,436
	Equity	2,053,609	1,788,167	1,681,964
Woori Financial Capital	Asset	8,880,117	7,473,168	6,201,432
	Liability	8,053,840	6,659,178	5,449,071
	Equity	826,277	813,990	752,361
Woori Investment Bank	Asset	4,332,474	3,398,960	2,682,660
	Liability	3,803,594	3,031,622	2,367,418
	Equity	528,880	367,338	315,242

Category		At end-2020	At end-2019	At end-2018
Woori Asset Trust	Asset	185,633	139,839	113,786
	Liability	56,396	45,410	37,333
	Equity	129,237	94,429	76,453
Woori Asset Management	Asset	118,121	112,781	101,536
	Liability	5,133	6,017	3,824
	Equity	112,988	106,764	97,712
Woori Savings Bank	Asset	1,196,633	1,110,597	1,084,596
	Liability	1,086,581	1,011,809	997,390
	Equity	110,052	98,788	87,206

Note) Woori Card/Woori Financial Capital/Woori Investment Bank: Based on K-IFRS consolidated financial statements, Woori Asset Trust/Woori Asset Management: Based on separate financial statements (K-IFRS), Woori Savings Bank: Based on K-GAAP

As for Woori Card, the total assets increased by about KRW 1.3 trillion year-over-year as a result of an increase in financial assets and auto loans.

Credit card usage is increasing, driven by a growing membership pool, aligned business with Woori Bank and a bold entry into the simple payment market. Woori Card also continues to expand its financial assets (long-term card loan) based on high-value customers. In addition, as part of efforts to develop new businesses to diversify the revenue base, Woori Card has been operating installment, lease and credit loan businesses since 2016, while continuously expanding its sources of long-term income within the regulatory leverage ratio (800%) of credit card companies.

Woori Financial Capital saw an 18.8% y-o-y growth in total assets to KRW 8.9 trillion, based on the consolidated financial statements, as of the end of 2020.

As a result of improved fundamentals and incorporation into the Woori Financial Group as a subsidiary, Woori Financial Capital saw its long-term credit rating climb two steps (A0 → A+ → AA-) between 2019 and 2020, and this made it possible to raise funds at lower interest rates. This in turn has allowed the company to improve its competitiveness and secure new accounts, thereby gaining more assets. It is working to diversify its business portfolio to include personal finance and corporate finance in addition to car financing, the area where it has traditionally been strong in. There are plans to produce synergy with other affiliates and hone its competitive edge based on digital finance.

As of the end of 2020, Woori Investment Bank has KRW 4.3 trillion in total assets, a KRW 1 trillion (27.5%) increase from the previous year, based on the consolidated financial statements. This was achieved by pursuing credit transactions in connection with Woori Bank and gaining more credit transaction users in good standing according to the credit business expansion plan, which resulted in an increase of KRW 280.1 billion (23.2%) in loans in KRW. Also, public bonds and financial bonds climbed KRW 374.9 billion (66.8%) as a result of full-fledged commencement of bond management. Woori Investment Bank will continue to roll out balanced asset growth strategies, taking into account risk management and profitability.

At the end of 2020, Woori Asset Trust recorded KRW 185.6 billion in total assets, up KRW 45.8 billion (33%) from the previous year, and managed KRW 35.5 trillion in terms of AUM, a KRW 7.9 trillion increase. In 2020, due to the reinforced regulations against real estate speculation and economic slowdown caused by COVID-19, there was a sharp increase in bad debt expenses due to a decline in the profitability of income-generating real estate properties, along with growing risks. As a result, loan-type land trusts, where the trust companies raise the money themselves, saw stagnant growth, whereas management-type land trusts with guaranteed construction completion saw increased growth, as growing importance began to be placed on the inherent objective of trusts to protect the trust property.

In 2020, the company expanded into the managed land trust market with improved credibility as a subsidiary of Woori Financial Group and, at the same time, entered the small-scale renewal project market in the Seoul Capital Area, through which it recorded an increase in sales. With the management objective to secure a competitive advantage in real estate trusts based on stability and innovation-driven growth in 2021, Woori Asset Trust will discover mid-risk, high-return development projects to bolster its competitiveness and continually win contracts for small-scale renewal projects. It will also consolidate the foundation for stable business operations by producing synergy with the affiliates of the Group and pursue stability in the future by launching new products after obtaining a license as a REIT AMC and more.

At the end of 2020, Woori Asset Management managed KRW 21.1 trillion, a 10.5% y-o-y increase, in terms of net asset value (NAV). In the first half of 2020, the AUM temporarily declined due to an outflow of money from fixed-income funds comprised of mainly corporate bonds and an increase in credit spread due to COVID-19. However, the quantitative easing policies of countries around the world help stabilize financial markets, including the credit market, in the second half, and as a result, the company achieved recovery in AUM in relation to fixed-income products. Also, the increased money supply flowed into short-term finance markets causing a rise in AUM in relation to short-term financial products. While market volatility is still high, in consideration of the continued implementation of quantitative easing policies, new products will be added to a lineup of MMFs, index funds, EMPs and more to attract institutional investment and PE funds. The company has set a goal to boost AUM by KRW 3.3 trillion in 2021. To this end, it is working to diversify new sales channels, build a non-face-to-face service infrastructure, expand the product lineup, upgrade the ESG management processes, strengthen risk management and produce synergy with other affiliates of the Group. There are plans to be prepared for small OCIO according to the changes in the retirement pension market and review the possibility of entering the ETF market.

Woori Savings Bank has achieved KRW 1,196.6 billion in total assets, an KRW 86.0 billion (7.7%) increase from the previous year, based on an increase in prime household loans, prime SME loans and Sunshine Loan. Household loans in KRW rose KRW 42.6 billion due to an increase in credit loans and Sunshine Loan, while corporate loans increased KRW 90.6 billion due to balanced growth centering on SMEs in good standing.

(2) Profitability

■ Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	2020	2019	Change (amount)	Change (%)	
Net Interest Income	5,999	5,894	105	1.78	
Net Fees and Commissions Income	1,014	1,103	△89	△8.07	
Other Operating Income	△976	△430	△546	-	
General and Administrative Expenses	3,956	3,766	190	5.05	
Operating Income	2,080	2,800	△720	△25.71	
Non-Operating Income (Expense)	△79	△77	△2	-	
Net Income before Income Tax Expense	2,001	2,723	△722	△26.51	
Income Tax Expense	486	685	△199	△29.05	
Gain (Loss) on Discontinued Operations	-	-	-	-	
Total	1,515	2,038	△523	△25.66	
Net Income	Net Income Attributable to Non-Controlling Interests	208	165	43	26.06
	Net Income Attributable to Controlling Interests	1,307	1,872	△565	△30.18

Note 1) Net fees and commissions income: Fees and commissions income in KRW + fees and commissions income in foreign currency + fees and commissions income related to credit cards + fees and commissions income related to securities + fees and commissions income related to leases + fees and commissions income related to brand usage + fees and commissions income related to trust

Note 2) Other operating income: gain (loss) on insurance + gain (loss) on Valuation & Disposition of Securities + gain (loss) on Valuation and Disposal of Loan + gain (loss) on foreign exchange + gain (loss) on derivatives + provision for/reversal of credit loss reserve + provision for/reversal of allowances + dividend income

Woori Financial Group generated KRW 1,515 billion (KRW 1,307 billion based on controlling interests) in net income in 2020. This was a y-o-y decline of KRW 523 billion, attributable to the reserve created for COVID-19 response and an increase in selling and administrative expenses due to increased voluntary retirement benefits.

The net interest income stood at KRW 5,999 billion, an increase of KRW 105 billion from the previous year achieved despite two interest rate cuts (March and May 2020) thanks to asset growth and an increase in low-cost deposit savings. As a result, it helped offset a decrease of KRW 89 billion in the net fee and commission income.

As for the other operating income and loss, △ KRW 784 billion out of △ KRW 976 billion is attributable to the bad debt expenses (+ KRW 410 billion), while the selling and administrative expenses y-o-y increased of KRW 190 billion to KRW 3,956 billion.

The operating income stood at KRW 2,080 billion, while the net income attributable to non-controlling interests includes the dividends for hybrid securities issued by Woori Bank (KRW 162 billion).

※ Net Income of Each Affiliate

(Unit: KRW in billions)

Category	2020	2019	Change (amount)	Change (%)
Group	1,515	2,038	△523	△25.66
Woori Bank	1,370	1,906	△536	△28.12
Woori Card	120	114	6	5.26
Woori Financial Capital	△30	-	△30	-
Woori Investment Bank	63	53	10	18.87
Woori Asset Trust	35	-	35	-
Woori Asset Management	7	2	5	250.00
Woori Credit Information	2	2	0	10.70
Woori Fund Service	3	2	1	50.00
Woori PE	1	△2	3	-
Woori Global Asset Management	△1	△1	△0	-
Woori FIS	2	3	△1	△33.33
Woori Finance Research Institute	0	0	△0	△34.81

Note 1) Net income: Based on total net income (KRW 1,307 billion attributable to the controlling interests + KRW 208 billion attributable to the non-controlling interests for the Group)

Note 2) Woori Bank: Based on separate financial accounts + foreign subsidiaries in 2019 and consolidated financial statements in 2020

Note 3) Woori Financial Capital: Performance over 3 months (October to December) after being incorporated into the Group in 2020, based on the consolidated financial statements (incl. Woori Savings Bank; △ KRW 39 billion in goodwill amortization in relation to Woori Savings Bank)

Note 4) Woori Asset Management and Woori Global Asset Management: Performance over 5 months after being incorporated into the Group in 2019

■ Woori Bank

(Unit: KRW in billions)

Category	2020	2019	Changes
	(Current) 187th term	(Previous) 186th term	
I. Operating Income	1,926	2,592	△666
Net Interest Income	5,291	5,317	△26
Non-Interest Income	717	887	△170
Net Fees and Commissions Income	846	972	△126
Securities Income	166	214	△47
Net Gain (Loss) on Disposal of Financial Assets at Amortized Cost	18	84	△66
FX/Derivatives/Other Operating Income	△314	△383	+69
Impairment Losses Due to Credit Loss	△535	△118	△417
General and Administrative Expenses	△3,547	△3,494	△53
II. Non-Operating Income (Expense)	△138	52	△190
III. Net Income before Income Tax Expense	1,788	2,644	△856
IV. Gain (Loss) on Discontinued Operations	-	△471	+471
V. Income Tax Expense	418	645	△228
VI. Net Income	1,370	1,527	△157
Net Income Attributable to Controlling Interests	1,363	1,506	△142
Based on consolidated financial statements	7	22	△14

Note) Based on consolidated financial statements

In 2020, Woori Bank posted KRW 1,363.2 billion in net income (attributable to controlling interests), a KRW 142.3 billion y-o-y decrease, and KRW 1,925.7 billion in operating income, a KRW 665.9 billion y-o-y decrease, based on the consolidated financial statements. Major factors contributing to the decline in net income were the reserve for COVID-19 response and a drop in non-interest income due to a decrease in the sales of asset management products and imports and exports.

As a result of the two interest rate cuts (1.25 → 0.75 → 0.50) by the Bank of Korea, the net interest margin (NIM) fell 0.11%p. However, corporate and household loans grew 11.04%p and 8.88%p, respectively, leading to an increase in earning assets, as a result of which the net interest income fell only by KRW 25.6 billion y-o-y to KRW 5,291.1 billion.

Non-interest income dropped KRW 170.4 billion from the previous year. This was mainly attributable to the restrictions on the sales of asset management products, such as complex products and ELTs, and reduced movement at home and abroad due to COVID-19. The net fee and commission income decreased by KRW 126.1 billion and the securities income dropped by KRW 47.5 billion, while a net loss on disposal of financial assets at amortized cost was recorded at KRW 66.3 billion. On the other hand, the F/X, derivatives and other operating income increased by KRW 69.4 billion from the previous year.

The impairment losses due to credit loss stood at KRW 535.3 billion, a KRW 417.0 billion increase from the previous year. This was due to the fact that, while the ordinary credit cost was reduced as a result of the efforts to improve asset soundness, a reserve was created to better prepare for the increasing uncertainty caused by COVID-19. Woori Bank has been managing its asset soundness and credit cost by increasing credit quality, monitoring sectors of interest such as shipbuilding, construction and shipping and implementing stringent risk management. Through these efforts, the sub-standard or below ratio reached its record-low level of 0.32%.

General and administrative expenses stood at KRW 3,547.0 billion, and the percent increase was kept minimal at 1.5%, or KRW 52.9 billion, through the efforts to increase the efficiency of keeping the costs under control. Non-operating income was recorded at △ KRW 137.7 billion, a KRW 189.8 billion y-o-y decrease due to the cost associated with the sales of PE funds such as Lime funds.

The business environment is expected to remain unfavorable due to increased uncertainty in domestic and overseas economies in 2021. However, Woori Bank will make every effort to generate stable income, based on strong asset soundness, proactive risk management and customer-centric innovation.

■ Woori Card

(Unit: KRW in millions)

Category	2020 (8th Term)	2019 (7th Term)	2018 (6th Term)
Credit Card Payment Volume	85,036,695	82,649,489	76,357,503
Operating Revenue	1,387,465	1,368,140	1,386,707
Net Income	120,229	114,196	126,534

Woori Card saw a KRW 25.6 billion decrease in income from credit card merchant fees due to the impact of COVID-19 but achieved KRW 120.2 billion in net income, based on an increase in financial assets, cost reduction and non-recurring factors.

It has been forecast that the business environment for the credit card industry will continue to worsen in 2021. Business growth will be sluggish due to shrinking private consumption due to COVID-19, maturation of the credit card industry, rising household debt and lower merchant fees. An additional threat is the intensifying competition with BigTech companies and others triggered by the amendments to the three laws on data and the Electronic Financial Transactions Act. However, Woori Card will work to boost income by managing the profitability of each business and efficiently controlling costs. For instance, the company will expand profitable assets by reinforcing data analytics and pursuing marketing campaigns targeting prime customers, in addition to readjusting its portfolio to attract new members and improving the cost structure to raise business efficiency and cut costs. In addition, the company will raise the efficiency of business management by strengthening its asset soundness based on stringent risk management, thereby creating a strong foundation for continually generating income. Furthermore, in order to secure new growth engines, Woori Card will continue its efforts to create synergy with other affiliates of the Group and take advantage of the global network of Woori Bank.

■ Woori Financial Capital¹⁾

(Unit: KRW in millions)

Category	2020	2019	2018
Operating Revenue	832,511	726,369	615,238
Operating Expenses	694,411	592,614	505,213
Operating Income	138,100	133,756	110,025
Net Income before Income Tax Expense	98,921	133,905	109,896
Net Income ²⁾	58,980	101,588	90,969
Total Comprehensive Income ²⁾	58,596	98,971	89,314

Note 1) Based on consolidated financial statements

Note 2) 2020: Reflecting the goodwill impairment of KRW 39.2 billion for Woori Savings Bank

Through the diversification of the portfolio centering on high-return products as well as the growth of loan assets, Woori Financial Capital saw a 14.6% y-o-y increase in operating revenue in 2020. On the other hand, net income fell compared to the previous year, due to the creation of a reserve to prepare for insolvencies and other uncertainties brought upon by COVID-19 and the reflection of the goodwill impairment of Woori Savings Bank. In the future, however, Woori Financial Capital expects to see an increase in operating revenue due to asset growth as well as continuous improvement in its profit structure, as it will be able to borrow at cheaper rates as a subsidiary of Woori Financial Group and reap the benefits of creating a reserve for COVID-19 response in advance.

■ Woori Investment Bank

(Unit: KRW in millions)

Category	2020 (49th Term)	2019 (48th Term)	2018 (47th Term)
Operating Revenue	253,303	201,329	202,168
Operating Expenses	185,198	145,790	170,086
Operating Income	68,105	55,539	32,081
Net Income before Income Tax Expense	67,801	53,945	31,732
Net Income	62,233	54,981	32,388
Total Comprehensive Income	61,570	53,719	32,369

Note 1) Based on separate financial statements (K-IFRS)

Woori Investment Bank recorded an operating income of KRW 68.1 billion, a 22.6% (KRW 12.6 billion) increase year-over-year, in 2020. An increase in interest income from increased lending and gains on marketable securities pushed up the operating revenue by 25.8% (KRW 52.0 billion) compared to the

previous year, and the operating expenses also climbed 27.0% (KRW 39.4 billion) due to the losses on marketable securities. General and administrative expenses, on the other hand, rose from KRW 31.2 billion in 2019 to KRW 39.0 billion in 2020 due to an increase in the workforce between 2019 and 2020.

The net income after deducting non-operating income (expenses) and income tax expenses amounted to KRW 62.2 billion, up 13.28% (KRW 7.2 billion) from KRW 55.0 billion in 2019. Increases in deferred tax assets led to income tax benefits of KRW 1.0 billion in 2019, while an income tax of KRW 5.6 billion was recorded in 2020.

Woori Investment Bank is implementing a roadmap to achieve continuous growth and become a key subsidiary of the Group in the non-banking sectors, especially in the area of financial investment.

■ Woori Asset Trust

(Unit: KRW in millions)

Category	2020	2019	2018
Operating Revenue	79,426	75,191	63,666
Operating Expenses	31,861	34,037	22,649
Operating Income	47,565	41,154	41,016
Net Income from Continuing Operations before Income Tax Expense	47,716	40,876	41,202
Net Income	35,312	31,122	31,495
Total Comprehensive Income	35,954	30,584	31,120

Note) Based on separate financial statements (K-IFRS)

Woori Asset Trust recorded a 6% (KRW 4.2 billion) increase in operating revenue from the previous year. Despite the negative outlook on the domestic real estate market, its operating revenue from land trusts and other trusts increased 17% (KRW 6.9 billion), and interest income also climbed 61% (KRW 1.8 billion). Dividends, on the other hand, decreased 99% (KRW 1.7 billion), and operating expenses dropped 6% (KRW 2.2 billion) y-o-y to KRW 31.9 billion. Selling and administrative expenses increased by 12% (KRW 3.0 billion), partly due to an increase in payroll from an expansion of the workforce. Bad debt expenses for loans fell 52% (KRW 2.1 billion) thanks to recovery for loan-type land trusts.

Woori Asset Trust's return on assets was one of the highest in the industry in 2020 at 20.03%. Real estate trust revenue has been stagnant due to the continuous decline in compensation for trust management and increased competition with three new securities firms entering the market. However, Woori Asset Trust will boost profitability based on its strong business foundation in the management-type land trusts and non-land trusts, such as collateral trusts and agency services, as well as synergy with the other affiliates of Woori Financial Group.

The sales and profitability of Woori Asset Trust are expected to improve in the future through the gradual expansion into the mid-risk, high-return management-type land trusts backed by a completion guarantee and the small-scale renewal projects and by launching new businesses as a REIT AMC.

■ Woori Asset Management

(Unit: KRW in millions)

Category	2020	2019	2018
Operating Revenue	23,329	24,990	23,999
Operating Expenses	14,941	14,754	15,584
Operating Income (Loss)	8,388	10,236	8,415
Net Income from Continuing Operations before Income Tax Expense (Loss)	8,906	10,629	8,237
Net Income (Loss)	6,707	8,001	5,991
Total Comprehensive Income (Loss)	6,224	8,822	5,743

Note) Based on separate financial statements (K-IFRS)

Woori Asset Management's operating revenue stood at KRW 23.3 billion in 2020, a 6.4% (KRW 1.6 billion) decrease from the previous year. Redemption of high-fee PE funds occurred on a large scale due to COVID-19, sending the operating revenue plummeting in the short term, but this was offset by attracting investments in MMFs by marketing toward institutions. Operating expenses increased 1.3% (KRW 200 million) y-o-y to KRW 14.9 billion. Net income minus the non-operating income (expenses) and income tax expenses was recorded at KRW 6.7 billion, a 16.3% (KRW 1.3 billion) decrease from KRW 8.0 billion in 2019. Income tax expenses dropped 16% (KRW 1.7 billion) in line with the decline in net income.

Woori Asset Management recorded an ROA of 5.7% in 2020. In 2020, the AUM for PE fixed-income funds shrank due to the impact of COVID-19, and the inflow into active equity investment funds became stagnant due to a growing number of individuals investing on their own. However, it is expected that the AUM and profitability will improve in the future, with an inflow of funds into its new products and traditionally popular products during the post-pandemic period.

Woori Savings Bank

Woori Savings Bank saw an increase of KRW 3.1 billion in income from loan interests thanks to the growth achieved centering on prime assets. However, net income decreased KRW 150 million from the previous year to KRW 11.1 billion, partly due to the gains on sales of loans declining by KRW 3.9 billion and gains on marketable securities falling by KRW 700 million.

(Unit: KRW in millions)

Category	At End-2020	At End-2019	At End-2018
Operating Revenue	68,113	66,528	59,936
Operating Expenses	21,442	23,822	21,302
Net Income	11,120	11,272	15,763

Note) Based on K-GAAP

(3) Asset Quality

Woori Financial Group Inc.

(Unit: KRW in billions, %)

Category	Dec. 2020	Dec. 2019	Change (amount)
Total Loans	299,075	266,432	32,643
Sub-Standard or Below Loans	1,256	1,198	58
Sub-Standard or Below Ratio	0.42	0.45	-0.03
Coverage Ratio	153.8	133.6	20.2

Even in the midst of an economic slowdown caused by COVID-19, Woori Financial Group recorded a sub-standard or below ratio of 0.42%, a 0.03%p decrease from the previous year, based on proactive risk management.

While the total loans and sub-standard or below loans increased as a result of lending to companies hit by COVID-19 and rising demand-based loans, Woori Financial Group has kept the sub-standard or below ratio steady by disposing of non-performing loans (NPLs) and thoroughly managing its portfolio.

By appropriating an allowance for bad debts to be prepared against uncertainties brought upon by COVID-19, the coverage ratio (excl. the reserve fund) increased y-o-y by 20.2%p, indicating excellent capacity to cover potential losses.

Asset Quality Indicators of Major Subsidiaries

(Unit: KRW in 100 millions, %)

Category	Indicator	2020	2019	2018
Woori Bank	Total Loans	2,645,329	2,430,845	2,339,165
	Sub-Standard or Below Loans	8,548	9,797	11,825
	Sub-Standard or Below Ratio	0.32	0.4	0.51
	NPL	7,853	8,793	10,156
	NPL Ratio	0.3	0.36	0.43
	Coverage Ratio(A/B)	154	121.8	119.42
	Total Allowance for NPL(A)	13,160	11,933	14,121
	Sub-Standard or Below Loans(B)	8,548	9,797	11,825
Woori Card	Total Loans	106,650	98,170	96,072
	Sub-Standard or Below Loans	673	789	772
	Sub-Standard or Below Ratio	0.63	0.8	0.8
	Delinquency Ratio	1.18	1.61	1.78
	Coverage Ratio(A/B)	102.65	102.84	104.02
	Credit Loss Provisions Outstanding(A)	7,696	7,641	7,273
	Minimum Regulatory Reserve for Credit Loss(B)	7,497	7,430	6,991

Category	Indicator	2020	2019	2018
Woori Financial Capital	Total Loans	68,946	57,392	45,905
	Sub-Standard or Below Loans	1,220	1,306	632
	Sub-Standard or Below Ratio	1.77	2.28	1.38
	Delinquency Ratio	1.33	1.59	1.41
	Coverage Ratio(A/B)	117.37	96.99	119.75
	Credit Loss Provisions Outstanding(A)	1,710	1,278	1,004
	Minimum Regulatory Reserve for Credit Loss(B)	1,457	1,318	839
Woori Investment Bank	Total Loans	27,466	18,737	16,495
	Sub-Standard or Below Loans	216	92	248
	Sub-Standard or Below Ratio	0.79	0.49	1.51
	NPL	56	39	247
	NPL Ratio	0.2	0.21	1.49
	Coverage Ratio(A/B)	84.72	167.39	51.21
	Credit Loss Provisions Outstanding(A)	183	154	127
Woori Asset Trust	Sub-Standard or Below Loans(B)	216	92	248
	Assets Subject to Quality Classification	390	712	431
	Sub-Standard or Below Assets	248	267	45
	Ratio of Sub-Standard or Below Assets	63.64	37.51	10.52
Woori Savings Bank	Total Loans	10,292	8,960	8,558
	Sub-Standard or Below Loans	350	314	288
	Sub-Standard or Below Ratio	3.4	3.51	3.36

Note) Based on Work Report of Financial Supervisory Service (FSS); Woori Savings Bank: Based on K-GAAP

Woori Bank has been demonstrating remarkable performance in terms of financial soundness by pursuing proactive credit risk management and sophisticating its risk management system.

Sub-standard or below ratio, for example, has been dropping steadily from 0.51% in 2018 to 0.40% in 2019 and 0.32% in 2020. The coverage ratio (excl. the reserve fund) has been raised from 119.4% in 2018 to 121.8% in 2019 and 154.0% in 2020, attesting to its preparedness against additional losses.

Woori Bank's corporate loans increased from KRW 121 trillion in 2019 to KRW 132 trillion in 2020, while the sub-standard or below ratio of corporate loans decreased from 0.57% in 2019 to 0.48% in 2020. The marked decline in the sub-standard or below ratio was made possible by lending to companies in good standing, disposing of NPLs and curbing NPLs by thorough portfolio management. Household loans increased from KRW 120 trillion in 2019 to KRW 130 trillion in 2020, while the sub-standard or below ratio of household loans fell markedly from 0.23% in 2019 to 0.17% in 2020 (based on the NPL records of the Financial Supervisory Service).

As sufficient provisions have been set aside for substandard or below loans to borrowers undergoing debt restructuring through work-out or rehabilitation procedures, additional losses are unlikely to be incurred. These companies are working to normalize their business operations and if unsuccessful, they are contemplating on liquidating their assets. Although the current indicators of financial soundness are deemed excellent, Woori Bank is monitoring various risks more thoroughly, based on the judgment that the data may be distorted due to payment deferrals granted in response to COVID-19, etc., to be better prepared against uncertainties at home and abroad.

Woori Card has seen steady decline in the delinquency rate from 1.78% in 2018 to 1.61% in 2019 and 1.18% in 2020. This was driven by thorough risk management, enhanced capabilities to collect on debt and ongoing disposition of NPLs.

Woori Financial Capital has been recording the industry's lowest delinquency rate at 1.41% in 2018, 1.59% in 2019 and 1.33% in 2020.

In 2019, the sub-standard or below ratio increased (2.28%) due to a change in the financial soundness of borrowers closing their businesses among private business owners that affected the entire industry. Despite the reinforced standards for asset soundness classification with respect to the sub-standard or below loans in 2020, the sub-standard or below ratio was substantially improved to 1.77% based on the management of prime assets and reinforced capabilities to collect on debt. The company has conservatively set aside provisions to be sufficiently prepared against losses that may potentially be incurred due to uncertainties at home and abroad.

Woori Investment Bank has been striving to improve asset soundness since 2013. Bad loans that correspond to the numerator when calculating the ratio of asset soundness were reduced by recovery, sale or write-off, while financially sound assets that correspond to the denominator were boosted, resulting in improved asset soundness ratio overall. Furthermore, risk management has been reinforced in order to prevent non-performing assets. Consequently, the ratio of new non-performing assets has dropped significantly since 2013. Woori Investment Bank is also boosting both preemptive and ex-post risk management.

Woori Asset Trust saw a decline in loans by 45% (KRW 32.2 billion) as a result of collection from trust accounts, and the sub-standard or below ratio also fell 7% (KRW 1.9 billion) as a result.

Woori Asset Management has been endeavoring to bolster monitoring to improve its preparedness against crisis and set an appropriate risk capital limit and manage it within the limit, in addition to improving transparency in its decision-making by operating a related taskforce (TF). Also, it has also examined the themes of internal control in order to upgrade its internal control system, as part of the efforts to prevent incidents, and reinforced prior reviews of compliance in relation to non-face-to-face sale channels.

Woori Savings Bank recorded 3.4% in sub-standard or below ratio, a 0.11%p y-o-y decrease, by making efforts to improve asset soundness through risk management and sales.

(4) Capital Adequacy

■ Woori Financial Group, Inc.

(Unit: KRW in billions, %, %p)

Category	2020	2019	Change (amount)
Common Equity Tier 1 Capital	19,828	19,135	693
Additional Tier 1 Capital	3,534	3,340	194
Tier 2 Capital	4,086	4,640	△554
Total BIS Capital	27,448	27,115	333
Risk-Weighted Assets	198,269	228,046	△29,777
Common Equity Tier 1 Ratio	10.00	8.39	1.61
Tier 1 Capital Ratio	11.78	9.86	1.92
BIS Capital Adequacy Ratio	13.84	11.89	1.95

Note) Based on the internal ratings-based approach for 2020 and based on the standard approach for 2019

At the end of 2020, the BIS capital adequacy ratio of the Group stood at 13.84%, a 1.95%p increase year-over-year, and the common equity tier 1 ratio was recorded at 10.0%, a 1.61%p increase year-over-year. This was possible, despite the KRW 9.6 trillion increase in risk-weighted assets as a result of the incorporation of Woori Financial Capital into the Group, due to the efforts to improve the capital adequacy ratio, such as the issuance of KRW 0.9 trillion worth of convertible bonds, and the reduction of risk-weighted assets following the approval of the internal ratings-based approach in June and the early introduction of the final Basel III reforms in the credit risk area in September. Woori Financial Group, Inc. will continue to comply with regulatory requirements, realize profits and recapitalize at an adequate level to raise capital adequacy.

■ Capital Ratios of Major Subsidiaries

※ Woori Bank

(Unit: KRW in billions, %)

	2020 ^{Note)}	2019	2018
	(Current) 187th term	(Previous) 186th term	(Previous) 185th term
Common Equity Tier 1 Capital	19,155	17,321	17,276
Additional Tier 1 Capital	2,752	3,466	3,148
Tier 2 Capital	3,362	3,527	3,828
Total BIS Capital	25,269	24,314	24,251
Risk-Weighted Assets	145,755	157,890	154,971
Common Equity Tier 1 Ratio	13.14	10.97	11.15
Tier 1 Capital Ratio	15.03	13.17	13.18
BIS Capital Adequacy Ratio	17.34	15.40	15.65

Note) Prior to dividend payout

In 2020, the common equity tier 1 capital increased KRW 1,834.0 billion to KRW 19,155.0 billion, a 10.6% y-o-y increase. Capital was increased centering on common equity through a paid-in capital increase of KRW 1 trillion in June 2020 and an increase in internal reserves. The additional tier 1 capital decreased KRW 714.0 billion to KRW 2,752.0 billion, as a result of the repayment of hybrid bonds (call option). Tier 2 capital, on the other hand, fell KRW 165.0 billion to KRW 3,362.0 billion. This was attributable to a decline in subordinated bonds recognized as equity, but the amount of decrease was minimized by new issuance of subordinated bonds. The total BIS capital was recorded at KRW 25,269.0 billion, a KRW 955.0 billion increase from the previous year.

In 2020, the risk-weighted assets fell KRW 12,135.0 billion (7.7%) to KRW 145,755.0 billion. This was a result of the introduction of the final Basel III reforms in late September as well as the efforts made to improve the capital adequacy ratio by minimizing potential non-performing assets and maintaining an appropriate amount of prime assets.

In 2020, the common equity tier 1 ratio, tier 1 capital ratio and BIS capital adequacy ratio were recorded at 13.14%, 15.03% and 17.34%, a 2.17%p, 1.86%p and 1.94%p y-o-y increase, respectively. Going forward, Woori Bank will continually improve its capital adequacy ratio by generating steady profits, paying an appropriate amount of dividends and increasing capital.

(Unit: KRW in 100 millions, %)

Category	Indicator	2020	2019	2018
Woori Card	Adjusted Capital Ratio	19.93	18.33	18.08
	Tangible Common Equity Ratio	13.48	14.29	13.54
Woori Financial Capital	Adjusted Capital Ratio	12.17	13.46	15.47
	Tangible Common Equity Ratio	10.77	12.08	14.04
Woori Investment Bank	Total BIS Capital(A)	4,918	3,381	3,003
	BIS Capital Adequacy Ratio	31,922	26,303	23,192
	Risk-Weighted Assets(B)	15.41	12.86	12.95
	BIS Capital Adequacy Ratio(A/B)	15.41	12.86	12.95
Woori Asset Trust	Net Operating Capital Ratio (NCR)	1,286.43	1,397.97	957.76
Woori Asset Management	Minimum Operating Capital Ratio	754.1	655.8	558.9
Woori Savings Bank	BIS Capital Adequacy Ratio	13.40	13.46	12.29

Note 1) BIS capital adequacy ratio=total BIS capital/risk-weighted assets x 100

Note 2) The numbers for Woori Card and Woori Financial Capital are based on the report issued by the FSS

Note 3) Woori Investment Bank: Based on the report issued by the FSS / Based on consolidated financial assets (K-IFRS)

Note 5) Net capital ratio of Woori Asset Trust=(net capital-subordinated borrowings, etc.)/total risk exposures (market risk + credit risk + operating risk)x100/K-IFRS separate financial statements

Note 6) Woori Asset Management: Based on separate financial statements (K-IFRS)

Note 7) Woori Savings Bank: Based on K-GAAP

At the end of 2020, Woori Card had an adjusted capital ratio (ACR) of 19.93%, surpassing the minimum requirement according to the Management Guidance (8% or above) in accordance with the Supervisory Regulations on Specialized Credit Financial Business. Woori Investment Bank also recorded an excellent BIS capital adequacy ratio of 15.41% at the end of 2020 (requirement by the Financial Investment Services and Capital Markets Act: 8%).

Woori Investment Bank saw a slight increase in its BIS capital adequacy ratio following a paid-in capital increase in 2020. It is expected to be maintained at over 12% even after reflecting the asset expansion plan according to the business management plan for 2021. In addition, the BIS capital in December 2020 consisted of KRW 481.9 billion in tier 1 capital and KRW 9.9 billion in additional tier 1 capital, indicating a high tier 1 ratio. As such, the company has the capacity to achieve asset expansion and capital expansion through additional tier 1 capital, if necessary.

The ACR of Woori Financial Capital was 12.17%, a slight decrease from the previous year. This was attributable to the continued asset growth, and this trend is expected to be observed in the future, depending on the rate of growth. It should be noted, however, that it will be kept above the minimum requirement according to the Management Guidance (7% or above) in accordance with the Supervisory Regulations on Specialized Credit Financial Business.

Woori Asset Trust recorded an equity capital that was 1,292.4% of the minimum equity requirement (KRW 10.0 billion) set forth in the Financial Investment Services and Capital Markets Act and the Enforcement Decree of the Act. The net capital ratio (NCR) dropped 112%p y-o-y to 1,286%, but it still remained among the highest out of the fourteen trust companies last year.

As for Woori Savings Bank, the BIS capital adequacy ratio was 13.4%. While the earned surplus climbed upward, the BIS capital adequacy ratio fell 0.06%p from the previous year due to an increase in risk-weighted assets resulting from an overall expansion of assets.

B. New Businesses and Suspended Businesses

Woori Financial Group has been endeavoring to enhance its value and competitiveness by newly incorporating subsidiaries specializing in businesses related to consumer finance in 2020 and building a system to promote synergy with other subsidiaries.

[Acquisition of Woori Financial Capital and Woori Savings Bank]

Woori Financial Group completed the acquisition of shares of Aju Capital and its subsidiary, Aju Savings Bank, in December 2020. Aju Capital, which displayed excellence in auto financing, was renamed as Woori Financial Capital, and it is expected to achieve accelerated growth with the improved ability to raise funds and manage risks as a subsidiary of Woori Financial Group and by collaborating with other subsidiaries. Aju Savings Bank, renamed as Woori Savings Bank, will play a pivotal role in the consumer finance business of the Group and offer excellent financial services such as loans to SMEs and vulnerable groups along with other subsidiaries.

C. Business Rationalization

(1) Alteration and Reorganization of Business Groups

■ Woori Financial Group

[Establishment of a business management system and reinforcement of professional expertise (Feb. 2020)]

In February 2020, the Management Support Unit and the Business Management Department were newly established to reinforce business management of the existing and newly incorporated subsidiaries. Through these organizations, the main businesses of the Group are managed carefully to pursue steady growth. The Group also established the Finance Planning Unit and Finance Management Department to pursue financial management with professional expertise, the Digital & IT Unit to pursue innovation at an accelerated rate and the New Business Unit to expand into new business areas. The Strategy Group, Public Relations and Brand Group and Financial Consumer Protection Department were also newly established to support the management in decision-making and promote socially responsible management.

[Establishment of an organization dedicated to preventing money laundering (Mar. 2020)]

In May 2020, Woori Financial Group created a department (Anti-Money Laundering Department) overseeing internal controls to prevent money laundering across the organization. This has allowed the Group to align itself with the growing importance of anti-money laundering practices and its management and coordination activities to combat money laundering.

[Restructuring of the organization to power the digital innovation of the Group (Jul. 2020)]

In July 2020, a new organization was incepted for the purpose of concentrating the Group's digital capacity and strengthening its competitiveness in relation to digital technology. The organization will offer assistance in the digital innovation projects of the Group and pursue differentiated capacity in applying cutting-edge digital technology.

[Restructuring of the organization to raise efficiency and improve business management (Dec. 2020)]

For the purpose of creating an efficient operating system centering on the key organizations, Woori Financial Group endeavored to slim down its organization in December 2020. The position of Senior Vice President and the Business Growth Group were newly established to maximize synergy among the subsidiaries and integrate the business management organizations. In addition, the Public Relations Office and the ESG Management Department were established to strengthen the establishment and implementation of brand strategies at the Group level and to respond to the growing importance of ESG management, while the Audit Group was newly established for more rigorous internal audits.

■ Woori Bank

Woori Bank acquired the official approval for MyData (personal credit information management business) on January 27, 2021, with plans to offer innovative MyData services, including personal financial management. It will also continually build its capacity to operate data-based businesses.

■ Woori Card

Woori Card restructured its organization to respond systematically and proactively to the changes in the business environment. It has concentrated its core functions and sped up the decision-making process by restructuring the sales and marketing organization to promote the use of credit sales and recruit more users. In addition to introducing a division dedicated to boosting prime financial assets and auto financing, it also set up regional centers as frontline customer touchpoints. The Future Growth Division was newly established to expand on global businesses and incubate new growth businesses, while digital platform organizations were integrated into the Digital Innovation Team to speed up digital innovation and achieve tangible results by strengthening the digital capacity.

■ Woori Financial Capital

Woori Financial Capital endeavored to expand its personal finance and corporate finance businesses to diversify its business portfolio, which had mainly focused on auto financing. Also, long-term car rental was added to the car financing product lineup, which had previously consisted of installment payments, lease and loans, and an organization was created to handle leases for general properties, not just auto leases. In addition, in order to effectively produce synergy with other subsidiaries and strengthen its digital-based businesses, it newly introduced a organizations dedicated to synergy creation and to implementing digital strategies at the company level. It also restructured its organization, with the aim of improving risk management by separating sales and review processes, strengthening the strategizing and planning functions and raising the efficiency of management and support.

■ Woori Investment Bank

Woori Investment Bank created the Digital Finance Team (Department) in June 2020 in response to the contactless trend in the financial sector. It plans to pursue digital innovation by strengthening the non-face-to-face service platforms and discovering FinTech-related services and increase the number of customers using non-face-to-face channels. The company also restructured its organization on January 1, 2021 for the purpose of promoting sales. The Investment Finance Department was incorporated into the CIB Business Division, with plans to broaden the scope of collaboration with Woori Bank in joint equity investment and more. The FICC Department was expanded as the Capital Market Department to broaden the business portfolio to include ECM and corporate bond management. Furthermore, there are plans to create a loan policy department to oversee loan strategies by establishing a loan portfolio policy and conducting industry research and analysis.

■ Woori Asset Trust

Woori Asset Trust endeavored to promote synergy between the business management organizations and business operation organizations under the co-CEO management system and revamped the organizations providing support by reinforcing internal controls (separation of the Risk Management Team and Compliance Team) and improving the contract review system (reinforcing the voting system and hiring examiners) to create a business management system at the Group level. It also newly established the REIT Business Division, a department dedicated to renewal projects and related sales teams, as part of the efforts to secure new growth engines and boost the business operation capacity in 2021.

■ Woori Asset Management

Woori Asset Management is striving to create a balanced portfolio as a management objective. To this end, it introduced the RM system to foster the equity investment and global business areas. RMs with professional expertise in marketing and asset management will play the role of marketers that can cater to institutional investors.

(2) Early Retirement of Employees, etc.

Woori Bank, a major subsidiary of Woori Financial Group, has been carrying out the Outplacement Services Program that serves as an upgraded early retirement program since 2005. The Outplacement Services Program is designed to resolve the bottleneck in promotions and improve its workforce structure, while allowing employees to plan out a new chapter after retirement. Employees looking to resign from their positions are provided with the support necessary to prepare for a life after retirement. In 2020, the related services were provided to a total of 487 employees, which helped improve the workforce structure of the bank.

D. F/X Fluctuations

1) Foreign Currency Translation

The consolidated financial statements are presented in Korean won (KRW), the functional currency of the parent company. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at of the end of the reporting period. The difference in foreign currency translation between the effective hedging portion of the fluctuations in the fair value of derivatives that meet the criteria for cash flow hedging accounting and the monetary items in relation to the net investment in overseas operations is recognized as equity.

For the purpose of preparing the consolidated financial statements, assets and liabilities of overseas operations that are subject to consolidation are presented in Korean won (KRW) based on the exchange rate at the end of the reporting period. If the exchange rate fluctuates materially during the relevant period, and it is not necessary to use the exchange rate at the transaction date, the items of profit and loss are translated at the average exchange rate for the relevant period, and the resulting exchange difference is recognized as other comprehensive income and aggregated in equity (appropriated to non-controlling interests if appropriate). In the case of disposal of overseas operations site, the cumulative amount of exchange differences related to the overseas operations site attributable to the parent company is reclassified as profit or loss, and while the cumulative amount of exchange differences related to the overseas operations site attributable to non-controlling interests is eliminated but not reclassified as profit or loss.

The fair value adjustments for goodwill and identifiable assets and liabilities arising from acquisition of an overseas operations site are treated as assets and liabilities of the overseas operations site and translated at the exchange rate at the end of the reporting period. The resulting exchange difference is recognized in other comprehensive income.

E. Asset Impairment Losses and Reduction Losses

Asset impairment losses and reduction losses incurred based on consolidated financial statements are as follows:

(Unit: KRW in millions)

Category	(Current) 2nd term	(Previous) 1st term	2018
Credit Loss on Financial Assets at Fair Value through Other Comprehensive Income ("FVTOCI")	(1,529)	(3,297)	(2,027)
Reversal of (Provision for) Credit Loss on Securities at Amortized Cost	934	1,415	(1,922)
Provision for Credit Loss On Loans and Other Financial Assets at Amortized Cost	(792,250)	(385,758)	(415,084)
Reversal of Allowance for Acceptances and Guarantees Losses	18,348	4,352	105,985
Reversal of (Provisions for) Allowance for Undrawn Commitment	(9,874)	9,044	(16,526)
Reversal of (Provisions for) Impairment Losses on Premises, Equipment, Intangible Assets, Goodwill and Other Assets	(8,591)	(28,192)	674
Provision for Impairment Losses on Investments in Joint Ventures and Associates	(1,242)	(3,634)	(177)

■ Woori Bank

Category	Impairment · Loss	Cause
Stocks subject to consolidation (Brazil Woori Bank)	KRW 20.62 billion	More than 30% decrease in the net asset value compared to Woori Bank's investment in Korean won due to a drop in the BRL-KRW exchange rate
Stocks of related company (K Bank)	KRW 6.9 billion	Recognition of impairment incurred until the reason for the impairment was resolved (capital increase in July 2020)

■ Woori Financial Capital

(Unit: KRW in millions, %)

Category	Name	Loss	Cause
Beneficiary certificates	Hyundai Invest Guggenheim CLO Specialized Investment PE Special Asset Investment Trust No. 2	693	A decrease in recoverable amount due to changes in the market situation
Beneficiary certificates	KORAMCO Specialized Investment PE Real Estate Investment Trust No. 107	2,956	A decrease in recoverable amount due to delayed collection of principal and interest and a lawsuit
Total		3,648	-

■ Woori Investment Bank

(Unit: KRW in millions)

Category	2020 (49th term)	2019 (48th term)	2018 (47th term)
Impairment Loss on Intangible Assets and Goodwill	50	786	-
Impairment Loss on Financial Assets Available for Sale	-	-	-
Total	-	786	-

Woori Investment Bank conducts impairment tests each year on intangible assets and its activities of goodwill. Whenever there is sign of asset impairment loss and the book value of intangible assets and goods are set to exceed the estimated recoverable amount, the book value is immediately reduced to the recoverable amount. An impairment inspection was carried out on the membership in possession during the 2020 accounting period, and the book value of KRW 50 million exceeding the estimated recoverable amount was recognized as an impairment loss.

■ Woori Asset Trust

(Unit: KRW in millions)

Category	2020	2019	2018
Impairment Loss on Premises and Equipment	-	660	-
Impairment Loss on Intangible Assets and Goodwill	-	-	-
Total	-	660	-

Note 1) Based on separate financial statements (K-IFRS)

4. Liquidity, Sources & Applications of Fund

A. Liquidity

■ Woori Financial Group, Inc.

(Unit: KRW in millions, %, %p)

Category	2020	2019	Change (amount)
Liquid Assets	40,308	45,079	△4,771
Liquid Liabilities	7,911	7,475	436
LCR in KRW	509.5	603.1	△93.5

Note 1) Based on liquid assets and liabilities with time to maturity of one month or less

Liquidity risk refers to the risk of incurring unexpected losses (abnormal disposition of assets, financing through high interest rate, etc.) or becoming insolvent due to disparities in dates of payment between assets and liabilities or the drastic outflow of funds. Each subsidiary of the Group secures an adequate level of liquidity and minimizes their risk of shortage of funds by early prediction methods and systematically managing the causes of fluctuations in liquidity, relevant to sourcing and managing funds.

Woori Financial Group, Inc. maintains an LCR in KRW at a level higher than 100% as required by law. Please refer to 4-3) Liquidity Risk in [III. Matters on Financials/5. Notes for Financial Statements] of this report for details regarding liquidity risk management based on separate financial statements, and to [III. Matters on Financials/3. Notes for Consolidated Financial Statements] 4-4) Liquidity Risk for details regarding liquidity risk management based on consolidated financial statements.

■ Woori Bank

(Unit: %)

Category	2020 (187th term)	2019 (186th term)	2018 (185th term)
LCR (Including KRW and all other currencies)	92.07	107.27	103.40
Foreign Currency LCR	106.06	110.5	108.98

Note 1) Applied as the same as the calculation criteria for management disclosures (average of the ratio on each business day during the quarter); The LCR requirement was adjusted downward (100% → 85%) until the end of March 2021 in accordance with the Financial Services Commission's Implementation of Financial Regulation Flexibilization Measures and Future Plans in 2020 4Q, 2019 4Q and 2018 4Q

Note 2) Presented in the same manner as the calculation criteria for management disclosures (average of the quarter); The ratio of foreign currency LCR to the regulatory requirement was adjusted downward (80% → 70%) until the end of March 2021 in accordance with the Financial Services Commission's Implementation of Financial Regulation Flexibilization Measures and Future Plans in 2020 4Q, 2019 4Q and 2018 4Q

Woori Bank manages the liquidity coverage ratio (LCR), an indicator for liquidity regulations in Basel III, at 92.07%, as of 2020 4Q, by increasing highly liquid assets through deposits and corporate bonds. (The LCR will be lowered to 85% by March 2021.)

Foreign currency LCR was recorded at 106.06% on average, as of 2020 4Q, (set to be decreased to 70% by March 2021) a by securing a sufficient amount of highly liquid assets such as US treasury bills.

Woori Bank manages the liquidity gap ratio and concentration of funding, in addition to keeping the LCR and foreign currency LCR above the regulatory requirements, in order to maintain a stable funding structure. The bank also checks for excessive shortages of liquid assets through periodic stress testing, and if liquidity is lacking due to an unexpected crisis, Woori Bank executes a contingency funding plan and utilizes committed lines from overseas financial institutions to acquire liquidity.

■ Woori Card

Woori Card performs funding based on the principles of diversifying sourcing channels, maintaining an adequate maturity structure and securing liquidity, in order to maintain a stable funding structure.

As of the end of 2020, the outstanding debenture issues amounted to KRW 7,862.5 billion, up KRW 781.6 billion from KRW 7,080.9 billion at the end of 2019. Woori Card has an adequate level of liquidity and a credit line of KRW 550.0 billion so that it can repay borrowings that are set to reach their maturity and provide operating funds without market financing for some time even in the event of an unexpected credit crunch in the financing market.

(1) Liquidity

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2020 (8th term)	2019 (7th term)	2018 (6th term)
Cash and Deposits	5,479	1,362	3,822
Credit Line	5,500	4,800	5,300
Total	10,979	6,162	9,122

(2) Financing through Debentures

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2020 (8th term)	2019 (7th term)	2018 (6th term)
Debentures Issued in KRW	67,450	60,500	60,200
Liquid Debentures	9,217	9,383	9,701
Debentures Issued in Foreign Currencies	1,958	926	559
Total	78,625	70,809	70,460

(3) Time to Maturity of Debentures

Based on consolidated financial statements

(Unit: KRW in 100 millions)

Category	2020 (8th term)	2019 (7th term)	2018 (6th term)
One Year or less	21,324	20,154	19,555
1 to 2 Years	18,976	17,839	20,040
2 to 3 Years	21,838	15,616	16,865
Over Three Years	16,488	17,200	14,000
Total	78,625	70,809	70,460

Woori Financial Capital

(Unit: KRW in millions)

Category	2020 (27th term)	2019 (26th term)	2018 (25th term)
Liquid Assets in KRW	1,357,876	1,037,894	775,050
Liquid Liabilities in KRW	616,632	498,197	507,518
LCR in KRW	220.2	208.3	152.7

Woori Financial Capital's LCR increased by 11.9%p to 220.2%, as of the end of 2020. The LCR of the company is the ratio of liquid assets that will reach their maturities within 90 days to liquid liabilities that will reach their maturities within 90 days in accordance with Article 53-3 of the Specialized Credit Finance Business Act and its subordinate regulations. In light of this, Woori Financial Capital is deemed to be maintaining its LCR at a fairly good level.

In addition, to respond to the liquidity crisis caused by a credit crunch in the financing market, Woori Financial Capital is maintaining an appropriate level of liquid funds that are immediately available as well as credit lines from financial institutions.

Woori Investment Bank

(Unit: %)

Category	2020 (49th term)	2019 (48th term)	2018 (47th term)
KRW LCR	139.27	149.49	266.26
Foreign Currency LCR	-	109.72	105.80

Woori Investment Bank's LCR in KRW decreased 10.22%p y-o-y to 139.27%, as of the end of 2020. The foreign currency LCR cannot be calculated as there are no liquid liabilities in foreign currencies.

LCR in KRW is the ratio of assets to liabilities that will reach their maturities within three months, and Woori Investment Bank ensures that the figure remains at 100% or above (Article 8-41 (Liquid assets/Liquid liabilities) of the Regulation on the Financial Investment Services and Capital Markets). As of the end of 2020, Woori Investment Bank's LCR in KRW was 139.27%, a decrease from the LCR in 2019, but it is still deemed to be at a satisfactory level.

Foreign currency LCR, the ratio of foreign currency assets to liabilities that will reach their maturities within three months, is maintained at or above 85% (Article 8-69 (Liquid assets and Liquid liabilities) Regulation on the Financial Investment Services and Capital Markets).

Woori Savings Bank

(Unit: KRW in millions, %)

Category	2020 (50th term)	2019 (49th term)	2018 (48th term)
Liquid Assets	267,927	263,961	289,957
Liquid Liabilities	209,712	228,491	248,252
LCR	127.76	115.52	116.80

Note) Based on K-GAAP

Woori Savings Bank recorded an LCR of 127.76%, a 12.24%p y-o-y increase, at the end of 2020. Woori Savings Bank is required to maintain its LCR, which is the ratio of assets to liabilities that will reach their maturities within three months, at 100% or higher (Article 40-1 (Supervisory Regulations) of the Mutual Savings Bank Act) and has successfully achieved the target in 2020.

B. Sources and Management of Fund

Woori Financial Group, Inc. (based on separate financial statements of the holding company)

(Unit: KRW in billions, %)

	At End-2020	At End-2019	Change (amount)	Change (%)
Debentures	1,148	948	200	21.10
Other Liabilities	239	153	86	56.21
Equity	21,044	20,106	938	4.67
Total Funds	22,431	21,207	1,224	5.77
Cash and Deposits	469	1,173	△704	△60.02
Share Investments in Subsidiaries	21,562	19,874	1,688	8.49
Non-Current Assets	18	11	7	63.64
Other Assets	231	149	82	55.03
Total Funds Managed	22,280	21,207	1,073	5.06

Note) Other liabilities: provisions + current income tax liabilities + deferred tax liabilities + other liabilities; Other assets: derivatives assets + other assets

Woori Financial Group is a financial holding company established pursuant to the Financial Holding Companies Act. Dividends from subsidiaries are its main source of revenue, and no other sales activities are pursued. The sources of funds in 2020 include KRW 1,148 billion in debenture issuance, a KRW 200 billion increase from the previous year, while hybrid securities increased KRW 898 billion to KRW 1,895 billion.

As for the funds managed, the share investments in subsidiaries increased KRW 1,689 to KRW 21,562 billion, consisting of Woori Bank's capital increase of KRW 1 trillion, Woori Investment Bank's capital increase of KRW 55 billion as well as KRW 634 billion of shares of Woori Financial Capital that was newly incorporated in 2020. Deposits stood at KRW 469 billion, a y-o-y decrease of KRW 704 billion. Woori Financial Group also holds KRW 150 billion worth of hybrid securities issued by Woori Card.

As for the amount of repayment according to the maturity of the debentures issued by Woori Financial Group, see the section on debentures issued in 4-(3)-2 Analysis of Maturity of Non-Derivative Financial Liabilities [5. Notes to Financial Statements in III. Matters on Financials].

Woori Bank

(1) Sources of Funds

(Unit: KRW in billions, %)

Category	Fund	2020 (187th term)			2019 (186th term)			2018 (185th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits, installments	227,416	1.09	67.4	212,555	1.50	66.6	197,572	1.41	66.7
	Certificates of deposit	1,677	1.19	0.5	4,760	2.09	1.5	5,040	1.97	1.7
	Borrowings in KRW	8,537	0.92	2.5	6,966	1.43	2.2	6,555	1.47	2.2
	Call money in KRW	150	0.71	0.0	406	1.60	0.1	221	1.50	0.1
	Others	21,964	1.97	6.5	21,925	2.36	6.9	20,937	2.39	7.1
	Subtotal	259,743	1.16	77.0	246,612	1.59	77.2	230,325	1.51	77.7
Funds in foreign currencies	Deposits in foreign currencies	20,684	0.47	6.1	16,647	1.19	5.2	15,220	0.88	5.1
	Borrowings in foreign currencies	7,894	1.20	2.3	7,944	2.24	2.5	6,458	2.13	2.2
	Call money in foreign currencies	652	0.70	0.2	877	2.38	0.3	787	1.84	0.3
	Debentures in foreign currencies	4,222	2.53	1.3	4,209	3.89	1.3	3,670	3.96	1.2
	Others	637	0.39	0.2	623	1.11	0.2	659	0.38	0.2
	Subtotal	34,089	0.90	10.1	30,301	1.87	9.5	26,794	1.62	9.0
Others	Total Equity	22,576	0.00	6.7	21,875	-	6.9	20,897	-	7.1
	Provisions	497	0.00	0.1	454	-	0.1	433	-	0.1
	Others	20,449	0.00	6.1	20,007	-	6.3	17,876	-	6.0
	Subtotal	43,522	0.00	12.9	42,336	-	13.3	39,207	-	13.2
Total		337,355	0.98	100.0	319,248	1.40	100.0	296,325	1.32	100.0

Note 1) Deposits in KRW = Deposits in KRW – Deposit checks & bills in the process of collection – reverse deposits with BOK – inter-bank adjustment funds (call loans)
 * Deposit checks & bills in the process of collection = total checks and bills in the process of collection – checks & bills on clearing for overdrafts – inter-bank adjustment funds (call money)
 * Interest for calculating interest rates is the sum of interest on deposits and installment deposits and deposit insurance premiums.

Note 2) Deposits in foreign currencies = Deposits in foreign currencies + off-shore deposits in foreign currencies

Note 3) Borrowings in foreign currencies = Borrowings in foreign currencies + dues to BOK in foreign currencies + off-shore borrowings in foreign currencies

Note 4) Debentures in foreign currencies = Debentures issued in foreign currencies + offshore debentures in foreign currencies

Note 5) Excluding merchant banking accounts

The average fund balance sourced by Woori Bank in 2020 increased by KRW 18 trillion y-o-y to KRW 337 trillion in 2020. The average balance of funds in Korean won was KRW 260 trillion, with the main source being deposits from customers to ensure stable liquidity, and as a result, deposits increased by KRW 13 trillion y-o-y. The average balance of funds in foreign currencies, on the other hand, increased by KRW 3.8 trillion y-o-y, while deposits in foreign currencies rose by KRW 1.4 trillion. By effectively managing liquidity by raising funds to comply with the LCR and loan-deposit ratio (LDR) and managing its portfolio of fund sources and management, Woori Bank has been successfully enhancing profitability.

※ Time to Maturity for Major Financial Liabilities

(Unit: KRW in millions)

Category of Financial liabilities	3 months or less	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial Liabilities at Fair Value through Profit and Loss	64,183	3,735	991	-	-	-	68,909
Depository	185,543,586	32,519,258	24,492,945	28,505,125	7,005,101	499,595	278,565,610
Borrowings	6,897,972	2,246,200	1,547,942	1,763,215	3,517,124	452,496	16,424,949
Debentures	1,998,575	2,147,939	2,785,291	2,093,565	11,748,493	2,079,903	22,853,766
Other Financial Liabilities	7,228,999	36,151	32,434	27,761	135,832	1,998,218	9,459,395
Total	201,733,315	36,953,283	28,859,603	32,389,666	22,406,550	5,030,212	327,372,629

Note 1) Derivative financial liabilities and off-balance accounts (payment guarantees and commitments) are excluded

(2) Applications of Funds

(Unit: KRW in billions, %)

Category	Applications	2020 (187th term)			2019 (186th term)			2018 (185th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits in KRW	495	0.63	0.1	981	1.66	0.3	3,264	1.52	1.1
	Marketable Securities in KRW	47,180	1.84	14.0	45,341	2.10	14.2	35,898	2.16	12.1
	Loans in KRW	229,678	2.68	68.1	216,362	3.21	67.8	203,432	3.22	68.7
	Advance Payments on Acceptances and Guarantees	14	3.66	0.0	14	1.30	0.0	16	1.95	0.0
	Call Loans in KRW	522	1.02	0.2	693	1.76	0.2	1,334	1.67	0.5
	Privately Placed Bonds	68	3.30	0.0	83	2.80	0.0	136	2.89	0.0
	Credit Card Receivables	0	0.00	0.0	0	0.00	0.0	-	0.00	0.0
	Others	2,439	1.52	0.7	3,041	2.56	1.0	5,562	2.10	1.9
	Allowance for Doubtful Accounts in KRW(-)	-1,074	0.00	-0.3	-1,151	0.00	-0.4	-1,198	0.00	-0.4
	Subtotal	279,321	2.53	82.8	265,365	3.01	83.1	248,445	3.03	83.8
Funds in foreign currencies	Deposits in Foreign Currencies	7,907	0.39	2.3	5,476	1.91	1.7	3,665	1.29	1.2
	Marketable Securities in Foreign Currencies	5,578	1.56	1.7	4,619	2.09	1.4	3,467	1.30	1.2
	Loans in Foreign Currencies	14,539	2.30	4.3	13,683	3.41	4.3	11,347	3.14	3.8
	Call Loans in Foreign Currencies	874	1.04	0.3	1,492	2.61	0.5	2,365	2.07	0.8
	Bills Bought in Foreign Currencies	6,165	1.32	1.8	6,505	2.71	2.0	7,275	2.70	2.5
	Others	122	4.15	0.0	71	2.12	0.0	33	3.31	0.0
	Allowance for Doubtful Accounts in Foreign Currencies(-)	-248	0.00	-0.1	-229	0.00	-0.1	-391	0.00	-0.1
Subtotal	34,937	1.57	10.4	31,616	2.80	9.9	27,761	2.50	9.4	

Category	Applications	2020 (187th term)			2019 (186th term)			2018 (185th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Others	Cash	1,021	0.00	0.3	1,091	0.00	0.3	1,229	0.00	0.4
	Property, Plant and Equipment for Business	2,713	0.00	0.8	2,698	0.00	0.8	2,354	0.00	0.8
	Others	19,363	0.00	5.7	18,478	0.00	5.8	16,537	0.00	5.6
	Subtotal	23,097	0.00	6.8	22,268	0.00	7.0	20,119	0.00	6.8
Total		337,355	2.26	100.0	319,248	2.78	100.0	296,325	2.78	100.0

Note 1) Deposits in KRW = Deposits in KRW – Reverse deposits with BOK

Note 2) Marketable securities in KRW = Marketable securities in KRW + Loaned securities in KRW
 * Interest for calculating interest rates = Securities interest (including dividend received) + Evaluation profit (net) + Gain on redemption of securities (net) + Portion excluding the gain from stock transactions (net) out of gains on sales of securities

Note 3) Loans in KRW = Loans in KRW + Checks & bills on clearing for overdrafts
 * Interest for calculating interest rates = Interest on loans in KRW – Contribution to the Korea Credit Guarantee Fund

Note 4) Deposits in foreign currencies = Deposits in foreign currencies + Offshore deposits in foreign currencies

Note 5) Marketable securities in foreign currencies = marketable securities in foreign currencies + Loaned securities in foreign currencies * Interest for calculating interest rates = Securities interests (including dividend received) + Evaluation profit (net) + Gain on redemption of securities (net) + Portion excluding the gain from stock transactions (net) out of gains on sales of securities

Note 6) Loans in foreign currencies = Loans in foreign currencies + Offshore loans in foreign currencies + Inter-bank loans in foreign currencies + Loans from foreign borrowings + Domestic import issuance bills

Note 7) Cash = Cash – Total checks & bills in the process of collection

Note 8) Property, plant and equipment for business = Property, plant, and equipment for business – Accumulated depreciation

Note 9) Based on financial statements (K-IFRS)

Note 10) Excluding merchant banking accounts

The average balance of funds managed by Woori Bank in 2020 was KRW 279.3 trillion, a y-o-y increase of KRW 13.9 trillion. The main contributing factor was an increase of KRW 13.3 trillion in loans in KRW. Out of all loans in KRW, household loans and corporate loans increased by KRW 5.8 trillion and KRW 7.5 trillion, respectively. Yields for loans in KRW declined 52bp from December 2019, notably due to the two interest rate cuts by the Bank of Korea in 2020. Assets in foreign currency amounted to KRW 34.9 trillion, a y-o-y increase of KRW 3.3 trillion, and this was attributable to the increase of KRW 0.9 trillion and KRW 1.0 trillion in loans in foreign currency and marketable securities, respectively. Woori Bank will stay committed to complying with the liquidity requirements (for LDR, LCR, etc.) and maintaining a stable fund management structure.

■ Woori Card

(1) Sources of Funds

(Unit: KRW in millions, %)

Category	Fund	2020 (8th term)			2019 (7th term)			2018 (6th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Call Money	-	-	-	-	-	-	-	-	-
	Borrowings	142,268	2.20	1.31	-	-	-	-	-	-
	Debentures	6,692,528	2.15	61.83	6,733,067	2.31	65.77	6,203,782	2.33	65.15
	Others	1,142,170	0.00	10.56	1,006,939	-	9.84	953,134	-	10.01
	Subtotal	7,976,966	1.84	73.70	7,740,005	2.01	75.60	7,156,916	2.02	75.16
Funds in Foreign Currencies	Debentures	903,918	1.54	8.35	736,986	1.95	7.20	713,681	2.08	7.49
	Borrowings	4,720	1.64	0.04	4,662	3.31	0.05	3,700	4.21	0.04
	Others	6,214	0.00	0.06	6,556	-	0.06	577	-	0.01
	Subtotal	914,852	1.53	8.45	748,204	1.94	7.31	717,958	2.09	7.54
Other	Total Equity	1,931,459	0.00	17.85	1,749,620	-	17.09	1,647,351	-	17.30
Total		10,823,277	1.49	100.00	10,237,829	1.66	100.00	9,522,225	1.68	100.00

(2) Applications of Funds

Category	Applications	2020 (8th term)			2019 (7th term)			2018 (6th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Cash and Deposits	227,337	0.66	2.10	112,614	1.45	1.10	157,630	1.09	1.66
	Call Loans	-	-	-	-	-	-	-	-	-
	Marketable Securities	274,343	0.68	2.53	175,342	1.44	1.71	209,504	1.31	2.20
	Loans	9,697,975	14.25	89.61	9,431,958	14.87	92.13	8,759,388	15.49	91.99
	Subtotal	10,199,655	14.00	94.24	9,719,914	14.47	94.94	9,126,521	14.92	95.84
Funds in Foreign Currencies	Cash and Deposits	4,555	5.61	0.04	9,466	8.07	0.09	2,408	8.00	0.03
	Loans	28,751	28.00	0.26	15,760	28.00	0.15	5,208	30.00	0.05
	Others	730	-	0.01	241	-	0.00	82	-	0.00
	Subtotal	34,036	24.91	0.31	25,467	20.33	0.25	7,698	22.80	0.08
Others	Properties, Plants and Equipment and Intangible Assets	95,989	-	0.89	86,535	-	0.85	50,795	-	0.53
	Other Assets	493,597	-	4.56	405,913	-	3.96	337,211	-	3.54
	Subtotal	589,586	-	5.45	492,448	-	4.81	388,006	-	4.07
Total		10,823,277	13.27	100.00	10,237,829	13.79	100.00	9,522,225	14.32	100.00

■ Woori Financial Capital

(1) Sources of Funds

(Unit: KRW in millions,%)

Category	Fund	2020 (27th term)		2019 (26th term)		2018 (25th term)	
		Average Balance	%	Average Balance	%	Average Balance	%
Funds in KRW	Deposits	1,018,977	12.5%	780,379	11.6%	882,613	15.5%
	Borrowings	316,053	3.9%	150,171	2.2%	253,825	4.4%
	Debentures	5,702,577	69.7%	4,564,909	67.7%	3,589,950	63.0%
	Others	313,244	3.8%	473,248	7.0%	255,192	4.5%
	Subtotal	7,350,851	89.9%	5,968,707	88.5%	4,981,580	87.4%
	Total Equity	825,528	10.1%	774,816	11.5%	715,172	12.6%
Total		8,176,379	100.0%	6,743,523	100.0%	5,696,752	100.0%

Note) Based on consolidated financial statements (K-IFRS)

(2) Applications of Funds

(Unit: KRW in millions,%)

Category	Applications	2020 (27th term)		2019 (26th term)		2018 (25th term)	
		Average Balance	%	Average Balance	%	Average Balance	%
	Cash and Deposits	355,250	4.3%	323,489	4.8%	346,126	6.1%
	Marketable Securities	514,208	6.3%	341,417	5.1%	330,233	5.8%
	Financial Bonds	6,060,089	74.1%	5,050,958	74.9%	4,239,526	74.4%
	Lease Assets	1,057,140	12.9%	846,826	12.6%	622,248	10.9%
	Investments in Associates and Joint Ventures	1,569	0.0%	2,126	0.0%	3,111	0.1%
	Properties, Plants and Equipment	6,908	0.1%	7,131	0.1%	4,989	0.1%
	Intangible Assets	61,238	0.8%	68,789	1.0%	67,884	1.2%
	Other Assets	119,977	1.5%	102,787	1.5%	82,635	1.4%
Total		8,176,379	100.0%	6,743,523	100.0%	5,696,752	100.0%

Note) Based on consolidated financial statements (K-IFRS)

■ Woori Investment Bank

(1) Sources of Funds

(Unit: KRW in millions,%)

Category	Fund	2020 (49th term)			2019 (48th term)			2018 (47th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits	2,725,135	1.84	69.96	2,282,715	2.24	79.05	1,892,535	2.03	74.98
	Borrowings in KRW	485,679	0.77	12.47	111,690	1.43	3.87	712	1.64	0.03
	Others	97,167	1.35	2.49	0	0.00	0.00	0	0.00	0.00
	Subtotal	3,307,981	1.67	84.92	2,394,405	2.21	82.92	1,893,247	2.03	75.01
Others	Total Equity	352,675	-	9.05	337,102	-	11.67	337,102	-	13.36
	Provisions	29,748	-	0.76	29,889	-	1.04	27,894	-	1.11
	Others	204,797	-	5.26	126,364	-	4.38	265,655	-	10.53
	Subtotal	587,220	-	15.08	493,355	-	17.08	630,651	-	24.99
Total		3,895,201	1.42	100.00	2,887,760	1.83	100.00	2,523,899	1.53	100.00

Note) Based on financial statements (K-IFRS)

(2) Applications of Funds

(Unit: KRW in millions,%)

Category	Applications	2020 (49th term)			2019 (48th term)			2018 (47th term)		
		Average balance	Interest rate	%	Average balance	Interest rate	%	Average balance	Interest rate	%
Funds in KRW	Deposits in KRW	156,487	0.68	4.02	157,946	1.73	5.47	167,363	1.64	6.63
	Marketable securities in KRW	1,318,262	1.86	33.84	802,499	2.74	27.79	540,982	3.33	21.43
	Loans in KRW	1,900,569	4.93	48.79	1,394,034	5.30	48.27	1,071,107	4.95	42.44
	Privately placed bonds	318,707	4.76	8.18	363,269	4.99	12.58	387,406	4.86	15.35
	Others	-	-	0.00	0	0.00	0.00	0	0.00	0.00
	Allowance for doubtful accounts in KRW (-)	(16,533)	-	(0.42)	(13,821)	-	-0.48	(11,829)	-	-0.47
	Subtotal	3,677,492	3.66	94.41	2,703,926	4.32	93.63	2,155,028	4.30	85.38
Funds in foreign currencies	Deposits in Foreign Currencies	1,340	-	0.03	1,438	0.04	0.05	1,524	0.15	0.06
	Marketable Securities in Foreign Currencies	2,826	(14.18)	0.07	2,623	2.45	0.09	2,281	-0.48	0.09
	Subtotal	4,166	(9.62)	0.11	4,061	1.60	0.14	3,805	-0.23	0.15
Others	Cash	15	-	-	0	0.00	0.00	0	0.00	0.00
	Property, plant and equipment for business	7,186	-	0.18	9,415	-	0.33	9,757	-	0.39
	Others	206,342	-	5.30	170,358	-	5.90	355,308	-	14.08
	Subtotal	213,543	-	5.48	179,772	-	6.22	365,065	-	14.46
Total		3,895,201	3.44	100.00	2,887,760	4.05	100.00	2,523,899	3.67	100.00

Note) Based on financial statements (K-IFRS)

■ Woori Asset Trust

(1) Sources of Funds

(Unit: KRW in millions)

Category	2020		2019		2018	
	Balance	%	Balance	%	Balance	%
Total Liabilities	56,396	30%	45,410	32%	37,333	27%
Other Liabilities	56,396	30%	45,410	32%	37,333	27%
Other Account Payables	7,523	4%	9,081	6%	2,292	2%
Withholdings	1		1		1	
Advance Receipts	37,553	20%	24,552	18%	26,040	19%
Accrued Income Tax	7,514	4%	4,857	3%	6,462	5%
Lease Liabilities	1,547	1%	2,443	2%	-	-
Unearned Income	-	-	-	-	102	
Accrued Dividends	635		656		656	
Leasehold Deposits	-	-	-	-	-	-
Allowance for Severance Benefits	-	-	-	-	230	
Allowance for Trust Risk	1,620	1%	3,820	3%	1,550	1%
Total Equity	129,237	70%	94,429	68%	76,453	55%
Total	185,634	100%	139,839	100%	113,786	100%

Note) Based on separate financial statements (K-IFRS)

(2) Applications of Funds

(Unit: KRW in millions)

Category	2020		2019		2018	
	Balance	%	Balance	%	Balance	%
Total Assets	185,634	100%	139,839	100%	113,786	100%
Cash and Deposits	148,871	80%	67,564	48%	61,514	54%
Marketable Securities	1,405	1%	655	1%	6,935	6%
Loans	22,287	12%	57,704	41%	35,397	31%
Premises and Equipment	4,522	2%	3,983	3%	2,539	2%
Other Assets	8,549	5%	9,933	7%	7,401	7%
Total	185,634	100%	139,839	100%	113,786	100%

Note) Based on separate financial statements (K-IFRS)

■ Woori Asset Management

(1) Sources of Funds

(Unit: KRW in millions,%)

Category	2020 (21st term)		2019 (20th term)		2018 (19th term)	
	Average Balance	%	Average Balance	%	Average Balance	%
Liabilities	14,854	12	4,921	5	3,930	4
Derivatives	-	0	-	0	14	0
Other Liabilities	14,854	100	4,921	100	3,915	100
(Accrued Income Tax)	1,515	10	1,506	31	1,416	36
(Accrued Expense)	2,658	18	2,428	49	2,099	54
(Others)	10,681	72	987	20	400	10
Total Equity	109,894	88	102,238	95	94,832	96
Sources (Total Liabilities and Equity)	124,748	100	107,159	100	98,762	100

Note) Based on consolidated financial statements (K-IFRS) for 2020 and separate financial statements (K-IFRS) for 2019 and 2018

(2) Applications of Funds

(Unit: KRW in millions,%)

Category	Applications	2020 (21st term)		2019 (20th term)		2018 (19th term)		
		Average Balance	%	Average Balance	%	Average Balance	%	
Funds in KRW	Cash and Deposits	25,832	20.71	24,757	23.10	31,621	32.02	
	Securities Available for Sale	-	-	-	0.00	13,805	13.98	
	Financial Assets at Fair Value through Profit or Loss (FVTPL)	72,097	57.79	48,619	45.37	17,754	17.98	
	Financial Assets at Fair Value through Other Comprehensive Income	1,358	1.09	11,394	10.63	10,617	10.75	
	Investments in Associates	3,130	2.51	3,240	3.02	1,230	1.25	
	Derivatives	103	0.08	25	0.02	228	0.23	
	Loans	541	0.43	100	0.09	180	0.18	
	Properties, Plants and Equipment	1,237	0.99	848	0.79	246	0.25	
	Other Assets	6,496	5.21	7,541	7.04	7,832	7.93	
	Accrued Income	4,759		5,329		5,471		
	Deferred Tax Assets	1,063		1,639		1,774		
	Subtotal	110,793	88.81	96,524	90.08	83,512	84.56	
	Funds in foreign currencies	Cash and Deposits	378	0.30	-	0.00	4,803	4.86
		Securities Available for Sale	-	0.00	-	0.00	5,318	5.38
Financial Assets at Fair Value through Profit or Loss (FVTPL)		11,008	8.82	6,034	5.63	3,098	3.14	
Financial Assets at Fair Value through Other Comprehensive Income		2,569	2.06	4,601	4.29	2,032	2.06	
Subtotal		13,955	11.19	10,635	9.92	15,250	15.44	
Total	124,748	100.00	107,159	100.00	98,762	100.00		

Note) Based on consolidated financial statements (K-IFRS) for 2020 and separate financial statements (K-IFRS) for 2019 and 2018

■ Woori Savings Bank

(1) Sources of Funds

The average balance of funds sourced by Woori Savings Bank in 2020 was KRW 1,173.6 billion, a y-o-y increase of KRW 62.4 billion. The average balance of funds in Korean won was KRW 1,051.0 billion, which was primarily sourced from deposits from customers to ensure stable liquidity.

(2) Applications of Funds

The average balance of funds managed by Woori Savings Bank in 2020 was KRW 1,138.8 billion, a y-o-y increase of KRW 62.8 billion. It is being managed consistently to comply with the liquidity regulations and maintain an adequate fund management structure.

5. Off-Balance Sheet Activities

■ Woori Financial Group

(1) The guarantees of payment at the end of 2020, 2019 and 2018 are as follows:

(Unit: KRW in millions)

Category	End of the 2nd (Current) Term	End of the 1st (Previous) Term	End of 2018
Confirmed Guarantees			
Guarantees for Loans	103,229	89,699	125,870
Acceptances	602,014	391,688	371,525
Acceptances for L/G	78,395	224,746	158,179
Other Confirmed Guarantees	6,491,608	6,982,889	6,452,791
Subtotal	7,275,246	7,689,022	7,108,365

Category	End of the 2nd (Current) Term	End of the 1st (Previous) Term	End of 2018
Unconfirmed Guarantees			
Guarantees for Local L/C	187,146	193,096	305,057
Guarantees for Import L/C	3,025,923	3,081,390	3,322,731
Other Unconfirmed Guarantees	403,652	771,378	669,677
Subtotal	3,616,721	4,045,864	4,297,465
CP Purchase Commitments and Others	917,489	884,031	1,260,587
Total	11,809,456	12,618,917	12,666,417

(2) Loan Agreements, etc.

(Unit: KRW in millions)

Category	End of the 2nd (Current) Term	End of the 1st (Previous) Term	End of 2018
Loan Agreements	112,088,680	103,651,674	97,796,704
Other Agreements (*)	7,827,774	5,993,608	5,041,314

(*) The amount of bill of sale for qualified endorsement (sales from bills bought) and the discount from short-term electric credit facilities (purchase) at the end of 2020, 2019 and 2018 include KRW 2,894,688 million, KRW 2,582,274 million and KRW 2,968,190 million, respectively.

For off-balance sheet activities, please refer to 'Note 40. Contingent Liabilities and Commitments' in [III. Matters on Financials / 3. Notes for Consolidated Financial Statements] in this report.

Woori Bank

(Unit: KRW in millions)

Category		2020 (187th term)	2019 (186th term)
Guarantees	Confirmed Guarantees	7,137,891	7,689,022
	Unconfirmed Guarantees	3,616,721	4,045,864
	CP Purchase Commitments and Others	917,489	884,031
Agreements	Loan Agreements	74,944,921	70,303,900
	Other Agreements	5,089,094	3,204,654

6. Other Issues Required for Making Investment Decisions

A. Matters on Key Accounting Policies and Changes in Estimates

Please refer to 'Note 2. Standards applied in the preparation of (Consolidated) Financial Standards and Key Accounting Policies' and 'Note 3. Key Accounting Estimates and Assumptions' in [III. Matters on Finance / 3. Note on Consolidated Financial Statements and 5. Note on Financial Statements] of this report.

B. Environmental Impact and Employees

(1) Environmental Impact

Since Woori Financial Group's businesses involve providing financial services (banking, credit card, capital, etc.) that do not have an environmentally destructive impact, it is neither currently paying nor likely to have to pay for any environmental restoration or compensation for damages in the future. It has not been subject to administrative measures from the government or environmental authorities, nor is it expected to be in the future. In December 2020, Woori Financial Group declared its plans to end coal finance to emerge as a carbon-neutral financial group in an effort to lead the financial sector in combating climate change, joined the Carbon Disclosure Project (CDP) and endorsed the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), in addition to setting for mid- and long-term roadmaps for green management. Woori Bank, a major affiliate of Woori Financial Group, has been designated as a company subject to building management, pursuant to Article 42 (6) of the Framework Act on Low Carbon, Green Growth, and assigned greenhouse (GHG) gas emission and energy consumption reduction targets by the government. It has been strengthening its environmental management and achieving the GHG reduction targets. For more details, please refer to [XI. Other Issues Required for Protecting Investors / 3. Environmental Sanctions, and etc. / E. Green Management Issues].

(2) Employees and Other Matters

Woori Bank, a major subsidiary of Woori Financial Group, creates a human resources management plan based on changes in the business environment and the direction of its strategies to be better prepared for foreseeable changes in manpower in the long run. Through ongoing recruitment and CDP control effects, Woori Bank has secured some of the best human resources in the industry, including personal and corporate banking experts and the future leaders of the FinTech business. Meanwhile, as of the end of 2020, Woori Bank's regular employees consist of business unit and group heads (26%), managers (27%), and clerks or lower-level employees (47%) in a pyramid structure.

C. Matters on Statutory Regulations

As a financial holding company, Woori Financial Group complies with the Financial Holding Companies Act, the Act on Corporate Governance of Financial Companies and other relevant legislations.

The main contents of the Financial Holding Companies Act are as follows:

1. Incorporation of financial holding companies
2. Restriction on ownership of financial holding companies
3. Business affairs of financial holding companies and inclusion of companies as subsidiaries thereof
4. Operation of financial holding companies
5. Supervision of financial holding companies

The main contents of the Act on Corporate Governance of Financial Companies are as follows:

1. Qualifications for operating officers and the establishment of an appointment procedure for major operating officers
2. Reinforced qualifications for outside directors and procedures for nominating candidates for executive officers
3. Composition of the Board centered on outside directors and bolstering the authority of the Board
4. Establishment and disclosure of internal rules on governance
5. Qualifications for members of the Audit Committee and improvement of the appointment procedure thereof
6. Improvement of the risk management scheme and remuneration system
7. Introduction of a regular examination on the eligibility of major shareholders

D. Derivatives and Risk Management Policy

(1) Derivatives (Woori Bank)

Woori Bank offers derivatives mainly to corporate customers. Since companies are exposed to various risks, such as interest rate hikes and fluctuations in stock prices and exchange rates, there is a need to hedge these risks. Woori Bank offers a wide array of derivatives to companies to meet their hedging needs. Derivatives are also traded to hedge interest rate and foreign exchange risks associated with the bank's assets and liabilities. The total value of derivatives outstanding amounted to KRW 324,071 billion in 2018, KRW 372,543 billion in 2019, and KRW 355,155 billion in 2020.

While banks primarily use derivatives to avoid the risk of loss in relation to the assets held, such transactions are somewhat complicated and can be risky, which is why a limit is placed on the transaction amount and losses that can be incurred so as to prevent excessive losses in advance. Also, when it comes to atypical transactions (structured derivatives) or trading of Hybrid Derivative Products, the Risk Oversight Department dedicated to risk management performs a prior review of potential risks, followed by deliberation by the Risk Management Committee, in order to proceed. In addition, the possibility of losses is minimized by separating the duties of the trading part (front office), risk management part (middle office) and follow-up management part (back office) so that they can keep one another in check.

(2) Overview of Risk Management Policy

Woori Financial Group Inc. develops strategies to remove excessive risks and manage risks at an adequate level in order to maximize revenue relative to risks. To this end, procedure is to first recognize the risk, measurement and assess it and then control and monitor and report it. Risk is managed by the Risk Management Department based on policy resolutions. The Risk Management Committee makes decisions on risk strategies including the allocation of any capital at risk and the approval of loss limits as the top decision-making body for risk management.

The Group's risk management principles are as follows:

- All business activities must be performed in consideration of the balance between risk and revenue, within the scope of the preset risk thresholds.
- Decision making systems regarding risk must be operated in a way that allows sufficient consideration of risk by the management
- Risk management organization must be composed and operated independently from business departments
- Performance management systems must be operated to allow for the clear consideration of risks when making business decisions
- Even during normal times, precautionary views must be shared in preparation for the possible worsening of situations
- The holding company oversees the risk management of its subsidiaries

2) Risk Management Organization

① Risk Management Committee

The Risk Management Committee performs the role of comprehensively managing and controlling risks at the Group level, in order to promptly recognize, measure, monitor and control risks that may arise in the course of business management by the holding company and subsidiaries thereof.

The major roles of the Risk Management Committee are as follows:

- Establishment of basic risk management policies and strategies:
 - The Risk Management Committee establishes basic policies and strategies, including a risk management philosophy and risk management principles, for systematic management of risks.
- Determination of permissible risk level:
 - Each year, the Risk Management Committee determines the overall permissible risk level for the Group and each subsidiary by taking into consideration the economic and financial environment at home and abroad.
- Approval of investment limits and maximum permissible loss:
 - The amount of risk capital out of all available capital is determined according to the risk tolerance determined annually, and it is allocated to each subsidiary and according to the risk type.
- Establishment and revision of risk management regulations and the regulations of the Group Risk Management Council:
 - Risk management regulations and the regulations of the Group Risk Management Council are established and implemented for optimal risk management, and they are revised or abolished, as necessary.
- Other
 - The Risk Management Committee deliberates on matters concerning the risks that accompany important management decisions at the Group level requiring a resolution of the BOD, including changes to the organization, commencement of new businesses and large investments, and gets briefed on the current status and major issues of risk management of the Group.

② Group Risk Management Council

The Group Risk Management Council has the authority to deliberate on necessary details in relation to carrying out the risk management policies established by the Risk Management Committee at the level of the holding company and subsidiaries. The Council also reaches resolution on matters delegated by the Risk Management Committee and performs the role of understanding the current status of risk management of the Group as a whole and each subsidiary as well as exchanging information on risk management among subsidiaries.

The major roles of the Group Risk Management Council are as follows:

- Matters for Resolution
 - Matters delegated by the Committee
 - Matters requiring resolution of the Council, as specified by the regulations of the Group Risk Management Council
 - Enactment and abolishment of guidelines on risk management. Provided, heads of departments in charge of risk management are delegated authority to copy and incorporate in full any changes to higher regulations such as relevant legislations and regulations of supervisory authorities and to make simple revisions to terminology or phrases, and shall report to the Council ex-post.
- Matters for Deliberation
 - Matters concerning agenda tabled by the Committee (Provided, agenda for deliberation may be omitted when deemed necessary by the risk management officer of the holding company)
 - Important matters among matters for resolution by the Risk Management Committees of subsidiaries and result of implementation thereof
 - Adjustments to the classification of asset quality or allowances for questionable accounts in accordance with criteria set by the Committee
 - Matters concerning the introduction of a new product at the Group level
 - Matters the Chair is requested to deliberate on by a member or matters recognized by the Chair to be in need of deliberation
- Matters for Report
 - Status of progress and management of matters deliberated or resolved by the Council
 - Other matters deemed necessary by the Council

③ Risk Management Department

The Risk Management Department is responsible for overseeing the risk management affairs of the financial holding company and its subsidiaries, including the monitoring, control and reporting of risks. The department operates independently from departments within the financial holding company and business (support) departments of subsidiaries.

(3) Credit Risk

Credit risk refers to the potential financial losses that the Bank may incur when a counterparty becomes insolvent or refuses its financial obligations within the period specified in the contract. The goal of credit risk management is to keep the credit risk exposure to a permissible level and to optimize its rate of return in reflection of the risks.

1) Management of Credit Risk

Woori Financial Group measures credit risk by taking into account the possibility of non-performance of contract obligations by a customer or counterparty, exposure to credit risk in relation to a counterparty, a counterparty's exposure to the risk of insolvency, the rate of loss upon insolvency and other factors. A credit rating assessment model is used to assess the possibility of defaulting by a counterparty, and credit ratings are assessed by applying a quantitative method using financial statements and other data, a statistical method of calculating the credit score, judgment by evaluators, etc.

In order to manage credit risk limits, Woori Financial Group calculates the ceiling for credit extension for each joint borrowers, company, industry, etc. based on joint borrower management, total exposure management and portfolio management.

Woori Financial Group uses a set of techniques to lower the credit risk of assets by purchasing financial collateral, physical collateral, guarantees, on-balance-sheet items and credit derivatives, which have little correlation with the borrower's credit status. Woori Financial Group applies the comprehensive method among credit risk reduction techniques, and the amount of credit risk reduction is reflected for eligible financial collateral, trade receivables, guarantees, commercial and residential real estate properties and other collateral that are applicable for the approach applied. Furthermore, the collateral used for credit risk reduction is re-evaluated on a regular basis.

2) Maximum Exposure

Maximum exposure of financial assets to credit risk indicates the uncertainty of maximum volatility in the net value of the financial assets due to volatility in a particular risk factor, before considering the book value of collateral after allowances or other credit enhancement. Provided, the maximum exposure to credit risk of derivatives is the on-balance sheet fair value amount, that of payment guarantee is the maximum amount payable upon claims by the principal debtor pursuant to the guarantee contract, and that of loan agreement is undrawn commitment.

(4) Market Risk Management

Market risks refer to potential losses that can be incurred from trading positions of a financial institution according to changes in market factors, such as interest rates, stock prices, and exchange rates.

1) Trading Market Risk

Market risk management involves the process of making and applying decisions to avoid, take or reduce risks by identifying the sources of risk for each risk factor, measuring the magnitude of the identified risk sources and evaluating whether the level of market risk assumed is appropriate.

Woori Financial Group Inc. uses both a standard approach and an internal model (Woori Bank) to measure market risks and the Risk Management Committee allocates the market risk capital. The risk management departments of the Group and subsidiaries manage detailed ceilings including risk limit and loss limit of trading positions. The result of risk management is reported regularly to the Risk Management Committee.

For the trading segment, Group-wide market risk is managed by the standard method of the FSS, while Woori Bank measures Value at Risk (VaR) to manage and measure market risk in order to predict the market risk of its trading positions and the maximum loss expected. The VaR method, which involves using statistical techniques, is designed to estimate potential losses in the portfolio that may be incurred by unfavorable volatility in the market at a certain time in the present or future. The result produced by using this method is an estimated maximum loss at a 99% confidence level, which means that it is statistically possible (1% probability) that the actual loss turns out to be larger than what was estimated by VaR. The actual losses incurred are monitored on a regular basis for the purpose of reviewing the feasibility of assumptions, variables and factors used when calculating VaR. This approach, however, does not prevent losses in excess of the limit when there is greater market volatility.

2) Interest Rate Risk

In the case of Woori Bank, interest rate risks in the non-trading sectors are measured and managed based on the change in net interest income (Δ NII) and change in economic value of equity (Δ NEVE) according to the interest rate risk in the banking book (IRRBB) introduced in late 2019.

Δ NII represents changes in net interest income that may occur over a certain period of time (e.g. one year) in the future due to changes in interest rates, while Δ EVE represents fluctuations in the economic value of equity capital that may occur due to changes in interest rates affecting the present values of assets, liabilities and off-balance sheet items.

The subsidiaries of the Group, other than Woori Bank, measure and manage interest rate risk using earnings at risk (EaR) and value at risk (VaR) in association with interest rates.

EaR represents the maximum change expected in profit or loss corresponding to the maximum decrease in net interest income that can occur over a certain period of time (e.g. one year) in the future due to changes in unfavorable fluctuations in interest rates. VaR is the maximum expected loss, which represents the maximum decrease in net asset value that can potentially occur at present or a specific point in time in the future due to unfavorable fluctuations in interest rates.

(5) Liquidity Risk

Liquidity risk refers to the risk of failing to perform the payment obligation at maturity on financial liabilities that consolidated companies bear.

Liquidity risk management is aimed at preventing potential losses arising from a shortage of funds by effectively managing liquidity crunches caused by disparities in the maturity of assets and liabilities or unexpected outflow of funds. Products relevant to liquidity risk that recognized as financial liabilities on the consolidated financial statements are subject to liquidity risk management.

In managing liquidity risk, Woori Financial Group Inc. groups assets and liabilities according to a different ALM chart of accounts, then determines the maturity gaps and gap ratios from cash flow statements by time group (time to maturity or contract periods). Based on the outcomes, Woori Financial Group maintains the gap ratios within predetermined target ratios (limits).

(6) Operational Risk

Woori Financial Group defines operational risks as the potential risk of loss that could result from inadequate internal processes, personnel and systematic factors, as well as external factors.

To reinforce competitiveness, reduce the amount of risk capital, enhance operational risk management competencies and prevent any unexpected incidents, Woori Bank has established an operational risk management system developed under Basel II. The objectiveness of operational risk management system has been tested internally and by an independent third party. The advanced measurement approach was submitted to and obtained approval from the FSS.

(7) Capital Management

Woori Financial Group Inc. complies with the capital adequacy standards put forth by financial supervisory bodies that are based on Basel III of the Basel Committee on Banking Supervision under the Bank for International Settlements. These standards were introduced in Korea at the end of December 2013. In late September 2020, 「Basel III: Finalizing post-crisis reforms」 was introduced for credit risk management.

The capital adequacy ratio is calculated by dividing total capital by total risk-weighted assets, based on consolidated financial statements.

E. Matters Concerning Overseas Subsidiaries

Due to the stagnant growth of the domestic financial market, Woori Bank, a major subsidiary of Woori Financial Group, has been laying the groundwork for global operations by expanding regional networks in Southeast Asia, boasting high growth potential in consideration of NIM, branch and financial inclusivity and economic growth rate. Woori Bank is continually pursuing localization through M&As with local banks (Indonesia, the Philippines and Cambodia) and the conversion of existing branches into local subsidiaries (Vietnam), while seeking to diversify its business portfolio by entering new markets through savings banks and non-banking financial firms. In addition to the existing business segments, Woori Bank is also striving to develop new markets by conducting market surveys to discover new business areas. As of the end of December 2020, Woori Bank has a global network of 447 places of business.

Woori Bank, in particular, will continue to expand its global operations based on the strategy to expand its customer base and growth potential with financially sound assets, reinforce its competencies by applying a wide array of business models and bolstering its global digital banking services. It is also noteworthy that the company is in the process of building a company-wide system to support and manage global operations by nurturing global examiners and improving its risk management system, through which it is endeavoring to achieve quantitative and qualitative growth.

As of the end of 2020, the status of foreign subsidiaries of the Group are as follows:

(Unit: %)

Category (Percentage of Ownership)	Capital Adequacy Ratio			Asset Quality				Profitability			Liquidity
	BIS Capital Adequacy Ratio	BIS Tier 1 Capital Ratio	Tangible Common Equity Ratio	Loss-Risk Weighted Loan Ratio	Substandard and Below Ratio	Ratio of Allowance for Credit Loss	Ratio of Delinquent Loans	ROA	Expense Ratio to Total Assets	Cost to Income Ratio	Foreign Currency Liquidity Ratio
Woori America Bank (100.00%)	16.13	15.72	12.36	0.83	0.7	70.78	0.66	0.6	2.28	70.48	94.35
China Woori Bank (100.00%)	17.8	17.58	9.37	3.69	1.5	14.95	1.97	0.17	1.07	74.31	163.61
Indonesia Woori Saudara Bank (79.88%)	16.97	16.18	14.1	5.26	1.08	132.33	1.22	0.96	1.79	47.28	63.29
Wealth Development Bank (51.00%)	15.72	15.24	12.53	29.11	6.29	26.49	6.75	0.62	3.93	80.45	102.29
Vietnam Woori Bank (100.00%)	26.49	26.26	17.6	0.65	0.26	223	0.28	0.81	1.76	64.44	111.45
Woori Finance Cambodia (100.00%)	28.54	27.76	28.77	0.33	0.26	438.93	0.26	4.17	5.02	46.63	158.44
Europe Woori Bank (100.00%)	18.42	18.34	13	17.74	7.23	101.99	7.23	△4.02	1.82	116.49	89.14
Brazil Woori Bank (100.00%)	44.91	44.75	15.19	-	-	-	-	1.05	2.59	52.06	782.85
Russia Woori Bank (100.00%)	13.52	13.32	14.18	-	-	-	-	0.86	1.29	50.19	97.42
Hong Kong Woori Investment Bank (100.00%)	56.36	56.11	27.06	3.61	4.12	36.24	0	0.7	0.85	47.53	92.18

■ Korea BTL Infrastructure Fund

Korea BTL Infrastructure Fund ("the Company") is a collective investment vehicle as defined by the Act on Public-Private Partnerships in Infrastructure and an investment company as per the Financial Investment Services and Capital Markets Act. The major shareholder, Woori Bank, has committed to invest a total of KRW 1.3 trillion in the Company under a purchase agreement valid until June 4th, 2036 (extendible for up to six years).

As of end of December 2020, funds under management of the Company are fully financed by equity capital and the major shareholder, Woori Bank, has been executing equity investment through capital call since the incorporation of the Company. The Company currently invests in or extends loans to project concessionaires, concentrating on highly stable projects whose principal and interest of investment are either paid or compensated by the government. Invested projects include one BTO project, 43 BTL projects and 2 government cost compensation projects. Maintaining this tendency, investments will be made gradually with the outstanding commitment under the purchase agreement.

The Company is maintaining a robust return on investment (ROI). (KRW 768.4 billion in capital and ROI of 4.64%, as of the end of December 2020 [internal rate of return (IRR) since incorporation under the assumption that the investment principal will be recovered at the end of 2020]). Most of the investment assets are BTL projects, where the payment of the principal and interest is tied to the yield on five-year government bonds, and as such, the returns are likely to fluctuate with the yields of the bonds in question. As of the end of December 2019, the ROI under the same assumption was 4.79%, a slight decline year-over-year, and this was attributable to a decrease in the return on five-year government bonds.

Currently, the Company is both making and redeeming investments. Following the recovery schedules for each invested project, the principals of investment will be recovered quarterly over the duration of the fund, once the investment is complete. Depending on whether new investments will be executed by the Company, either a capital increase of the Company or a redemption on investment by shareholders will be carried out systematically.

INDEPENDENT AUDITOR'S REPORT

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Woori Financial Group Inc.

Opinion

We have audited the accompanying separate financial statements of Woori Financial Group Inc. (the Company), which comprise the separate statement of financial position as of December 31, 2020, and the statement of comprehensive income, separate statement of changes in equity and separate statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements present fairly, in all material respects, the separate financial position of Woori Financial Group Inc. as of December 31, 2020, and its separate financial performance and its separate cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

We also have audited, in accordance with Korean Standards on Auditing, the Company's Internal Control over Financial Reporting as of December 31, 2020, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting, and our report dated March 12, 2021, expressed an unqualified opinion

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matter

No key audit matter is identified to be described in this audit report.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 of the financial statements, which indicates that the outbreak of COVID-19 in 2020 may have a negative impact on the Company's financial condition and results of operations.

Other Matters

The separate financial statements of the Company for the year ended December 31, 2019, were audited by Deloitte Anjin LLC auditor who expressed an unqualified opinion on those statements on March 16, 2020.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such separate financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sung-Jae Lim, Certified Public Accountant.

Samil Pricewaterhouse Coopers Seoul, Korea

March 12, 2021

This report is effective as of March 12, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying separate financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

WOORI FINANCIAL GROUP INC. SEPARATE STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

	December 31, 2020	December 31, 2019
	(Korean Won in millions)	
ASSETS		
Cash and cash equivalents (Notes 5 and 30)	69,176	43,670
Financial assets at fair value through profit or loss ("FVTPL") (Notes 4, 6, 9 and 17)	7,247	9,434
Financial assets at fair value through other comprehensive income ("FVTOCI") (Notes 4, 7 and 9)	149,614	-
Loans and other financial assets at amortized cost (Notes 4, 8, 9 and 30)	619,117	1,269,203
Investments in subsidiaries (Notes 10 and 30)	21,562,229	19,873,593
Premises and equipment (Notes 11 and 30)	12,538	7,383
Intangible assets (Note 12)	5,282	3,310
Net defined benefit asset (Note 15)	3,509	-
Current tax assets (Note 27)	307	-
Deferred tax assets (Note 27)	964	-
Total assets	<u>22,429,983</u>	<u>21,206,593</u>
LIABILITIES		
Debentures (Notes 4, 9 and 13)	1,147,503	947,679
Provisions (Note 14)	782	600
Net defined benefit liability (Note 15)	-	3,482
Current tax liabilities (Note 27)	215,071	133,526
Deferred tax liabilities (Note 27)	-	154
Other financial liabilities (Notes 4, 9, 16, 30 and 31)	22,085	10,745
Other liabilities (Note 16)	570	4,142
Total liabilities	<u>1,386,011</u>	<u>1,100,328</u>
EQUITY (Note 18)		
Capital stock	3,611,338	3,611,338
Hybrid securities	1,895,322	997,544
Capital surplus	14,874,084	14,874,084
Other equity	(1,518)	(631)
Retained earnings	664,746	623,930
Total equity	<u>21,043,972</u>	<u>20,106,265</u>
Total liabilities and equity	<u>22,429,983</u>	<u>21,206,593</u>

The accompanying notes are part of this financial statements.

WOORI FINANCIAL GROUP INC. SEPARATE STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD FROM JANUARY 11, 2019 (DATE OF INCORPORATION) TO DECEMBER 31, 2019

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
	(Korean Won in millions)	
Interest income	10,082	7,741
Interest expense	(23,035)	(7,701)
Net interest income (Notes 9, 20 and 30)	<u>(12,953)</u>	<u>40</u>
Fees and commissions income	805	-
Fees and commissions expense	(16,199)	(15,833)
Net fees and commissions loss (Notes 21 and 30)	<u>(15,394)</u>	<u>(15,833)</u>
Dividend income (Notes 22 and 30)	680,375	676,000
Net gain(loss) on financial instruments at FVTPL (Notes 9 and 23)	(920)	9,434
Reversal(Provision) of impairment losses due to credit loss (Notes 24 and 30)	116	(263)
General and administrative expenses (Notes 25 and 30)	(56,472)	(39,941)
Operating income	<u>594,752</u>	<u>629,437</u>
Non-operating expense (Note 26)	<u>(215)</u>	<u>(750)</u>
Net income before income tax expense	<u>594,537</u>	<u>628,687</u>
Income tax income(expense) (Note 27)	781	(394)
Net income	<u>595,318</u>	<u>628,293</u>
Net loss on valuation of equity securities at FVTOCI	(280)	-
Remeasurement loss related to defined benefit plan	(607)	(631)
Items that will not be reclassified to profit or loss:	<u>(887)</u>	<u>(631)</u>
Other comprehensive loss, net of tax	<u>(887)</u>	<u>(631)</u>
Total comprehensive income	<u>594,431</u>	<u>627,662</u>
Earnings per share (Note 28)		
Basic and diluted earnings per share (Unit: In Korean Won)	<u>757</u>	<u>900</u>

The accompanying notes are part of this financial statements.

WOORI FINANCIAL GROUP INC. SEPARATE STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD FROM JANUARY 11, 2019 (DATE OF INCORPORATION) TO DECEMBER 31, 2019

	Capital stock	Capital surplus	Hybrid securities	Other equity	Retained earnings	Total equity
	(Korean Won in millions)					
January 11, 2019 (Date of incorporation)	3,400,822	14,565,637	-	-	-	17,966,459
Total comprehensive income						
Net income	-	-	-	-	628,293	628,293
Remeasurement loss related to defined benefit plan	-	-	-	(631)	-	(631)
Transactions with owners						
Comprehensive stock exchange (Note 1)	210,516	309,460	-	-	-	519,976
New stocks issue cost	-	(1,013)	-	-	-	(1,013)
Issuance of hybrid securities	-	-	997,544	-	-	997,544
Dividends to hybrid securities	-	-	-	-	(4,363)	(4,363)
December 31, 2019	3,611,338	14,874,084	997,544	(631)	623,930	20,106,265
January 01, 2020	3,611,338	14,874,084	997,544	(631)	623,930	20,106,265
Total comprehensive income						
Net income	-	-	-	-	595,318	595,318
Net loss on valuation of equity securities at FVTOCI	-	-	-	(280)	-	(280)
Remeasurement loss related to defined benefit plan	-	-	-	(607)	-	(607)
Transactions with owners						
Dividends to common stocks	-	-	-	-	(505,587)	(505,587)
Issuance of hybrid securities	-	-	897,778	-	-	897,778
Dividends to hybrid securities	-	-	-	-	(48,915)	(48,915)
December 31, 2020	3,611,338	14,874,084	1,895,322	(1,518)	664,746	21,043,972

The accompanying notes are part of this financial statements.

WOORI FINANCIAL GROUP INC. SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD FROM JANUARY 11, 2019 (DATE OF INCORPORATION) TO DECEMBER 31, 2019

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
	(Korean Won in millions)	
Cash flows from operating activities:		
Net income	595,318	628,293
Adjustments to net income:		
Income tax expense(income)	(781)	394
Interest income	(10,082)	(7,741)
Interest expense	23,035	7,701
Dividend income	(680,375)	(676,000)
	<u>(668,203)</u>	<u>(675,646)</u>
Adjustments for profit/loss items not involving cash flows:		
Provision(Reversal) of impairment losses due to credit loss	(116)	263
Loss(Gain) on valuation of financial instruments at FVTPL	920	(9,434)
Retirement benefit	3,499	4,899
Depreciation and amortization	5,449	4,098
	<u>9,752</u>	<u>(174)</u>
Changes in operating assets and liabilities:		
Loans and other financial assets at amortized cost	(188)	(1,365)
Net defined benefit liability	(11,329)	(1,687)
Other financial liabilities	7,213	7,055
Other liabilities	(3,571)	4,142
	<u>(7,875)</u>	<u>8,145</u>
Interest income received	13,080	4,082
Interest expense paid	(22,559)	(6,097)
Dividends received	680,375	676,000
Income tax paid	(397)	-
	<u>670,499</u>	<u>673,985</u>
Net cash provided by operating activities	<u>599,491</u>	<u>634,603</u>
Cash flows from investing activities:		
Net decrease(increase) on other investment assets	730,000	(1,130,000)
Acquisition of investments in subsidiaries	(1,687,371)	(1,370,785)
Acquisition of financial assets at FVTOCI	(150,000)	-
Acquisition of premises and equipment	(3,074)	(6,722)
Acquisition of intangible assets	(3,051)	(4,630)
Increase on guarantee deposits for leases	(1,118)	(955)
	<u>(1,114,614)</u>	<u>(2,513,092)</u>

(Continued)

WOORI FINANCIAL GROUP INC. SEPARATE STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020 AND FOR THE PERIOD FROM JANUARY 11, 2019 (DATE OF INCORPORATION) TO DECEMBER 31, 2019 (CONTINUED)

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
	(Korean Won in millions)	
Cash flows from financing activities:		
Issuance of debentures	199,556	947,604
Issuance of hybrid securities	897,778	997,544
Redemption of lease liabilities	(2,203)	(1,289)
New stock issuance cost	-	(17,337)
Dividends paid to hybrid securities	(48,915)	(4,363)
Dividends paid	(505,587)	-
	540,629	1,922,159
Net increase in cash and cash equivalents	25,506	43,670
Cash and cash equivalents, beginning of the period	43,670	-
Cash and cash equivalents, end of the period (Note 5)	69,176	43,670

The accompanying notes are part of this financial statements.

WOORI FINANCIAL GROUP INC. NOTES TO SEPARATE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020 AND 2019

1. GENERAL

(1) Summary of the parent company

Woori Financial Group, Inc. (hereinafter referred to the “Company”) is primarily aimed at controlling subsidiaries that operate in the financial industry or those that are closely related to the financial industry through the ownership of shares and was established on January 11, 2019 under the Financial Holding Company Act through the comprehensive transfer with shareholders of Woori Bank, Woori FIS Co., Ltd., Woori Finance Research Institute Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Services Co., Ltd. and Woori Private Equity Asset Management Co. Ltd. The headquarters of the Company is located at 51, Sogong-ro, Jung-gu, Seoul, Korea, and the capital is 3,611,338 million won as of December 31, 2020 while the Korea Deposit Insurance Corp. (“KDIC”), the Company’s largest shareholder, owns 124,604,797 shares (17.25%) of the Company’s stocks issued. The Company’s stocks were listed on the Korea Exchange on February 13, 2019, and its American Depository Shares (“ADS”) are also being traded as the underlying common stock on the New York Stock Exchange since the same date.

The details of stock transfer from the Company and subsidiaries as of incorporation are as follows (Unit: Number of shares):

Stock transfer company	Total number of issued shares	Exchange ratio per share	Number of Parent company’s stocks
Woori Bank	676,000,000	1.0000000	676,000,000
Woori FIS Co., Ltd.	4,900,000	0.2999708	1,469,857
Woori Finance Research Institute Co., Ltd.	600,000	0.1888165	113,289
Woori Credit Information Co., Ltd.	1,008,000	1.1037292	1,112,559
Woori Fund Service Co., Ltd.	2,000,000	0.4709031	941,806
Woori Private Equity Asset Management Co., Ltd.	6,000,000	0.0877992	526,795

As of August 1, 2019, the Company acquired a 73% interest in Woori Asset Management Co. (Formerly Tongyang Asset Management Corp.). The remaining payment was completed in August, 2019 after the request for the change of major shareholder was approved by the Financial Service Commission in July, 2019 and the Company gained 100% control of Woori Global Asset Management Co., Ltd. (formerly ABL Global Asset Management Co., Ltd), and added it as a consolidated subsidiary.

The Company paid 598,391 million won in cash and 42,103,377 new shares of the parent company to acquire 100% interest of Woori Card Co., Ltd. from its subsidiary Woori Bank on September 10, 2019. On the same date, the Company also acquired 59.8% interest of Woori Investment Bank Co., Ltd. from Woori Bank with 392,795 million won in cash.

As of December 30, 2019, the Company acquired 67.2% interests (excluding treasury stock, 51.0% when including treasury stock) in Woori Asset Trust Co. (formerly Kukje Asset Trust Co.)

As of December 10, 2020, the Company acquired 76.8% interests (excluding treasury stock, 74% when including treasury stock) in Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.).

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of presentation

The Company's separate financial statements are prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS"). Significant accounting policies applied in the preparation of the financial statements are described below.

The Company is preparing its financial statements in accordance with the K-IFRS, and the separate financial statements are prepared in accordance with K-IFRS 1027 "Separate Financial Statements". The financial statements of the parent, associate or joint venture represent the investment assets in a manner that is based on direct equity investments, not based on the reported performance and net assets of the investee.

The financial statements are prepared at the end of each reporting period on the historical cost basis, except for certain non-current assets and financial assets that are either revalued or measured in fair value. Historical cost is generally measured at the fair value of consideration given to acquire assets.

The financial statements of the Company were approved with adjustments as of March 5, 2021 after the initial approval for the issuance as of February 5, 2021, and are planned to be finalized at the shareholder's meeting on March 26, 2021.

- 1) The new standards and interpretations introduced from the current term and the resulting changes in accounting policies are as follows:

1.1 Amendments to K-IFRS 1103 Business Combination – Definition of a Business

To consider the integration of the required activities and assets as a business, the amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs and excludes economic benefits from the lower costs. An entity can apply a concentration test, an optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset or a group of similar assets, the assets acquired would not represent a business. The amendment does not have a significant impact on the financial statements.

1.2 Amendments to K-IFRS 1001 Presentation of Financial Statements and K-IFRS 1008 Accounting policies, changes in accounting estimates and errors – Definition of Material

The amendments clarify the explanation of the definition of material and amended K-IFRS 1001 and K-IFRS 1008 in accordance with the clarified definitions. Materiality is assessed by reference to omission or misstatement of material information as well as effects of immaterial information, and to the nature of the users when determining the information to be disclosed by the Company. The amendment does not have a significant impact on the financial statements.

1.3 Amendments to K-IFRS 1116 Lease – Practical expedient for COVID-19-Related Rent Exemption, Concessions, Suspension

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

With implementation of K-IFRS 1116 Lease, the Company has changed accounting policy. The Company has adopted K-IFRS 1116 retrospectively, as permitted under the specific transitional provisions in the standard. There was no cumulative impact on the beginning balance of retained earnings as at January 1, 2020 by retrospectively applying this standard, and the Company did not restate comparatives for the 2019 reporting period.

- 2) The details of K-IFRS that have been issued and published as of the date of issue approval of the financial statements but have not yet reached the effective date, and which the Company has not applied at an earlier date are as follows:

2.1 Amendments to K-IFRS 1103 'Business Combinations' - Citation of Conceptual Framework

Although the definition of assets and liabilities to be recognised was amended to refer to the revised conceptual framework for financial reporting, it added exceptions to apply the IFRS for liabilities and contingent liabilities within the scope of IAS 1037 'Provisions, Contingent Liabilities and Contingent Assets' and IFRS 2121 'Levies' and clarified that contingent assets are not recognised at acquisition date. This amendment will be applied for annual periods beginning on or after January 1, 2022, and early application is permitted. We expect that the amendments to the Standard will have no significant impact on financial statements.

2.2 Amendments to IAS 1037 'Provisions, Contingent Liabilities and Contingent Assets' - Loss-bearing

When identifying a loss-bearing contract, it was clarified that the scope of the contract's implementation costs is the allocation of incremental costs for contract execution and other costs directly related to contract performance. This amendment will be applied for the fiscal year beginning on or after January 1, 2022, and early application is permitted. It is expected that the amendments to the Standard will have no significant impact on financial statements.

2.3 Amendments to Korean IFRS 1016 Property, plant and equipment – Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

2.4 Annual Improvements to K-IFRS 2018-2020

K-IFRS Annual Improvements 2018-2020 apply for annual periods beginning on or after January 1, 2022, and early application is permitted. We expect that the amendments to the Standard will have no significant impact on financial statements.

- K-IFRS 1101 'First Adoption of IFRS': Subsidiaries of first-time adopters
- K-IFRS 1109 'Financial Instruments': 10% test-related fees for the purpose of derecognising financial liabilities
- K-IFRS 1116 'Leases': Lease Incentives
- K-IFRS 1041 'Agriculture' : Measuring fair value

2.5 Amendments to Korean IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Company does not expect that these amendments have a significant impact on the financial statements.

The above enacted or amended standards will not have a significant impact on the Company.

(2) Investments in subsidiaries and associates in separate financial statements

The Company selects and processes the cost method in accordance with K-IFRS 1027 for investments in subsidiaries, associates and jointly controlled entities, except for those classified as held for sale in accordance with K-IFRS 1105 'Non-current Assets Held for Sale and Discontinued Operations'. Dividends received from subsidiaries, associates and jointly controlled entities are recognized in profit or loss as dividend income when the right to receive dividends is established.

(3) Revenue recognition

K-IFRS 1115 requires the recognition of revenues based on transaction price allocated to the performance obligation when or as the Company performs the obligation to the customer. Revenues other than those from contracts with customers, such as interest revenue, are measured through the effective interest rate method.

1) Revenues from contracts with customers

The Company recognizes revenue when the Company satisfies a performance obligation by transferring a promised good or service to a customer. When a performance obligation is satisfied, the Company shall recognize as a revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The revenue recognized by these standards is fees and commissions income.

2) Revenues from sources other than contracts with customers

Interest income on financial assets measured at FVTOCI and financial assets at amortized costs is measured using the effective interest method.

The effective interest method is a method of calculating the amortized cost of debt securities (or group of financial assets) and of allocating the interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial total carrying amount over the expected period, or shorter if appropriate. Future cash flows include commissions and cost of reward points (limited to the primary component of effective interest rate) and other premiums or discounts that are paid or received between the contractual parties, and future cash flows exclude expected credit loss when calculating the effective interest rate. All contractual terms of a financial instrument are considered when estimating future cash flows.

For purchased or originated credit-impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. Even if the financial asset is no longer impaired in the subsequent periods due to credit improvement, the basis of interest revenue calculation is not changed from amortized cost to unamortized cost of the financial assets.

3) Dividend income

Dividend income is recognized when the right to receive dividends as a shareholder is confirmed. Dividend income is recognized as an appropriate item of profit or loss in the statement of comprehensive income according to the classification of financial instruments.

(4) Accounting for foreign currencies

The Company's separate financial statements are presented in Korean Won, which is the functional currency of the Company. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at its prevailing exchange rates at the date.

(5) Cash and cash equivalents

The Company is classifying cash on hand, demand deposits, interest-earning deposits with original maturities of up to three months on acquisition date, and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value as cash and cash equivalents.

(6) Financial assets and financial liabilities

1) Financial assets

A regular way purchase or sale of financial assets is recognized or derecognized on the trade or settlement date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose term requires delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

On initial recognition, financial assets are classified into financial assets at FVTPL, financial assets at FVTOCI, and financial assets at amortized cost.

a) Business model

The Company evaluates the way business is being managed, and the purpose of the business model for managing a financial asset best reflects the way information is provided to the management at its portfolio level. Such information considers the following:

- The accounting policies and purpose specified for the portfolio, and the actual operation of such policies. This includes strategy of the management focusing on the receipt of contractual interest revenue, maintaining a certain level of interest income, matching the duration of financial assets and the duration of corresponding liabilities to obtain the asset, and outflow or realization of expected cash flows from disposal of assets.
- The way the performance of a financial asset held under the business model is evaluated, and the way such evaluation is being reported to the management
- The risk affecting the performance of the business model (and financial assets held under the business model), and the way such risk is being managed
- The compensation plan for the management (e.g. whether the management is being compensated based on the fair value of assets or based on contractual cash flows received)
- Frequency, amount, timing and reason for sale of financial assets in the past and forecast of future sale activities

b) Contractual cash flows

The principal is defined to be the fair value of a financial asset at initial recognition. Interest is not only composed of consideration for the time value of money, consideration for the credit risk related to remaining principal at a certain period of time, and consideration for other cost (e.g. liquidity risk and cost of operation) and fundamental risk associated with lending, but also profit.

When evaluating whether contractual cash flows are solely payments of principal and interests, the Company considers the contractual terms of the financial instrument. When a financial asset contains contractual conditions that modify the timing and amount of contractual cash flows, it is required to determine whether contractual cash flows that arise during the remaining life of the financial instrument due to such contractual condition are solely payments of principal and interest. The Company considers the following elements when evaluating the above:

- Conditions that lead to modification of timing or amount of cash flows
- Contractual terms that adjust contractual nominal interest, including floating rate features
- Early payment features and maturity extension features
- Contractual terms that limit the Company's claim on cash flows arising from certain assets (e.g. non-recourse feature)

1.1 Financial assets at FVTPL

The Company is classifying those financial assets that are not classified as either financial assets at amortized cost or financial assets at FVTOCI, and those designated to be measured at FVTPL, as financial assets at FVTPL. Financial assets at FVTPL are measured at fair value, and related profit or loss is recognized in net income. Transaction costs related to acquisition at initial recognition is recognized in net income immediately upon its occurrence.

It is possible to designate a financial asset as financial asset at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial asset at FVTPL; (b) the financial asset forms part of the Company's financial instrument group (A group composed of a combination of financial asset or liability), is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial asset is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial asset at FVTPL is allowed under K-IFRS 1109 'Financial Instruments'. However, the designation is irrevocable.

1.2 Financial assets at FVTOCI

When financial assets are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at FVTOCI. Also, for investments in equity instruments that are not held for short-term trade, an irrevocable election is available at initial recognition to present subsequent changes in fair value as other comprehensive income.

At initial recognition, financial assets at FVTOCI is measured at its fair value plus any direct transaction cost and is subsequently measured in fair value. However, for equity instruments that do not have a quotation in an active market and in which fair value cannot be measured reliably, they are measured at cost. The changes in fair value except for profit or loss items such as impairment losses (reversals), interest revenue calculated by using effective interest method, and foreign exchange gain or loss, and related income tax effects are recognized as other comprehensive income until the asset's disposal. Upon derecognition, the accumulated other comprehensive income is reclassified from equity to net income for FVTOCI (debt instrument), and reclassified within the equity for FVTOCI (equity instruments)

1.3 Financial assets at amortized cost

When financial assets are held under a business model whose objective is to hold financial assets in order to collect contractual cash flows, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at amortized cost. At initial recognition, financial assets at amortized cost are recognized at fair value plus any direct transaction cost. Financial assets at amortized cost is presented at amortized cost using effective interest method, less any loss allowance.

2) Financial liabilities

At initial recognition, financial liabilities are classified into either financial liabilities at FVTPL or financial liabilities at amortized cost.

Financial liabilities are usually classified as financial liabilities at FVTPL when they are acquired with a purpose to repurchase them within a short period of time, when they are part of a certain financial instrument portfolio that is actually and recently being managed with a purpose of short-term profit and joint management by the Company at initial recognition, and when they are derivatives that do not qualify as hedging instruments. Financial liabilities at FVTPL are measured at fair value plus direct transaction cost at initial recognition and are subsequently measured at fair value. Profit or loss arising from financial liabilities at FVTPL is recognized in net income when occurred.

It is possible to designate a financial liability as financial liability at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial liability at FVTPL; (b) the financial liability forms part of the Company's financial instrument group (a group composed of a combination of financial asset or liability) according to the Company's documented risk management or investment strategy, is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial liability is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial liability at FVTPL is allowed under K-IFRS 1109 'Financial Instruments'.

Financial liabilities designated as at FVTPL are initially recognized at fair value, with any direct transaction cost recognized in profit or loss, and are subsequently measured at fair value. Any profit or loss from financial liabilities at FVTPL are recognized in profit or loss.

Financial liabilities not classified as financial liabilities at FVTPL are measured at amortized cost. The Company is classifying liabilities such as borrowings etc. as financial liabilities at amortized cost.

3) Reclassification

Financial assets are not reclassified after initial recognition unless the Company modifies the business model used to manage financial assets. When the Company modifies the business model used to manage financial assets, all affected financial assets are reclassified on the first day of the first reporting period after the modification.

4) Derecognition

Financial assets are derecognized when contractual rights to cash flows from the financial assets are expired, or when substantially all of risk and reward for holding financial assets is transferred to another entity as a result of a sale of financial assets. If the Company does not have and does not transfer substantially all of the risk and reward of holding financial assets with control of the transferred financial assets retained, the Company recognizes financial assets to the extent of its continuing involvement. If the Company holds substantially all the risk and reward of holding a financial asset, it continues to recognize that asset and proceeds are accounted for as collateralized borrowings.

When a financial asset is fully derecognized, the difference between the book value and the sum of proceeds and accumulated other comprehensive income is recognized as profit or loss in case of FVTOCI (debt instruments), and as retained earnings for FVTOCI (equity instruments).

In cases when a financial asset is not fully derecognized, the Company allocates the book value into amounts retained in the books and removed from the books, based on the relative fair value of each portion at the date of sale, and based on the degree of continuing involvement. For the derecognized portion of the financial assets, the difference between its book value and the sum of proceeds and the portion of accumulated other comprehensive income attributable to that portion will be recognized in profit or loss in case of debt instruments and recognized in retained earnings in case of equity instruments. The accumulated other comprehensive income is distributed to the portion of book value retained in the books, and to the portion of book value removed from the books.

The Company derecognizes financial liabilities only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Company exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Company accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

5) Fair value of financial instruments

Financial assets at FVTPL and financial assets at FVTOCI are measured and presented in financial statements at their fair values, and all derivatives are also subject to fair value measurement.

Fair value is defined as the price that would be received to exchange an asset or paid to transfer a liability in a recent transaction between independent parties that are reasonable and willing. Fair value is the transaction price of identical financial assets or financial liabilities generated in an active market. An active market is a market where trade volume is sufficient and objective price information is available due to the fact that bid and ask price differences are small.

When trade volume of a financial instrument is low, when transaction prices within the market show large differences among them, or when it cannot be concluded that a financial instrument is being traded within an active market due to disclosures being extremely limited, fair value is measured using valuation techniques based on alternative market information or using internal valuation techniques based on general and observable information obtained from objective sources. Market information includes maturity and characteristics, duration, similar yield curve, and variability measurement of financial instruments of similar nature. Fair value amount contains unique assumptions on each entity (the Company concluded that it is using assumptions applied in valuing financial instruments in the market, or risk-adjusted assumptions in case marketability does not exist).

The market approach and income approach, which are valuation techniques used to estimate the fair value of financial instruments, both require significant judgment. Market approach measures fair value using either a recent transaction price that includes the financial instrument, or observable information on comparable firm or assets. Income approach measures fair value through discounting future cash flows with a discount rate reflecting market expectations, and revenue, operating income, depreciation, capital expenditures, income tax, working capital and estimated residual value of financial investments are being considered when deriving future cash flows. Valuation techniques such as the above include estimates based on the financial instruments' complexity and usefulness of observable information in the market.

6) Expected credit losses on financial assets

The Company recognizes loss allowance on expected credit losses for the following assets:

- Financial assets at amortized cost
- Debt instruments measured at FVTOCI
- Contract assets as defined by K-IFRS 1115

Expected credit losses are weighted-average value of a range of possible results, considering the time value of money, and are measured by incorporating information on past events, current conditions and forecasts of future economic conditions that are available without undue cost or effort at the reporting date. The methods to measure expected credit losses are classified into following three categories in accordance with K-IFRS:

- General approach: Financial assets that does not belong to below two models and unused loan commitments
- Simplified approach: When financial assets are either trade receivables, contract assets or lease receivables
- Credit impairment model: Purchased or originated credit-impaired financial assets

The measurement of loss allowance under general approach is differentiated depending on whether the credit risk has increased significantly after initial recognition. That is, loss allowance is measured based on 12-month expected credit loss when the credit risk has not increased significantly after initial recognition, while loss allowance is measured at lifetime expected credit loss when credit risk has increased significantly. Lifetime is the expected remaining life of the financial instrument up to the maturity date of the contract.

The measurement of loss allowance under simplified approach is always based on lifetime expected credit loss, and loss allowance under credit impairment model is measured as the cumulative change in lifetime expected credit loss since initial recognition.

a) Measurement of expected credit losses on financial asset at amortized cost

The expected credit losses on financial assets at amortized cost is measured by the difference between the contractual cash flows during the period and the present value of expected cash flows. Expected cash inflows are computed for individually significant financial assets in order to calculate expected credit losses.

When financial assets that are not individually significant, they are included in a group of financial assets with similar credit risk characteristics and expected credit losses of the Company are calculated collectively.

Expected credit losses are deducted through loss allowance account, and when the financial asset is determined to be uncollectible, the loss allowance is written off from the books along with the related financial asset.

b) Measurement of expected credit losses on financial asset at FVTOCI

The measurement method of expected credit loss is identical to financial asset at amortized cost, but changes in the allowance is recognized in other comprehensive income. When financial assets at FVTOCI is disposed or repaid, the related allowance is reclassified from accumulated other comprehensive income to net income.

(7) Offsetting financial instruments

Financial assets and liabilities are presented as a net amount in the statements of financial position when the Company has an enforceable legal right and an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

(8) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of premises and equipment is expenditures directly attributable to their purchase or construction, which includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset (if appropriate) if it is probable that future economic benefit associated with the assets will flow into the Company and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, for all other premises and equipment, depreciation is charged to net income on a straight-line basis by applying the following estimated economic useful lives on the amount of cost or revalued amount less residual value.

	Useful life
Leasehold Improvement	5 years
Equipment and Vehicles	5 years

The Company reassesses the depreciation method, the estimated useful lives and residual values of premises and equipment at the end of each reporting period. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate. When there is an indicator of impairment and the carrying amount of a premises and equipment item exceeds the estimated recoverable amount, the carrying amount of such asset is reduced to the recoverable amount.

(9) Intangible assets and goodwill

The Company is recognizing intangible assets measured at the manufacturing cost or acquisition cost plus additional incidental expenses less accumulated amortization and accumulated impairment losses. The Company's intangible asset are amortized over the following economic lives using the straight-line method. The estimated useful life and amortization method are reviewed at the end of each reporting period. The estimated useful life and amortization method of intangible assets with a finite useful life are reviewed at the end of each reporting period. The estimated useful life and amortization method of intangible assets with an indefinite useful life are reviewed at the end of each reporting period to ensure that the asset has an indefinite useful life. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate.

	Useful life
Software	1~5 years
Development cost	5 years

In addition, when an indicator that intangible assets are impaired is noted, and the carrying amount of the asset exceeds the estimated recoverable amount of the asset, the carrying amount of the asset is reduced to its recoverable amount immediately.

(10) Impairment of non-monetary assets

Intangible assets with indefinite useful lives or intangible assets that are not yet available for use are tested for impairment annually, regardless of whether or not there is any indication of impairment. All other assets are tested for impairment by estimating the recoverable amount when there is an objective indication that the carrying amount may not be recoverable. Recoverable amount is the higher of value in use or net fair value, less costs to sell. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and such impairment loss is recognized immediately in net income.

(11) Derivative instruments

Derivative instruments are classified as forwards, futures, options, and swaps depending on the types of transactions, and are classified as either trading or hedging at the point of transaction based on its purpose.

Derivatives are initially recognized at the fair value of the contract date and are subsequently measured at the fair value of the end of each reporting period. The resulting gain or loss is recognized in net income immediately unless the derivative is designated and effective as a hedging instrument. If derivatives have been designated as hedging instruments and it is effective, the recognition point of gain or loss depends on the characteristics of the hedging relationship.

Derivatives with a positive fair value(+) are recognized as financial assets, and derivatives with a negative fair value(-) are recognized as financial liabilities. Derivatives in financial statements are not offset unless they have a legally enforceable right to set-off or intend to set-off.

(12) Provisions

The Company recognizes provision if (a) it has present or contractual obligations as a result of the past event, (b) it is probable that an outflow of resources will be required to settle the obligation and (c) the amount of the obligation is reliably estimated. Provision is not recognized for the future operating losses.

The Company recognizes the expenses incurred in recovering the leased asset to its original state, under the terms of the lease, as a provision at the commencement date of lease or at a specific period of time when the asset is liable as a result of its use. The provision is measured as the best estimate of the expenditure required to recover the asset and is regularly reviewed and adapted to the new circumstances.

Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the obligations as a whole. Although the likelihood of outflow for any one item may be small, if it is probable that some outflow of resources will be needed to settle the obligations as a whole, a provision is recognized.

The balance of provisions is reviewed at the end of each reporting period and adjusted to reflect the best estimate as of the end of the reporting period.

(13) Equity instruments issued by the Company

1) Capital and compound financial instruments

The Company classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The compound financial instruments issued by the Company are financial instruments which are neither a financial liability nor an equity instrument as they were designed to contain both equity and debt elements.

If the Company reacquires its own equity instruments, the consideration paid including the direct transaction costs (net of income tax expense) are presented as a deduction from total equity until such instruments are retired or reissued. When these instruments are reissued, the consideration received (net of direct transaction costs) is included in the shareholder's equity.

2) Hybrid securities

In case of hybrid securities that have the unconditional right to avoid contractual obligations, such as to deliver cash or other financial assets related to financial instruments, they are classified as equity instruments and presented as part of equity.

(14) Employee benefits and pensions

The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees. Also, the Company recognizes expenses and liabilities in the case of accumulating compensated absences when the employees render services that entitle their right to future compensated absences. Similarly, the Company recognizes expenses and liabilities for customary profit distribution or bonuses when the employees render services, even though the Company does not have legal obligation to do so because it can be construed as constructive obligation.

The Company is operating defined benefit plans. For defined benefit plans, the defined benefit liability is calculated through an actuarial assessment using the projected unit credit method every end of the reporting period, conducted by professional actuaries. Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding interest), and the effect of the changes to the asset ceiling (if applicable) is reflected immediately in the separate statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in the statement of comprehensive income is not reclassified to profit or loss in the subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on curtailments and settlements), net interest expense (income) and remeasurement.

The Company presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the separate statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liabilities for termination benefits are recognized at the earlier of either 1) the date when the Company is no longer able to cancel its proposal for termination benefits or 2) the date when the Company has recognized the cost of restructuring that accompanies the payment of termination benefits.

(15) Income taxes

Income tax expense is composed of current tax and deferred tax. That is, income tax expense is composed of taxes payable or refundable during the period and deferred taxes calculated by applying asset-liability method to taxable and deductible temporary differences arising from operating loss and tax credit carryforwards.

Temporary differences are the differences between the carrying values of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax benefit or expense is recognized for the change in deferred tax assets or liabilities. Deferred tax assets and liabilities are measured as of the reporting date using the enacted or substantively enacted tax rates expected to apply in the period in which the liability is settled or asset realized. Deferred tax assets, including the carryforwards of unused tax losses, are recognized to the extent it is probable that the deferred tax assets will be realized.

The Company, as a consolidation group for its wholly-owned subsidiaries applies consolidated tax return approach, in which the Company and its subsidiaries are consolidated into a single tax base and tax amount. The Company determined whether temporary differences are realizable by considering the Company and each subsidiary's future taxable income. For the changes in deferred income tax asset (liability), the Company recognized income tax expense (benefit), excluding the amounts that are directly adjusted from equity. Also, as the Company became the consolidation entity for tax filings and tax returns, it recognized the total amount of income tax payables as liabilities and individual tax amounts to be received from each of its wholly-owned subsidiaries as receivables.

Deferred income tax assets and liabilities are offset if, and only if, the Company has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority or when the entity intends to settle current tax liabilities and assets on a net basis with different taxable entities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets or liabilities are not recognized if they arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity or when it arises from business combination.

The tax uncertainty arises from the compensation claim filed by the Company, and refund litigation for the amount of tax levied by the tax authority due to differences in tax law analysis. In response, the Company paid taxes in accordance with K-IFRS 2123 due to the tax authority's claim, but recognized as a corporate tax asset if it is highly probable of a refund in the future. In addition, the Company appropriately estimates and reflects the amount of corporate tax liabilities based on the analysis of corporate tax laws and the evaluation of many factors, including past experiences.

(16) Earnings per share ("EPS")

Basic EPS is a calculation of net income per each common stock. It is calculated by dividing net income attributable to ordinary shareholders by the weighted-average number of common shares outstanding. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential common shares.

(17) Share-based payments

For cash-settled share-based payment transactions that provide cash in return for the goods or services received, the Company measures the goods or services received, and the corresponding liability at the fair value and recognizes as employee benefit expenses and liabilities during the vesting period.

The fair value of the liability is remeasured at the end of each reporting period and the settlement date until the liability is settled, and changes in fair value are recognized as employee benefits.

(18) Leases

1) The Company determines whether the contract is, or contains, a lease at the date of initial application. A contract is or contains a lease if the right to control the use of an identified asset is transferred in exchange for the consideration received for a period of time. In determining whether a contract transfers control of the use of the identified asset, the Company uses the definition of lease in K-IFRS 1116.

2) Lessee
At the commencement date, the Company recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date (less any lease incentives received), initial direct costs, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement date to the end of the lease term. However, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset same as a fixed asset from the

commencement date to the end of the useful life of the underlying asset. The right-of-use asset may be reduced by an impairment of the underlying asset or adjusted by remeasurement of the lease liability.

At the commencement date, a lease liability is measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined. If the rate cannot be readily determined, the Company's incremental borrowing rate can be used. Generally, the Company uses incremental borrowing rate as a discount rate.

The Company makes adjustments to reflect the terms of the lease and the characteristics of the lease asset in interest rates obtained from external financial information, and calculates the incremental borrowing rate.

The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that depend on an index (or a rate), initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, lease payments of the extended period if the lessee is reasonably certain to exercise extension option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

A lease liability is subsequently measured by increasing the carrying amount to reflect interest rate on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured when future lease payments change, depending on the changes in an index or a rate, change in amounts expected to be payable due to residual value guarantees, assessment of whether the Company is reasonably certain to exercise the purchase option and extension option, the Company is not reasonably certain to exercise the termination options.

When lease liability is remeasured, the related right-of-use asset is adjusted and if the carrying amount of the right-of-use asset decreases to zero, the remeasurement amount is recognized in profit or loss.

A Company's judgment is used when determining the lease term for some contracts that contain extension options. The assessment on whether the Company is reasonably certain to exercise the extension option could affect the lease term, and therefore, the lease liability and the right-of-use asset could be significantly affected.

The Company reevaluates the lease term when the option is exercised (or not exercised) or the Company is liable to exercise (or not exercise) the option. Company will change its judgment only when significant events occur that affect the lessee's control and the determination of the lease term, or there is a significant change in the circumstances.

In the statement of financial position, the Company classified the right-of-use assets that do not meet the definition of investment property as 'premises and equipment' and the lease liabilities as 'other financial liabilities.'

The Company has chosen a practical expedient that does not recognize the right-of-use asset and lease liabilities for short-term leases with a lease term less than 12 months and leases for which the underlying asset is of low value. The Company recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The outbreak of COVID-19 in 2020 has had a significant impact on the global economy including Korea. Financial and economic shocks may have negative impacts on the Company's financial condition and results of

operations in various forms both domestically and internationally. The Company will continue to evaluate future prospects related to the duration of COVID-19's economic impact and the government's policies.

The significant accounting estimates and assumptions are continuously being evaluated based on numerous factors including historical experiences and expectations of future events considered to be reasonably possible. Actual results can differ from those estimates based on such definitions. The accounting estimates and assumptions that contain significant risk of materially changing current book values of assets and liabilities in the next accounting periods are as follows:

(1) Income taxes

The Company has recognized current and deferred taxes based on best estimates of expected future income tax effect arising from the Company's operations until the end of the current reporting period. However, actual tax payment may not be identical to the related assets and/or liabilities already recognized, and these differences may affect current taxes and deferred tax assets/liabilities at the time when income tax effects are finalized. Deferred tax assets relating to tax losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the tax losses carried forward and the deductible temporary differences can be utilized. In this case the Company's evaluation considers various factors such as estimated future taxable profit based on forecasted operating results, which are based on historical financial performance. The Company is reviewing the book value of deferred tax assets every end of the reporting period and in the event that the possibility of earning future taxable income changes, the deferred tax assets are adjusted up to taxable income sufficient to use deductible temporary differences.

(2) Valuation of financial instruments

Financial assets at FVTPL and FVTOCI are recognized in the separate financial statements at fair value. All derivatives are measured at fair value. Valuation techniques are required in order to determine fair values of financial instruments where observable market prices do not exist. Financial instruments that are not actively traded and have low price transparency will have less objective fair value and require broad judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in Note 2, (6) 5), 'Fair value of financial instruments', when valuation techniques are used to determine the fair value of a financial instrument, various general techniques are used, and various types of assumptions and variables are incorporated during the process.

(3) Impairment of financial instruments

KIFRS 1109 requires entities to measure loss allowance equal to 12-month expected credit losses or lifetime expected credit losses after classifying financial assets into one of the three stages, which depends on the degree of increase in credit risk after their initial recognition.

	Stage 1	Stage 2	Stage 3
	Credit risk has not significantly increased since initial recognition(*)	Credit risk has significantly increased since initial recognition	Credit has been impaired
Allowance for expected credit losses	Expected 12-month credit losses: Expected credit losses due to possible defaults on financial instruments within a 12-month period from the end of reporting period.	Expected lifetime credit losses: Expected credit losses from all possible defaults during the expected lifetime of the financial instruments.	

(*) Credit risk may be considered to not have been significantly increased when credit risk is low at the end of reporting period.

The Company has estimated the allowance for credit losses based on reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(4) Defined benefit plan

The Company operates a defined benefit pension plan. Defined benefit obligation is calculated at every end of the reporting period by performing actuarial valuation, and estimation of assumptions such as discount rate, expected wage growth rate and mortality rate is required to perform such actuarial valuation. The defined benefit plan, due to its long-term nature, contains significant uncertainties in its estimates.

4. RISK MANAGEMENT

The Company is exposed to various risks that may arise from its operating activities and credit risk, market risk and liquidity risk are the main types of risks. In order to manage such risks, the Risk Management Committee analyzes, assesses, and establishes risk management standards, including policies, guidelines, management systems and decision-making to ensure sound management of the Company.

The Risk Management Committee, Chief Risk Officer (“CRO”) and the Risk Management Department are operated as risk management organizations. The board of directors operates the Risk Management Committee, composed of nonexecutive directors for professional risk management. The Risk Management Committee performs as the top decision-making body for risk management by establishing fundamental risk management policies that are consistent with the Company’s management strategy and by determining the Company’s acceptable level of risk.

CRO assists the Risk Management Committee and operates the Company Risk Management Council, which is composed of the risk management managers of the subsidiaries, to periodically check and improve the external environment and the Company’s risk burden. The Risk Management Department which is independently structured, controls the risk management matter of the Company and reports key risks and assists decision-making.

(1) Credit risk

Credit risk represents the possibility of financial losses incurred when the counterparty fails to fulfill its contractual obligations. The goal of credit risk management is to maintain the Company’s credit risk exposure to a permissible degree and to optimize its rate of return considering such credit risk.

1) Credit risk management

The Company measures expected loss on assets subject to credit risk management and uses it as a management indicator.

2) Maximum exposure

The maximum exposure to credit risk is as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019
Loans and other financial assets at amortized cost (*)	Banks	598,398	1,228,918
	Corporates	20,719	40,285
	Sub-total	619,117	1,269,203
Financial assets at FVTPL	Derivative assets	7,247	9,434
	Total	626,364	1,278,637

(*) Cash and cash equivalents are not included.

a) Credit risk exposure by geographical areas

The following tables analyze credit risk exposure by geographical areas (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
	Korea	Korea
Loans and other financial assets at amortized cost	619,117	1,269,203

	December 31, 2020	December 31, 2019
	Korea	Korea
Financial assets at FVTPL	7,247	9,434
Total	626,364	1,278,637

b) Credit risk exposure by industries

The following tables analyze credit risk exposure by industries, which are finance and insurance, and others in accordance with the Korea Standard Industrial Classification Code as of December 31, 2020 and December 31, 2019 (Unit: Korean Won in millions):

	December 31, 2020		
	Finance and insurance	Others	Total
Loans and other financial assets at amortized cost	617,024	2,093	619,117
Financial assets at FVTPL	7,247	-	7,247
Total	624,271	2,093	626,364

	December 31, 2019		
	Finance and insurance	Others	Total
Loans and other financial assets at amortized cost	1,267,228	1,975	1,269,203
Financial assets at FVTPL	9,434	-	9,434
Total	1,276,662	1,975	1,278,637

3) Credit risk exposure

The maximum exposure to credit risk by asset quality, except for financial assets at FVTPL as of December 31, 2020 and December 31, 2019 is as follows (Unit: Korean Won in millions):

	December 31, 2020								
Financial assets	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net	
	Above appropriate credit rating (*1)	Less than a limited credit rating (*3)	Above appropriate credit rating (*2)	Less than a limited credit rating (*3)					
Loans and other financial assets at amortized cost	619,264	-	-	-	-	619,264	(147)	619,117	
Banks	598,545	-	-	-	-	598,545	(147)	598,398	
Corporates	20,719	-	-	-	-	20,719	-	20,719	
General business	20,719	-	-	-	-	20,719	-	20,719	
Total	619,264	-	-	-	-	619,264	(147)	619,117	

(*1) Credit grade of corporates are AAA ~ BBB.

(*2) Credit grade of corporates are A- ~ BBB.

(*3) Credit grade of corporates are BBB- ~ C.

	December 31, 2019								
Financial assets	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net	
	Above appropriate credit rating (*1)	Less than a limited credit rating (*3)	Above appropriate credit rating (*2)	Less than a limited credit rating (*3)					
Loans and other financial assets at amortized cost	1,269,466	-	-	-	-	1,269,466	(263)	1,269,203	
Banks	1,229,181	-	-	-	-	1,229,181	(263)	1,228,918	
Corporates	40,285	-	-	-	-	40,285	-	40,285	
General business	40,285	-	-	-	-	40,285	-	40,285	
Total	1,269,466	-	-	-	-	1,269,466	(263)	1,269,203	

- (*1) Credit grade of corporates are AAA ~ BBB.
- (*2) Credit grade of corporates are A- ~ BBB.
- (*3) Credit grade of corporates are BBB- ~ C.

(2) Market risk

Market risk is the possible risk of loss arising from trading position and non-trading position as a result of the volatility of market factors such as interest rates, stock prices and foreign exchange rates, and the Company's main market risk is interest rate risk.

The Company estimates and manages risks related to changes in interest rate due to the difference in the maturities of interest-bearing assets and liabilities and discrepancies in the terms of interest rates. Cash flows (both principal and interest), interest bearing assets and liabilities, presented by each re-pricing date, are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Within 3 months (*1)	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:							
Loans and other financial assets at amortized cost (*1)	469,756	-	-	-	-	-	469,756
Financial assets at FVTOCI (*2)	-	-	-	-	-	149,614	149,614
Sub-total	469,756	-	-	-	-	149,614	619,370
Liability:							
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391

	December 31, 2019						
	Within 3 months (*1)	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:							
Loans and other financial assets at amortized cost (*1)	445,070	733,330	-	-	-	-	1,178,400
Liability:							
Debentures	5,486	5,486	5,486	5,487	87,780	1,049,863	1,159,588

- (*1) The principal and interest cash flows of cash and cash equivalents are included in the cash flows within three months, with 69,206 million won and 43,670 million won as of December 31, 2020 and December 31, 2019, respectively.
- (*2) Due to the uncertain timing of the sale, it is included in the section for over 5 years in accordance with the expiration of the remaining contract

(3) Liquidity risk

Liquidity risk refers to the risk that the Company may encounter difficulties in meeting obligations from its financial liabilities.

1) Liquidity risk management

Liquidity risk management is to prevent damages from potential liquidity shortages with effective risk management that could arise from mismatching the assets and liabilities or unexpected cash outflows. The financial liabilities in the statement of financial position that are relevant to liquidity risk are incorporated within the scope of risk management.

The Company manages liquidity risk by identifying the maturity gap and such gap ratio through various

cash flows analysis (i.e. based on remaining maturity and contract period, etc.).

2) Maturity analysis of non-derivative financial liabilities

a) Cash flows of principals and interests by remaining contractual maturities of non-derivative financial liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391
Lease liabilities	722	705	705	704	2,768	-	5,604
Other financial liabilities	10,247	3,304	-	391	2,604	-	16,546
Total	17,069	10,109	6,805	7,195	297,446	1,027,917	1,366,541

	December 31, 2019						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	5,486	5,486	5,486	5,487	87,780	1,049,863	1,159,588
Lease liabilities	335	335	335	336	249	-	1,590
Other financial liabilities	6,131	2,043	-	183	820	-	9,177
Total	11,952	7,864	5,821	6,006	88,849	1,049,863	1,170,355

b) Cash flows of principals and interests by expected maturities of non-derivative financial liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	6,100	6,100	6,100	6,100	292,074	1,027,917	1,344,391
Lease liabilities	722	705	705	704	2,768	-	5,604
Other financial liabilities	10,247	3,304	-	391	2,604	-	16,546
Total	17,069	10,109	6,805	7,195	297,446	1,027,917	1,366,541

	December 31, 2019						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Debentures	5,486	5,486	5,486	5,487	87,780	1,049,863	1,159,588
Lease liabilities	335	335	335	336	249	-	1,590
Other financial liabilities	6,131	2,043	-	183	820	-	9,177
Total	11,952	7,864	5,821	6,006	88,849	1,049,863	1,170,355

(4) Capital management

The Company complies with the standard of capital adequacy provided by financial regulatory authorities. The capital adequacy standard is based on Basel published by Basel III Committee on Banking Supervision in Bank for International Settlement and was implemented in Korea in December 2013. The capital adequacy ratio is calculated by dividing own capital by asset (weighted with a risk premium – risk weighted assets) based on the consolidated financial statements of the Company.

According to the above regulations, the Company is required to meet the following minimum requirements: Common Equity Tier 1 capital ratio of 8.0% and 7.0%, a Tier 1 capital ratio of 9.5% and 8.5%, and a minimum

total capital ratio of 11.5% and 10.5% as of December 31, 2020, and 2019, respectively.

Details of the Company's capital adequacy ratio are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Tier 1 capital	19,828,094	19,135,300
Other Tier 1 capital	3,533,648	3,340,252
Tier 2 capital	4,086,035	4,639,519
Total risk-adjusted capital	27,447,777	27,115,071
Risk-weighted assets for credit risk	178,114,590	209,802,895
Risk-weighted assets for market risk	6,086,905	5,586,757
Risk-weighted assets for operational risk	14,067,185	12,656,301
Total risk-weighted assets	198,268,680	228,045,953
Common Equity Tier 1 ratio	10.00%	8.39%
Tier 1 capital ratio	11.78%	9.86%
Total capital ratio	13.84%	11.89%

5. STATEMENTS OF CASH FLOWS

(1) Details of cash and cash equivalents are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Demand deposits	19,176	43,670
Fixed deposits	50,000	-
Total	69,176	43,670

(2) Significant transactions of investing activities and financing activities not involving cash inflows and outflows are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Changes in other comprehensive income related to valuation of financial assets at FVTOCI	(280)	-
Increase in account payables related to acquisition of premises and equipment	60	-
Increase in account payables related to acquisition of intangible assets	18	-
Changes in right-of-use assets due to new contract	1,476	3,439
Changes in right-of-use assets due to renewal of contract	4,935	-
Changes in lease liabilities due to new contract	1,360	2,812
Changes in lease liabilities due to renewal of contract	4,829	-
Comprehensive stock transfer	-	18,502,760

(3) Adjustments of liabilities from financing activities for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020				
	Beginning	Cash flow	Not involving cash inflows and outflows		Ending
			Amortization	Others (*)	
Debentures	947,679	199,556	268	-	1,147,503
Lease liabilities	1,568	(2,203)	29	6,145	5,539
Total	949,247	197,353	297	6,145	1,153,042

(*) Changes in lease liabilities due to new and renewed contracts include 1,360 million won and 4,829 million won, respectively.

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019				
	Beginning	Cash flow	Not involving cash inflows and outflows		Ending
			Amortization	Others (*)	
Debentures	-	947,604	75	-	947,679
Lease liabilities	-	(1,289)	45	2,812	1,568
Total	-	946,315	120	2,812	949,247

(*) Changes in lease liabilities due to new contracts include 2,812 million won.

6. FINANCIAL ASSETS AT FVTPL

- (1) Details of financial assets at FVTPL as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Financial assets at fair value through profit or loss mandatorily measured at fair value	7,247	9,434

- (2) Financial assets at fair value through profit or loss mandatorily measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Derivatives assets	7,247	9,434

- (3) Financial assets at FVTPL designated as upon initial recognition is nil among financial assets at FVTPL as of December 31, 2020 and December 31, 2019.

7. FINANCIAL ASSETS AT FVTOCI

- (1) Details of financial assets at FVTOCI as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Hybrid securities	149,614	-

- (2) Details of equity securities designated as financial assets at FVTOCI as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

Purpose of acquisition	December 31, 2020	December 31, 2019
Investment for political purpose	149,614	-

8. LOANS AND OTHER FINANCIAL ASSETS AT AMORTIZED COST

- (1) Details of loans and other financial assets at amortized cost as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Due from banks	399,853	1,129,738
Other financial assets	219,264	139,465
Total	619,117	1,269,203

- (2) Details of due from banks are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Due from banks in local currency:		
Due from depository banks	400,000	1,130,000
Loss allowance	(147)	(262)
Total	399,853	1,129,738

- (3) Changes in the allowance for credit losses and gross carrying amount of due from banks are as follows (Unit: Korean Won in millions):

- 1) Allowance for credit losses

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(262)	-	-	(262)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	115	-	-	115
Ending balance	(147)	-	-	(147)

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision of allowance for credit loss	(262)	-	-	(262)
Ending balance	(262)	-	-	(262)

- 2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	1,130,000	-	-	1,130,000
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	(730,000)	-	-	(730,000)
Ending balance	400,000	-	-	400,000

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	1,130,000	-	-	1,130,000
Ending balance	1,130,000	-	-	1,130,000

- (4) Details of other financial assets are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Receivables	215,819	134,891
Accrued income	1,419	3,641
Lease deposits	2,026	934
Allowance for credit losses	-	(1)
Total	219,264	139,465

(5) Changes in the allowances for credit losses and gross carrying amount of other financial assets are as follows
(Unit: Korean Won in millions):

1) Allowance for credit losses

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(1)	-	-	(1)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal of allowance for credit loss	1	-	-	1
Ending balance	-	-	-	-

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Provision of allowance for credit loss	(1)	-	-	(1)
Ending balance	(1)	-	-	(1)

2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	139,466	-	-	139,466
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	79,798	-	-	79,798
Ending balance	219,264	-	-	219,264

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	-	-	-	-
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net increase (decrease)	139,466	-	-	139,466
Ending balance	139,466	-	-	139,466

9. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(1) The fair value hierarchy

The fair value hierarchy is determined by the levels of judgment involved in estimating fair values of financial assets and liabilities. The specific financial instruments characteristics and market condition such as volume of transactions and transparency are reflected to the market observable inputs. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities. The Company maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value of its financial assets and financial liabilities. Fair value is measured based on the perspective of a market participant. As such, even when market assumptions are not readily available, the Company's own assumptions reflect those that market participants would use for measuring the assets or liabilities at the measurement date.

The fair value measurement is described in the one of the following three levels used to classify fair value measurements:

- Level 1—fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The types of financial assets or liabilities generally included in Level 1 are publicly traded equity securities, derivatives, and debt securities issued by governmental bodies.
- Level 2— fair value measurements are those derived from inputs other than quoted prices included within Level 2 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). The types of financial assets or liabilities generally included in Level 2 are debt securities not traded in active markets and derivatives traded in OTC but not required significant judgment.
- Level 3— fair value measurements are those derived from valuation technique that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). The types of financial assets or liabilities generally included in Level 3 are non-public securities and derivatives and debt securities of which valuation techniques require significant judgments and subjectivity.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to a fair value measurement in its entirety requires judgment and consideration of inherent factors of the asset or liability.

(2) Fair value hierarchy of financial assets and liabilities measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Derivative assets	-	-	7,247	7,247
Financial assets at FVTOCI				
Hybrid securities	-	-	149,614	149,614
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Derivative assets	-	-	9,434	9,434

Financial assets measured at FVTPL and financial assets measured at FVTOCI are recognized at fair value. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Financial instruments are measured at fair value using a quoted market price in active markets. If there is no active market for a financial instrument, the Company determines the fair value using valuation methods. Valuation methods and input variables for each type of financial instruments are as follows:

	Valuation methods	Input variables
Derivatives	The fair value is measured considering the price and volatility of the underlying assets using the Binomial Tree, a commonly used technique in the market	Values of underlying assets, Volatility, Risk-free market return, Corporate bond yield rate
Hybrid securities	The fair value is measured using the Hull and White model and the Monte Carlo Simulations.	YTM Matrix, Additive spread by grade, Risk spread by entity, Effective Credit rating, Issuing information by item, Interest rate volatility estimate

Valuation methods of financial assets and liabilities measured at fair value and classified into Level 3 and significant but unobservable inputs are as follows:

	Fair value measurement technique	Type	Significant unobservable inputs	Range	Impact of changes in significant unobservable inputs on fair value measurement
Derivative assets	Option valuation model and others	Equity related	Value of underlying assets and volatility	22.49% ~ 27.49%	Variation of fair value increases as value of underlying assets and volatility increases.
Hybrid securities	Hull and White model and others	Hybrid securities related	Interest rate (YTM)	Interest rate 0.42 %~ 1.83% Market rate 1.84% ~ 4.60%	Variation of fair value increases as variation of interest rate (YTM) increases.

The fair value of financial assets classified as level 3 uses external valuation figures.

(3) Changes in financial assets and liabilities measured at fair value classified into Level 3 are as follows. (Unit: Korean Won in millions):

	For the year ended December 31, 2020						
	Beginning balance	Net Income	Other comprehensive income	Purchases/ issuances	Disposals/ settlements	Transfer to or out of Level 3	Ending balance
Financial assets:							
Financial assets at FVTPL							
Derivative assets	9,434	(2,187)	-	-	-	-	7,247
Financial assets at FVTOCI							
Hybrid securities	-	-	(386)	150,000	-	-	149,614
	For the period from January 11, 2019(date of incorporation) to December 31, 2019						
	Beginning balance	Net Income	Other comprehensive income	Purchases/ issuances	Disposals/ settlements	Transfer to or out of Level 3	Ending balance
Financial assets:							
Financial assets at FVTPL							
Derivative assets	-	9,434	-	-	-	-	9,434

(4) Sensitivity analysis results on reasonable fluctuation of the significant unobservable input variables for the fair value of Level 3 financial instruments are as follows.

The sensitivity analysis on financial instruments shows how changes in unobservable inputs affect changes in fair value of the instruments through favorable and unfavorable changes. When the fair value of a financial instrument is affected by more than one unobservable assumption, the below table reflects the most favorable or the most unfavorable changes which resulted from varying the assumptions individually. The sensitivity analysis was performed for equity related derivatives of which fair value changes are recognized as net income and hybrid securities of which fair value changes are recognized as other comprehensive income among level 3 financial instruments.

The following table presents the sensitivity analysis to disclose the effect of reasonably possible volatility on the fair value of a Level 3 financial instruments (Unit: Korean Won in millions):

	December 31, 2020			
	Net income		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	724	(724)	-	-
Financial assets at FVTOCI				
Hybrid securities (*2)	-	-	6,647	(6,365)

(*1) Fair value changes of equity related derivatives are calculated by increasing or decreasing stock price volatility rate of underlying assets and correlation, which are major unobservable variables, by 10%, respectively.
 (*2) Fair value changes of hybrid securities are calculated by increasing or decreasing market rate, which is the major unobservable variable, by 1%, respectively.

	December 31, 2019	
	Net income	
	Favorable	Unfavorable
Financial assets:		
Financial assets at fair value through profit or loss mandatorily measured at fair value		
Derivative assets (*)	943	(943)

(*1) Fair value changes of equity related derivatives are calculated by increasing or decreasing stock price volatility rate of underlying assets and correlation, which are major unobservable variables, by 10%, respectively.

(5) Fair value and carrying amount of financial liabilities that are recorded at amortized cost are as follows (Unit: Korean Won in millions):

	December 31, 2020				
	Fair value				Carrying amount
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Loans and other financial assets at amortized cost (*)	-	-	619,117	619,117	619,117
Financial liabilities:					
Debentures	-	1,186,034	-	1,186,034	1,147,503
Other financial liabilities (*)	-	-	16,546	16,546	16,546

(*1) The carrying amount is disclosed at fair value considering the carrying amount as an approximation of fair value.

	December 31, 2019				Carrying amount
	Fair value			Total	
	Level 1	Level 2	Level 3		
Financial assets:					
Loans and other financial assets at amortized cost (*)	-	-	1,269,203	1,269,203	1,269,203
Financial liabilities:					
Debentures	-	951,387	-	951,387	947,679
Other financial liabilities (*)	-	-	9,177	9,177	9,177

(*) The carrying amount is disclosed at fair value considering the carrying amount as an approximation of fair value.

The fair values of financial instruments are measured using quoted market price in active markets. In case there is no active market for financial instruments, the Company determines the fair value using valuation methods. For the disclosed items in which book value is considered to be the approximate value of fair value, valuation techniques and input variables are not disclosed. Valuation techniques and input variables for the fair value of financial liabilities that are recorded at amortized cost are as follows:

	Valuation methods	Input variables
Debentures	The fair value is measured by discounting the projected cash flows of debt products by applying the market discount rate that is reflecting credit rating of the Company.	Risk-free market rate, etc.

(6) Financial instruments by category

Carrying amounts of financial assets and liabilities by each category are as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Financial assets at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Total
Financial assets				
Deposits	-	-	399,853	399,853
Hybrid securities	-	149,614	-	149,614
Derivative assets	7,247	-	-	7,247
Other financial assets	-	-	219,264	219,264
Total	7,247	149,614	619,117	775,978

	December 31, 2019		
	Financial assets at FVTPL	Financial assets at amortized cost	Total
Financial assets			
Deposits	-	1,129,738	1,129,738
Derivative assets	9,434	-	9,434
Other financial assets	-	139,465	139,465
Total	9,434	1,269,203	1,278,637

	December 31, 2020	December 31, 2019
	Financial liabilities at amortized cost	Financial liabilities at amortized cost
Financial liabilities		
Debentures	1,147,503	947,679
Other financial liabilities	16,546	9,177
Total	1,164,049	956,856

(7) Income or expense from financial instruments by category

Income or expense from financial assets and liabilities by each category for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Interest Income(expense)	Reversal (Provision) of credit loss		Total
		Others		
Financial assets at FVTPL	-	-	(920)	(920)
Financial assets at FVTOCI	-	-	2,580	2,580
Loans and other financial assets at amortized cost (*)	10,082	116	-	10,198
Financial liabilities at amortized cost	(22,992)	-	-	(22,992)
Total	(12,910)	116	1,660	(11,134)

(*) 2,910 million won interest income of cash and cash equivalents are included.

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Interest Income(expense)	Reversal (Provision) of credit loss		Total
		Others		
Financial assets at FVTPL	-	-	9,434	9,434
Loans and other financial assets at amortized cost (*)	7,741	(263)	-	7,478
Financial liabilities at amortized cost	(7,644)	-	-	(7,644)
Total	97	(263)	9,434	9,268

(*) 4,126 million won interest income of cash equivalents is included.

10. INVESTMENTS IN SUBSIDIARIES

(1) Details of Investments in subsidiaries are as follows (Unit: Korean Won in millions and number of shares):

Subsidiaries	Location	Capital stock	Main business
Woori Bank	Korea	3,581,400	Finance
Woori Card Co., Ltd.	Korea	896,300	Finance
Woori Financial Capital Co., Ltd.	Korea	287,700	Finance
Woori Investment Bank Co., Ltd.	Korea	437,100	Other credit finance
Woori Asset Trust Co., Ltd.	Korea	15,300	Finance
Woori Asset Management Corp.	Korea	20,000	Finance
Woori Credit Information Co., Ltd.	Korea	5,000	Credit information
Woori Fund Service Co., Ltd.	Korea	10,000	Finance
Woori Private Equity Asset Management Co., Ltd.	Korea	30,000	Finance
Woori Global Asset Management Co., Ltd.	Korea	20,000	Finance
Woori FIS Co., Ltd.	Korea	24,500	System software development & maintenance
Woori Finance Research Institute Co., Ltd.	Korea	3,000	Other service business

Subsidiaries (*1)	December 31, 2020			December 31, 2019		
	Number of shares	Percentage of ownership (%) (*2)	Financial statements date of use	Number of shares	Percentage of ownership (%) (*2)	Financial statements date of use
Woori Bank	716,000,000	100.0	December 31, 2020	676,000,000	100.0	December 31, 2019
Woori Card Co., Ltd.	179,266,200	100.0	December 31, 2020	179,266,200	100.0	December 31, 2019
Woori Financial Capital Co., Ltd.	42,605,000	76.8	December 31, 2020	-	-	-
Woori Investment Bank Co., Ltd.	513,162,392	58.7	December 31, 2020	403,404,538	59.8	December 31, 2019
Woori Asset Trust Co., Ltd.	1,560,000	67.2	December 31, 2020	1,560,000	67.2	December 31, 2019
Woori Asset Management Corp.	2,920,000	73.0	December 31, 2020	2,920,000	73.0	December 31, 2019
Woori Credit Information Co., Ltd.	1,008,000	100.0	December 31, 2020	1,008,000	100.0	December 31, 2019
Woori Fund Service Co., Ltd.	2,000,000	100.0	December 31, 2020	2,000,000	100.0	December 31, 2019
Woori Private Equity Asset Management Co., Ltd.	6,000,000	100.0	December 31, 2020	6,000,000	100.0	December 31, 2019
Woori Global Asset Management Co., Ltd.	4,000,000	100.0	December 31, 2020	4,000,000	100.0	December 31, 2019
Woori FIS Co., Ltd.	4,900,000	100.0	December 31, 2020	4,900,000	100.0	December 31, 2019
Woori Finance Research Institute Co., Ltd.	600,000	100.0	December 31, 2020	600,000	100.0	December 31, 2019

(*1) Only subsidiaries invested directly by the Company are included.

(*2) The percentage is based on the effective shareholding rate relative to the number of stocks outstanding.

(2) Changes in the carrying value of investments in subsidiaries are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Beginning balance	Acquisition	Disposal	Ending balance
Woori Bank	17,921,151	1,000,000	-	18,921,151
Woori Card Co., Ltd.	1,118,367	-	-	1,118,367
Woori Financial Capital Co., Ltd. (*)	-	633,758	-	633,758
Woori Investment Bank Co., Ltd.	392,795	54,878	-	447,673
Woori Asset Trust Co., Ltd.	224,198	-	-	224,198
Woori Asset Management Corp.	122,449	-	-	122,449
Woori Credit Information Co., Ltd.	16,466	-	-	16,466
Woori Fund Service Co., Ltd.	13,939	-	-	13,939
Woori Private Equity Asset Management Co., Ltd.	7,797	-	-	7,797
Woori Global Asset Management Co., Ltd.	33,000	-	-	33,000
Woori FIS Co., Ltd.	21,754	-	-	21,754
Woori Finance Research Institute Co., Ltd.	1,677	-	-	1,677
Total	19,873,593	1,688,636	-	21,562,229

(*) After the Company acquiring 76.8% of Aju Capital Co., Ltd. in December 2020, Aju Capital Co. changed its name to Woori Financial Capital Co., Ltd.

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Beginning balance (date of incorporation)	Acquisition	Disposal	Ending balance
Woori Bank (*1)	17,921,151	-	-	17,921,151
Woori Card Co., Ltd. (*2)	-	1,118,367	-	1,118,367
Woori Investment Bank Co., Ltd. (*2)	-	392,795	-	392,795
Woori Asset Trust Co., Ltd. (*3)	-	224,198	-	224,198
Woori Asset Management Corp. (*4)	-	122,449	-	122,449
Woori Credit Information Co., Ltd. (*1)	16,466	-	-	16,466
Woori Fund Service Co., Ltd. (*1)	13,939	-	-	13,939
Woori Private Equity Asset Management Co., Ltd. (*1)	7,797	-	-	7,797
Woori Global Asset Management Co., Ltd. (*5)	-	33,000	-	33,000
Woori FIS Co., Ltd. (*1)	21,754	-	-	21,754
Woori Finance Research Institute Co., Ltd. (*1)	1,677	-	-	1,677
Total	17,982,784	1,890,809	-	19,873,593

(*1) Acquired by the comprehensive stock transfer at the date of incorporation.

(*2) Woori Card Co., Ltd. and Woori Investment Bank Co., Ltd. were transferred from second-tier subsidiaries to subsidiaries in September 2019.

(*3) After the Company acquiring 67.2% of Kukje Trust Co. stakes, Kukje Trust Co. changed its name to Woori Asset Trust Co., Ltd. in December 2019.

(*4) After the Company acquiring 73% of Tongyang Asset Management Corporation stakes, Tongyang Asset Management Corporation changed its name to Woori Asset Management Corporation in August 2019.

(*5) After obtaining approval from the Financial Services Commission to change the major shareholder of ABL Global Asset Management Co., Ltd. in July 2019, the remaining payment was completed in August 2019. After the acquisition, the company name was changed to Woori Global Asset Management Co., Ltd.

11. PREMISES AND EQUIPMENT

- (1) Details of premises and equipment as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020			Total
	Building	Equipment and Vehicles	Leasehold improvements	
Premises and equipment(owned)	-	3,779	3,233	7,012
Right-of-use asset	4,936	590	-	5,526
Total	4,936	4,369	3,233	12,538

	December 31, 2019			Total
	Building	Equipment and Vehicles	Leasehold improvements	
Premises and equipment(owned)	-	3,767	1,796	5,563
Right-of-use asset	1,436	384	-	1,820
Total	1,436	4,151	1,796	7,383

- (2) Details of premises and equipment (owned) as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020			Total
	Equipment and Vehicles	Leasehold improvements		
Acquisition cost	5,572	4,283		9,855
Accumulated depreciation	(1,793)	(1,050)		(2,843)
Net carrying amount	3,779	3,233		7,012

	December 31, 2019			Total
	Equipment and Vehicles	Leasehold improvements		
Acquisition cost	4,538	2,184		6,722
Accumulated depreciation	(771)	(388)		(1,159)
Net carrying amount	3,767	1,796		5,563

- (3) Details of changes in premises and equipment (owned) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			Total
	Equipment and Vehicles	Leasehold improvements		
Beginning balance	3,767	1,796		5,563
Acquisitions	1,034	2,100		3,134
Depreciation	(1,022)	(663)		(1,685)
Ending balance	3,779	3,233		7,012

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			Total
	Equipment and Vehicles	Leasehold improvements		
Beginning balance	-	-		-
Acquisitions	4,538	2,184		6,722
Depreciation	(771)	(388)		(1,159)
Ending balance	3,767	1,796		5,563

- (4) Details of right-of-use assets as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020		
	Building	Equipment and Vehicles	Total
Acquisition cost	8,703	1,085	9,788
Accumulated depreciation	(3,767)	(495)	(4,262)
Net carrying amount	4,936	590	5,526

	December 31, 2019		
	Building	Equipment and Vehicles	Total
Acquisition cost	2,871	568	3,439
Accumulated depreciation	(1,435)	(184)	(1,619)
Net carrying amount	1,436	384	1,820

- (5) Details of changes in right-of-use assets for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020		
	Building	Equipment and Vehicles	Total
Beginning balance	1,436	384	1,820
New contracts	896	580	1,476
Changes in contract	4,936	-	4,936
Termination	-	(39)	(39)
Depreciation	(2,332)	(335)	(2,667)
Ending balance	4,936	590	5,526

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019		
	Building	Equipment and Vehicles	Total
Beginning balance	-	-	-
New contracts	2,871	568	3,439
Depreciation	(1,435)	(184)	(1,619)
Ending balance	1,436	384	1,820

12. INTANGIBLE ASSETS

- (1) Details of intangible assets are as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Software	Development cost	Membership deposit	Total
Acquisition cost	3,097	2,231	2,371	7,699
Accumulated amortization	(1,832)	(585)	-	(2,417)
Net carrying amount	1,265	1,646	2,371	5,282

	December 31, 2019		
	Software	Development cost	Total
Acquisition cost	2,729	1,901	4,630
Accumulated amortization	(1,144)	(176)	(1,320)
Net carrying amount	1,585	1,725	3,310

(2) Details of changes in intangible assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			Total
	Software	Development cost	Membership deposit	
Beginning balance	1,585	1,725	-	3,310
Acquisitions	368	330	2,371	3,069
Amortization	(688)	(409)	-	(1,097)
Ending balance	1,265	1,646	2,371	5,282

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			Total
	Software	Development cost		
Beginning balance	-	-	-	-
Acquisitions	2,729	1,901		4,630
Amortization	(1,144)	(176)		(1,320)
Ending balance	1,585	1,725		3,310

13. DEBENTURES

Details of debentures are as follows (Unit: Korean Won in millions):

	December 31, 2020		December 31, 2019	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Face value of bonds:				
General bonds	1.23	200,000	-	-
Subordinated bonds	2.13 ~ 2.55	950,000	2.13 ~ 2.55	950,000
Sub-total		1,150,000		950,000
Deducted item:				
Discounts on bonds		(2,497)		(2,321)
Total		1,147,503		947,679

14. PROVISIONS

(1) Details of provisions are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Asset retirement obligation	782	600

(2) Changes in asset retirement obligation are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
	Beginning balance	600
Increase	168	588
Amortization	14	12
Ending balance	782	600

The amount of the asset retirement obligation is the present value of the best estimate of future expected expenditure to settle the obligation – arising from leased assets used as offices as of December 31, 2020, discounted by appropriate discount rate. The restoration cost is expected to occur by the end of the lease period of each office, and the Company used the average amount of the major subsidiaries' actual recovery cost and the inflation rate for the past 3 years in order to estimate future recovery cost.

15. NET DEFINED BENEFIT LIABILITY (ASSET)

The Company's pension plan is based on the defined benefit retirement pension plan. Employees and directors with one or more years of service are entitled to receive a payment upon termination of their employment, based on their length of service and rate of salary at the time of termination. The assets of the plans are measured at their fair value at the end of reporting date. The plan liabilities are measured using the projected unit method, which takes into account of projected earnings' increase, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the plan liabilities.

The Company is exposed to various risks through defined benefit retirement pension plan, and the most significant risks are as follows:

Volatility of asset	The defined benefit obligation was estimated with an interest rate calculated based on blue chip corporate bonds earnings. A deficit may occur if the rate of return of plan assets falls short of the interest rate.
Decrease in profitability of blue chip bonds	A decrease in profitability of blue chip bonds will be offset by some increase in the value of debt securities that the employee benefit plan owns but will bring an increase in the defined benefit obligation.
Risk of inflation	Defined benefit obligations are related to inflation rate; the higher the inflation rate is, the higher the level of liabilities. Therefore, deficit occurs in the system if an inflation rate increases.

(1) Details of net defined benefit liability(asset) are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	20,083	14,174
Fair value of plan assets	(23,592)	(10,692)
Net defined benefit liability(asset)	(3,509)	3,482

(2) Changes in the carrying value of defined benefit obligation are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Beginning balance	14,174	-
Transfer-in / out	2,441	8,276
Recruit / Transfer in	1,266	3,360
Current service cost	2,127	1,415
Interest cost	410	253
Remeasurements	298	(457)
Financial assumption	-	542
Demographic assumptions	454	762
Experience adjustment	(1,007)	(54)
Retirement benefit paid	(80)	77
Others	20,083	14,174
Ending balance		

(3) Changes in the plan assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Beginning balance	10,692	-
Transfer-in / out	4,155	8,877
Interest income	304	129
Remeasurements	(86)	(24)
Employer's contributions	8,760	1,710
Retirement benefit paid	(233)	-
Ending balance	23,592	10,692

(4) The fair value of plan assets as of December 31, 2020 and December 31, 2019 is as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Cash and due from banks	23,592	10,692

Meanwhile, the actual revenue of the current and prior term plan assets is 218 million won and 105 million won, respectively. The contribution expected to be paid in the fiscal year beginning after the reporting period is 2,148 million won.

(5) The amount recognized in profit or loss and total comprehensive income related to the defined benefit plan for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Current service cost	2,127	1,415
Recruit / Transfer in	1,266	3,360
Net interest expense	106	124
Cost recognized in net income	3,499	4,899
Remeasurements (*)	838	871
Cost recognized in total comprehensive income	4,337	5,770

(*) The amount is before income tax effect.

(6) Key actuarial assumptions used in defined benefit liability measurement are as follows:

	December 31, 2020	December 31, 2019
Discount rate	2.48%	2.40%
Future wage growth rate	5.50%	5.27%
Mortality rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute
Retirement rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute

The weighted average maturity of the defined benefit obligation is 10.84 years.

(7) The sensitivity to actuarial assumptions used in the assessment of defined benefit obligation is as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019
Discount rate	Increase by 1% point	(1,909)	(1,367)
	Decrease by 1% point	2,222	1,596
Future wage growth rate	Increase by 1% point	2,134	1,535
	Decrease by 1% point	(1,876)	(1,345)

16. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

Other financial liabilities and other liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Other financial liabilities:		
Accounts payable	6,102	2,424
Accrued expenses	10,444	6,651
Lease liabilities	5,539	1,568
Other miscellaneous financial liabilities	-	102
Sub-total	22,085	10,745
Other liabilities:		
Other miscellaneous liabilities	570	4,142
Total	22,655	14,887

17. DERIVATIVES

Derivative assets and derivative liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020		December 31, 2019	
	Assets		Assets	
	Nominal amount	For trading	Nominal amount	For trading
Equity Forwards	130,599	7,247	117,535	9,434

Derivatives held for trading are classified into financial assets at FVTPL in the statements of financial position (seeing Note 6).

18. EQUITY

(1) Details of equity as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Capital	3,611,338	3,611,338
Hybrid securities	1,895,322	997,544
Capital surplus	14,874,084	14,874,084
Accumulated other comprehensive income	(1,518)	(631)
Retained earnings (*1) (*2)	664,746	623,930
Total	21,043,972	20,106,265

(*1) The regulatory reserve for credit loss in retained earnings amounted to 692 million won as of December 31, 2020 in accordance with the relevant regulation.

(*2) The earned surplus reserve in retained earnings amounted to 62,830 million won as of December 31, 2020 in accordance with the Article 53 of the Financial Holding Company Act.

(2) The number of authorized shares and others of the Company are as follows:

	December 31, 2020	December 31, 2019
Shares of common stock authorized	4,000,000,000 Shares	4,000,000,000 Shares
Par value	5,000 Won	5,000 Won
Shares of common stock issued	722,267,683 Shares	722,267,683 Shares
Capital stock	3,611,338 million won	3,611,338 million won

(3) The Company issued 42,103,377 new shares in the stock exchange process with the shareholders of Woori Card for the period from January 11, 2019, to December 31, 2019, which changed the total number of issued shares from 680,164,306 as of the date of establishment to 722,267,683 as of December 31, 2020.

(4) Hybrid securities

The bond-type hybrid securities classified as owner's equity are as follows (Unit: Korean Won in millions):

	Issue date	Maturity	Interest rate (%)	December 31,	December 31,
				2020	2019
Securities in local currency	2019-07-18	-	3.49	500,000	500,000
Securities in local currency	2019-10-11	-	3.32	500,000	500,000
Securities in local currency	2020-02-06	-	3.34	400,000	-
Securities in local currency	2020-06-12	-	3.23	300,000	-
Securities in local currency	2020-10-23	-	3.00	200,000	-
	Issuance cost			(4,678)	(2,456)
	Total			1,895,322	997,544

The hybrid securities mentioned above do not have maturity date but are redeemable after 5 years from the date of issuance.

(5) Accumulated other comprehensive income

Changes in the accumulated other comprehensive income are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Beginning balance	Increase (decrease)	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	-	(386)	106	(280)
Remeasurements of defined benefit plan	(631)	(838)	231	(1,238)
Total	(631)	(1,224)	337	(1,518)

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Beginning balance	Increase (decrease)	Income tax effect	Ending balance
Remeasurements of defined benefit plan	-	(871)	240	(631)

(6) Regulatory Reserve for Credit Loss

In accordance with Article 26 ~ 28 of the Financial holding company Supervision Regulations, the Company calculates and discloses the regulatory reserve for credit loss.

1) Balance of the regulatory reserve for credit loss

Balance of the planned regulatory reserve for credit loss is as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Beginning balance	692	-
Planned provision of regulatory reserve for credit loss	394	692
Ending balance	1,086	692

2) Provision of regulatory reserve for credit loss, adjusted net income after the provision of regulatory reserve and others

Planned reserves provided, adjusted net income after the planned reserves provided and adjusted EPS after the planned reserves provided are as follows (Unit: Korean Won in millions, except for EPS amount):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Net income before regulatory reserve	595,318	628,293
Provision of regulatory reserve for credit loss	394	692
Adjusted net income after the provision of regulatory reserve	594,924	627,601
Dividends to hybrid securities	(48,915)	(4,363)
Adjusted net income after regulatory reserve and dividends to hybrid securities	546,009	623,238
Adjusted EPS after regulatory reserve and dividends to hybrid securities (Unit: Korean Won)	756	899

(7) Statements of appropriations of retained earnings are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Unappropriated retained earnings:		
Unappropriated retained earnings carried over from prior years	54,821	-
Dividend on hybrid equity securities	(48,915)	(4,363)
Net income	595,318	628,293
	<u>601,224</u>	<u>623,930</u>
Appropriation of retained earnings:		
Earned profit reserves	59,540	62,830
Regulatory reserve for credit loss	394	692
Cash dividend (dividend per share (%)) (2020: 360 won (7.2%)) (2019: 700 won (14.0%))	260,016	505,587
	<u>319,950</u>	<u>569,109</u>
Unappropriated retained earnings to be carried forward	281,274	54,821

The appropriation of retained earnings for the year ended December 31, 2020, is expected to be appropriated at the shareholders' meeting on March 26, 2021. The appropriation date for the year ended December 31, 2019, was March 25, 2020.

(8) Details of treasury stocks are as follows (Unit: Shares, Korean Won in millions):

	December 31, 2020		December 31, 2019	
	Number of shares	Book value	Number of shares	Book value
Beginning	2	-	-	-
Repurchase	-	-	2	-
Retirement	-	-	-	-
Ending	<u>2</u>	<u>-</u>	<u>2</u>	<u>-</u>

19. DIVIDENDS

Dividends per share and the total dividends for the fiscal year ending December 31, 2019 were 700 won and 505,587 million won, respectively, approved at the regular general shareholders' meeting held on March 25, 2020.

Dividends per share and the total dividends for the fiscal year ending December 31, 2020 are 360 won and 260,016 million won, respectively. It will be proposed at the regular general shareholders' meeting scheduled on March 26, 2021. The financial statements of the current term do not include such outstanding dividends.

20. NET INTEREST INCOME

(1) Interest income recognized is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Interest on due from banks	10,054	7,723
Other interest income	28	18
Total	<u>10,082</u>	<u>7,741</u>

(2) Details of interest expense recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Interest on borrowings	-	495
Interest on debentures	22,992	7,149
Other interest expense	14	12
Interest on lease liabilities	29	45
Total	<u>23,035</u>	<u>7,701</u>

21. NET FEES AND COMMISSIONS INCOME

(1) Details of fees and commissions income incurred are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Fees and commissions income	805	-

(2) Details of fees and commissions expense incurred are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Fees and commissions paid	8,858	8,202
Others	7,341	7,631
Total	<u>16,199</u>	<u>15,833</u>

22. DIVIDEND INCOME

Details of dividend income recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Dividend income recognized from investments in subsidiaries	677,795	676,000
Dividend income recognized from FVTOCI	2,580	-
Total	<u>680,375</u>	<u>676,000</u>

23. NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FVTPL

(1) Details of gain or loss related to net gain or loss on financial instruments at FVTPL are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Gains and losses on financial instruments at fair value through profit or loss mandatorily measured at fair value	(920)	9,434

(2) Details of net gain or loss on financial instrument at FVTPL are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Derivatives (for trading)		
Equity forward		
Gain on transactions and valuation	1,266	9,434
Loss on transactions and valuation	(2,186)	-
	<u>(920)</u>	<u>9,434</u>

24. REVERSAL(PROVISION) FOR IMPAIRMENT LOSSES DUE TO CREDIT LOSS

Details of reversal(provision) for impairment losses due to credit loss recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Reversal(Provision) for impairment losses due to credit loss on loans and other financial assets at amortized cost	116	(263)

25. GENERAL AND ADMINISTRATIVE EXPENSES

(1) Details of general and administrative expenses recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Employee benefits	26,533	16,706
Short-term employee benefits	8,090	5,340
Salaries and Employee fringe benefits	3,499	4,899
Retirement benefit service costs	1,557	819
Share based payments	<u>39,679</u>	<u>27,764</u>
Sub-total		
Depreciation and amortization	5,449	4,098
Other general and administrative expenses		
Rent	1,120	714
Taxes and public dues	375	375
Service charges	3,127	2,290
Computer and IT related	2,937	1,654
Telephone and communication	642	482
Operating promotion	1,190	645
Advertising	186	65
Printing	51	76
Traveling	54	373
Supplies	196	131
Insurance premium	212	280
Reimbursement	980	847
Vehicle maintenance	220	129
Others	54	18
Sub-total	<u>11,344</u>	<u>8,079</u>
Total	<u>56,472</u>	<u>39,941</u>

(2) Share-based payment

Details of performance condition share-based payment granted to executives as of December 31, 2020 and 2019 are as follows.

1) Performance condition share-based payment

Subject to		Shares granted for the year 2019
Type of payment		Cash-settled
Vesting period		January 11, 2019 ~ December 31, 2022
Date of payment		2023-01-01
Fair value (*1)		9,162 Won
Valuation method		Black-Scholes Model
Expected dividend rate		4.13%
Expected maturity date		2 years
Number of shares remaining	As of December 31, 2020	77,728 shares
	As of December 31, 2019	77,728 shares
Number of shares granted	As of December 31, 2020	77,728 shares
(*2)	As of December 31, 2019	77,728 shares

Subject to		Shares granted for the year 2020
Type of payment		Cash-settled
Vesting period		January 1, 2020 ~ December 31, 2023
Date of payment		2024-01-01
Fair value (*1)		8,792 Won
Valuation method		Black-Scholes Model
Expected dividend rate		4.13%
Expected maturity date		3 years
Number of shares remaining	As of December 31, 2020	189,270 shares
	As of December 31, 2019	-
Number of shares granted	As of December 31, 2020	189,270 shares
(*2)	As of December 31, 2019	-

(*1) As the amount of payment varies according to the base price (the arithmetic average of the weighted average stock price of transactions in the past one week, the past one month, and the past two months) at the date of payment, the fair value is calculated and used to measure the liability according to the Black Shaws model based on the base price at the time of each settlement.

(*2) The number of payable stocks is granted at the initial contract date and the payment rate is determined based on the achievement of the pre-determined performance targets. Performance is evaluated as long-term performance indication including relative shareholder return, net income, return on equity (ROE), non-performing loan ratio and job performance.

2) The Company accounts for performance condition share-based payments according to the cash-settled method and the fair value of the liabilities is reflected in the compensation costs by re-measuring every closing period. As of December 31, 2020 and December 31, 2019 the book value of the liabilities related to the performance condition share-based payments recognized by the Company is 2,376 million won and 819 million won.

26. NON-OPERATING INCOME (EXPENSES)

(1) Details of non-operating income and expenses recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Other non-operating income	185	5
Other non-operating expense	(400)	(755)
Total	(215)	(750)

(2) Details of other non-operating income recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Others	185	5

(3) Details of other non-operating expenses recognized are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Donations	400	755

27. INCOME TAX EXPENSE (INCOME)

(1) Details of income tax expense (income) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Current tax expense:		
Current tax expense with respect to the current period	-	-
Sub-total	-	-
Deferred tax expense (income)		
Change in deferred tax assets (liabilities) due to temporary differences	(1,118)	154
Income tax expense directly attributable to equity	337	240
Sub-total	(781)	394
Income tax expense (income)	(781)	394

(2) The relationship between income before income tax expense deduction and income tax expense in the current comprehensive income statement is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Net income before income tax expense	594,537	628,687
Tax calculated at statutory tax rate (*1)	153,136	165,527
Adjustments:		
Effects of income that is exempt from taxation	(178,635)	(179,186)
Effect of expenses that are not deductible in determining taxable profit	420	1,190
Effect of corporate tax due to consolidate tax plans	24,370	15,839
Others	(72)	24
Sub-total	(153,917)	(162,133)
Income tax expense (income)	(781)	394
Effective tax rate (*2)	-	0.1%

(*1) The corporate tax rate is 11% up to 200 million won in tax basis, 22% over 200 million won to 20 billion Won, 24.2% over 20 billion Won to 300 billion Won and 27.5% over 300 billion Won.

(*2) It is tax income for the year ended December 31, 2020, so the annual effective tax rate was not calculated.

(3) Details of changes in deferred income tax assets and liabilities are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Beginning balance	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) related to securities	-	-	106	106
Gain (loss) on valuation of derivatives	(2,594)	601	-	(1,993)
Provision for loan losses	72	(32)	-	40
Defined benefit liability	1,622	(59)	207	1,770
Deposits with employee retirement insurance trust	(729)	(836)	24	(1,541)
Provisions	165	50	-	215
Share based payment	225	428	-	653
Others	1,085	629	-	1,714
Net deferred tax assets(liabilities) in total	(154)	781	337	964

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
	Beginning balance	Recognized as income (expense)	Recognized as other comprehensive income (expense)	Ending Balance
Gain (loss) on valuation of derivatives	-	(2,594)	-	(2,594)
Provision for loan losses	-	72	-	72
Defined benefit liability	-	1,389	233	1,622
Deposits with employee retirement insurance trust	-	(736)	7	(729)
Provisions	-	165	-	165
Share based payment	-	225	-	225
Others	-	1,085	-	1,085
Net deferred tax assets(liabilities) in total	-	(394)	240	(154)

(4) Unrealizable temporary differences are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Deductible temporary differences	4,474	3,222
Taxable temporary differences	(7,917,618)	(7,916,351)
Total	(7,913,144)	(7,913,129)

No deferred income tax asset has been recognized for the deductible temporary difference of 4,474 million won associated with investments in subsidiaries as of December 31, 2020, because it is not probable that the temporary differences will be reversed in the foreseeable future.

No deferred income tax liability has been recognized for the taxable temporary difference of 7,917,618 million won associated with investment in subsidiaries as of December 31, 2020, due to the following reasons:

- The Company is able to control the temporary difference of extinguishment.
- It is probable that the temporary difference will not be reversed in the foreseeable future.

(5) Details of accumulated deferred tax charged directly to other equity are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Net gain (loss) on valuation of financial assets at FVTOCI	106	-
Remeasurements of defined benefit plan	471	240
Total	577	240

(6) Current tax assets and liabilities are as follows (Unit: Korean Won in millions)

	December 31, 2019	December 31, 2019
Current tax assets	307	-
Current tax liabilities	215,071	133,526

28. EARNINGS PER SHARE ("EPS")

(1) Basic EPS is calculated by dividing net income attributable to common shareholders by weighted-average number of common shares outstanding (Unit: Korean Won in millions, except for EPS and number of shares):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Net income attributable to Owners	595,318	628,293
Dividends to hybrid securities	(48,915)	(4,363)
Net income attributable to common shareholders	546,403	623,930
Weighted average number of common shares outstanding (Unit: million shares)	722	694
Basic EPS (Unit: Korean Won)	757	900

(2) The weighted average number of common shares outstanding is as follows: (Unit: number of shares, days)

	For the year ended December 31, 2020			Accumulated number of shares outstanding during period
	Period	Number of shares	Dates	
Common shares issued at the beginning of the period	2020-01-01 ~ 2020-12-31	722,267,683	366	264,349,971,978
Treasury stock	2020-01-01 ~ 2020-12-31	(2)	366	(732)
Sub-total (①)				264,349,971,246
Weighted average number of common shares outstanding (②)=(①/366)				722,267,681

	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			Accumulated number of shares outstanding during period
	Period	Number of shares	Dates	
Common shares issued at the beginning date of incorporation of the period	2019-01-11 ~ 2019-12-31	680,164,306	355	241,458,328,630
Stock issuance (Comprehensive stock exchange)	2019-09-10 ~ 2019-12-31	42,103,377	113	4,757,681,601
Purchase of treasury stock	2019-08-26 ~ 2019-12-31	(1)	128	(128)
Purchase of treasury stock	2019-12-13 ~ 2019-12-31	(1)	19	(19)
Sub-total (①)				246,216,010,084
Weighted average number of common shares outstanding (②)=(①/355)				693,566,226

Diluted EPS is equal to basic EPS because there is no dilution effect for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019.

29. CONTINGENT LIABILITIES AND COMMITMENTS

(1) Litigation case

As of December 31, 2020 and December 31, 2019, the Company has no litigation case in progress.

(2) Details of loan commitments with financial institutions are as follows (Unit: Korean Won in millions):

Loans	Financial institutions	December 31, 2020		December 31, 2019	
		Line of credit	Loan balance	Line of credit	Loan balance
	Standard Chartered				
	Bank Korea Ltd.	65,000	-	65,000	-
	Kookmin Bank	35,000	-	35,000	-
	Total	100,000	-	100,000	-

(3) The Company decided to enter into a stock sales agreement with a major shareholder of Woori Asset Trust Co., Ltd (formerly Kukje Asset Trust Co., Ltd) to acquire 44.5% interest (58.6% of voting rights) during July, 2019, and to acquire additional 21.3% interest (28.0% of voting rights) after a certain period. As a result, the Company acquired the interest of the first sales agreement in December 2019 and is planning to acquire the interest of the second sales agreement after a certain period.

In regards to this acquisition, the Company recognized 7,247 million won and 9,434 million won as derivative assets as of December 31, 2020 and December 31, 2019 (seeing Note 17).

30. RELATED PARTY TRANSACTIONS

Related parties of the Company as of December 31, 2020 and December 31, 2019, and assets and liabilities recognized, guarantees and commitments, major transactions with related parties and compensation to key management for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are as follows:

(1) Assets and liabilities from transactions with related parties are as follows (Unit: Korean Won in millions):

Related party	Title of account	December 31, 2020	December 31, 2019
Subsidiaries			
Woori Bank	Cash and cash equivalents	69,176	43,670
	Other financial assets	598,505	1,229,181
	Allowance for credit losses	(147)	(263)
	Other financial liabilities	7,718	601
Woori Card Co., Ltd.	Other financial assets	17,983	37,754
	Other financial liabilities	299	267
Woori FIS Co., Ltd.	Other financial assets	1,538	1,386
	Other financial liabilities	259	190
Woori Finance Research Institute Co., Ltd.	Other financial assets	37	21
	Other financial liabilities	1,465	1,320
Woori Credit Information Co., Ltd.	Other financial assets	517	568
Woori Fund Service Co., Ltd.	Other financial assets	643	556
W Service Networks Co., Ltd.	Other financial liabilities	122	64

(2) Gain or loss from transactions with related parties are as follows (Unit: Korean Won in millions):

Related party	Title of account	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019	
Subsidiaries (*1)				
Woori Bank	Interest income	10,082	7,741	
	Fees and commissions income	805	-	
	Dividend income	676,000	676,000	
	Interest expenses (*2)	17	35	
	Fees and commissions expense	13	4	
	Reversal(Provision) of impairment loss due to credit loss	116	(262)	
	General and administrative expenses (*2)	3,403	2,365	
	Woori Card Co., Ltd.	Dividend income	2,580	-
	Woori FIS Co., Ltd.	General and administrative expenses	2,670	1,492
	Woori Finance Research Institute Co., Ltd.	Fees and commissions expenses	6,190	5,400
Woori Credit Information Co., Ltd.	Dividend income	494	-	
Woori Fund Service Co., Ltd.	Dividend income	521	-	
Woori Asset Trust Co., Ltd	Dividend income	780	-	
W Service Networks Co., Ltd.	General and administrative expenses	1,347	775	

(*1) The Company issued debentures of 200,000 million won during the period, of which 40,000 million won was underwritten by Woori Investment Bank and paid 40 million won as acquisition fee which is included in the discount on debentures issued. In addition, 29,000 million won out of 200,000 million won in hybrid securities issued during the current term was acquired by Woori Investment Bank and paid 44 million won as acquisition fees, which is included in the cost of issuing hybrid securities.

(*2) The depreciation of right-of-use assets and interest expense of lease liabilities arising from lease transactions during the current term are included.

(3) The details of the right-of-use assets and lease liabilities due to lease transactions with related parties as of December 31, 2020 and December 31, 2019 are as follows (Unit: Korea Won in millions):

Related parties	Title of account	December 31, 2020	December 31, 2019
Subsidiaries	Woori Bank		
	Right-of-use assets	4,936	1,436
	Lease liabilities (*)	4,920	1,164

(*) Cash outflows of lease liabilities redemption for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are 1,817 million won and 1,115 million won, respectively.

- (4) The details of loan and borrowing transactions with related parties for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019 are as follows (Unit: Korea Won in millions):

Related parties (*1)	Title of account	For the year ended December 31, 2020			
		Beginning balance	Increase	Decrease	Ending balance
Subsidiaries	Woori Bank				
	Due from banks (*2)	1,130,000	3,800,000	4,480,000	450,000

(*1) Woori Investment Bank acquired 40,000 million won out of 200,000 million won in non-guaranteed bonds issued during the year ended December 31, 2020 and sold the entire amount to the market on the date of issuance. Of the 200,000 million won in hybrid securities issued during the current term, 29,000 million won was acquired by Woori Investment Bank and sold all to the market on the date of issuance.

(*2) Excludes due from banks without withdrawal limitations.

Related parties	Title of account	For the period from January 11, 2019 (date of incorporation) to December 31, 2019			
		Beginning balance	Increase	Decrease	Ending balance
Subsidiaries	Woori Bank				
	Due from banks (*)	-	2,730,000	1,600,000	1,130,000

(*) Excludes due from banks without withdrawal limitations.

- (5) The details of equity-related transactions with related parties are as follows (Unit: Korean Won in million)

Related parties		For the year ended December 31, 2020			
		Contribution	Acquisition of hybrid securities	Designated to preferred buyers of Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.)	Consideration of the acquisition of Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.)
Subsidiaries	Woori Bank	1,000,000	-	60,158	-
	Woori Card Co., Ltd.	-	150,000	-	-
	Woori Investment Bank Co., Ltd.	54,878	-	-	-
Associates	Well to Sea No. 3 Private Equity Fund	-	-	-	572,333

- (6) There are no guarantees provided to the related parties. The unused commitments provided from the related parties are as follows (Unit: Korean Won in millions):

Related parties	December 31, 2020	December 31, 2019	Warranty
Subsidiaries			
Woori Card Co., Ltd.	131	495	Unused loan commitment

- (7) Compensation for key management is as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Short-term employee salaries	6,259	3,863
Retirement benefit service costs	230	419
Share-based compensation	1,205	529
Total	7,694	4,631

Key management includes registered executives and non-registered executives. The Company has not recognized any outstanding assets, allowance and related impairment loss due to credit losses from transaction with key management as of December 31, 2020 and December 31, 2019. Liabilities related to key management compensation are 4,209 million won and 1,805 million won as of December 31, 2020 and December 31, 2019, respectively.

31. LEASES

- (1) The future lease payments under the lease contracts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Lease payments:		
Within one year	2,836	1,341
After one year but within five years	2,768	249
Total	5,604	1,590

- (2) Total cash outflows from lease are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Cash outflows from lease	2,335	1,289

- (3) Details of lease payments that are not included in the measurement of lease liabilities due to the fact that they are leases for which the underlying asset is of low value are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020	For the period from January 11, 2019 (date of incorporation) to December 31, 2019
Lease payments for which the underlying asset is of low value	132	95

There are no lease payments not included in the lease liabilities measurement, resulting from short-term leases for the year ended December 31, 2020 and for the period from January 11, 2019 (date of incorporation) to December 31, 2019.

32. EVENTS AFTER THE REPORTING PERIOD

On March 5, 2021, the Company entered into a stock sale agreement to acquire 100% interests of Woori Savings Bank (common stock 12,160,398 shares) from one of the subsidiaries, Woori Financial Capital Co., Ltd.

REPORT ON INDEPENDENT AUDITOR'S AUDIT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Woori Financial Group Inc.

Opinion on Internal Control over Financial Reporting

We have audited Woori Financial Group Inc.(the Company)'s Internal Control over Financial Reporting as at December 31, 2020, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as at December 31, 2020, based on Conceptual Framework for Designing and Operating Internal Control over Financial Reporting.

We also have audited, in accordance with Korean Standards on Auditing, the separate financial statements of the Company, which comprise the separate statement of financial position as at December 31, 2020, and the separate statement of comprehensive income, separate statement of changes in equity and separate statement of cash flow for the year then ended, and notes to the separate financial statements including a summary of significant accounting policies, and our report dated March 12, 2021 expressed unqualified opinion.

Basis for Opinion on Internal Control over Financial Reporting

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibility under these standards are further described in the Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting section of our report. We are independent of the Company in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of internal control over financial reporting and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management and Those Charged with Governance for Internal Control over Financial Reporting

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Operating Status Report of Internal Control over Financial Reporting.

Those charged with governance have the responsibilities for overseeing internal control over financial reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our responsibility is to express opinion on the Company's internal control over financial reporting based on our audit. We conducted the audit in accordance with Korean Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

An audit of internal control over financial reporting involves performing procedures to obtain audit evidence about whether a material weakness exists. The procedures selected depend on the auditor's judgment, including the assessment of the risks that a material weakness exists. An audit includes obtaining an understanding of internal control over financial reporting and testing and evaluating the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with International Financial Reporting Standards as adopted by the Republic of Korea, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The engagement partner on the audit resulting in this independent auditor's report is Sung-Jae Lim, Certified Public Accountant.

Samil Pricewaterhouse Coopers

Seoul, Korea

March 12, 2021

This report is effective as of March 12, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the Company's internal control over financial reporting thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

OPERATING STATUS REPORT OF INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Board of Directors and Audit Committee of Woori Financial Group Inc.

We, as the Chief Executive Officer (“CEO”) and Internal Control over Financial Reporting (“ICFR”) Officer of Woori Financial Group Inc. (the “Company”), assessed operating status of the Company’s Internal Control over Financial Reporting for the year ended December 31, 2020.

The Company’s management, including ourselves, is responsible for designing and operating ICFR.

We assessed whether the Company effectively designed and operated its ICFR to prevent and detect errors or frauds which may cause a misstatement in financial statements to ensure preparation and disclosure of reliable financial information.

We used the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting’ established by the Operating Committee of Internal Control over Financial Reporting in Korea (the “ICFR Committee”) as the criteria for design and operation of the Company’s ICFR. We also conducted an assessment of ICFR based on the ‘Management Guideline for Evaluating and Reporting Effectiveness of Internal Control over Financial Reporting’ established by the ICFR Committee.

Based on our assessment, we concluded that the Company’s ICFR is designed and operated effectively as of December 31, 2020, in all material respects, in accordance with the ‘Conceptual Framework for Designing and Operating Internal Control over Financial Reporting’.

We certify that this report does not contain any untrue statement of a fact, or omit to state a fact necessary to be presented herein. We also certify that this report does not contain or present any statements which might cause material misunderstandings, and we have reviewed and verified this report with sufficient care.

February 25, 2021
Tae Seung Sohn, Chief Executive Officer
Sung Wook Lee, Internal Control over Financial Reporting Officer

INDEPENDENT AUDITOR’S REPORT

(English Translation of a Report Originally Issued in Korean)

To the Board of Directors and Shareholders of Woori Financial Group Inc.

Opinion

We have audited the accompanying consolidated financial statements of Woori Financial Group Inc. and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS).

Basis for Opinion

We conducted our audit in accordance with Korean Standards on Auditing. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements of the Republic of Korea that are relevant to our audit of the consolidated financial statements and we have fulfilled our other ethical responsibilities in accordance with the ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected Credit Losses on Loans Measured at Amortized Cost

Why it is determined to be a key audit matter:

The impairment guidance under Korean IFRS 1109 Financial Instruments requires determination of significant increases in credit risk and measurement of expected credit losses using forward-looking information and others. Accordingly, the Group developed a measurement model that encompasses probability of default, loss given default and forward looking information utilizing various types of information, which requires a higher level of management’s interpretation and judgment.

The Group measures expected credit losses on loans measured at amortized cost based on both individual and collective assessments. Individual assessment of expected credit losses is performed based on estimation of future forecast cash flow with a relatively high degree of management’s estimation and judgment, and collective assessment of expected credit losses involves a variety of complex variables and assumptions that require management’s estimation and judgment. Due to these facts, expected credit losses of loans measured at amortized costs are determined as a key audit matter. In addition, the Group considered that loans subject to payment deferral or interest deferral under the government’s COVID-19 relief package posed significantly higher credit risks leading to its assessment of more likelihood of default. Such estimation on expected credit losses involved higher degree of judgment.

As described in Note 10, loans measured at amortized cost subject to individual or collective assessments amount to 304,702,706 million won, with allowances for credit losses of 1,908,524 million won as of December 31, 2020. Significantly affected subsidiary is Woori Bank.

How our audit addressed the key audit matter:

(1) Assessment of expected credit losses on an individual basis

We obtained an understanding and evaluated the processes and controls relating to the assessment of expected credit losses on an individual basis. In particular, we focused our effort on the assumptions used in estimating future cash flows. We evaluated whether management’s estimation was reasonable and we assessed the key assumptions in the cash flow projection including growth rate of entities subject to individual assessment and collateral valuation. As part of these procedures, we assessed whether sales growth rate, operating income ratio, and assumptions on investment activities were consistent with historical operating performance and current market conditions. Additionally, we assessed the appropriateness of collateral valuation by conducting our own research on recent property prices and engaged independent appraisal specialists in assessing reasonableness of appraisal reports, models and methodologies used by management.

(2) Assessment of expected credit losses on a collective basis

We obtained an understanding and evaluated the processes and controls relating to management's calculation of expected credit losses on a collective basis in accordance with impairment requirements under Korean IFRS 1109 Financial Instruments. As explained in Note 2, management assessed credit ratings to recognize lifetime expected credit losses on loans with significant increase in credit risk and impaired loans. Other than these cases, management recognized 12-months of expected credit losses. To calculate expected credit losses, management applied forward-looking information, probability of default and loss given default estimated through its internal procedures and controls implemented for various assumptions.

We assessed the design and operating effectiveness of controls relating to credit ratings that reasonably reflected both qualitative and quantitative information. Our testing over the accuracy and reliability of the information included agreeing qualitative and quantitative information with relevant evidence.

We reviewed the appropriateness of management policies and procedures to determine significant increases in credit risk, and tested reasonableness of expected credit loss model applied by each of the three stages(Stage 1, 2 and 3) depending on how significantly credit risk was increased.

We used risk specialists to test the appropriateness of management's methodologies of reflecting forward-looking information in the estimation of expected credit loss by adjusting the probability of default and loss given default after statistically analyzing the correlation between forward-looking information and probability of default or loss given default. Moreover, we tested the reasonableness and mathematical accuracy of the result through recalculation and examination of supporting data.

We reviewed the methodologies used by management to verify that probability of default and loss given default were calibrated using sufficient and reasonable historical data. We determined that the default and loss data used were appropriately gathered and applied in accordance with internal control procedures. In addition, we tested reasonableness and accuracy of probability of default and loss given default through procedures including recalculation, and tested management's default and loss data by agreeing them with relevant evidence.

Furthermore, we tested reasonableness of stage allocation of loans subject to COVID-19 payment relief attributable to significant increase in credit risk. We also tested key assumptions used in calculation of probability of default and required disclosures. We verified accuracy and completeness of aggregation of loans subject to the deferral, and accuracy of calculation of loss allowances.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 3 of the financial statements, which indicates that the outbreak of COVID-19 in 2020 may have a negative impact on the Group's financial condition and results of operations.

Other Matters

The consolidated financial statements of the Group for the year ended December 31, 2019, were audited by Deloitte Anjin LLC auditor who expressed an unqualified opinion on those statements on March 16, 2020.

Auditing standards and their application in practice vary among countries. The procedures and practices used in the Republic of Korea to audit such consolidated financial statements may differ from those generally accepted and applied in other countries.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Korean IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Korean Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Korean Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sung-jae Lim, Certified Public Accountant.

Samil Pricewaterhouse Coopers Seoul, Korea

March 12, 2021

This report is effective as of March 12, 2021, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AS OF DECEMBER 31, 2020 AND 2019

	December 31, 2020	December 31, 2019
	(Korean Won in millions)	
ASSETS		
Cash and cash equivalents (Note 6)	9,990,983	6,392,566
Financial assets at fair value through profit or loss (“FVTPL”) (Notes 4, 7, 11, 12, 18 and 26)	14,762,941	8,069,144
Financial assets at fair value through other comprehensive income (“FVTOCI”) (Notes 4, 8, 11, 12, and 18)	30,028,929	27,730,531
Securities at amortized cost (Notes 4, 9, 11, 12 and 18)	17,020,839	20,320,539
Loans and other financial assets at amortized cost (Notes 4, 10, 11, 12, 18 and 41)	320,106,078	293,717,693
Investments in joint ventures and associates (Note 13)	993,291	806,360
Investment properties (Note 14 and 18)	387,464	280,239
Premises and equipment (Notes 15 and 18)	3,287,198	3,364,716
Intangible assets (Note 16)	792,077	844,110
Assets held for sale (Note 17)	60,002	10,556
Net defined benefit asset (Note 24)	5,658	2,582
Current tax assets (Note 38)	75,655	47,367
Deferred tax assets (Note 38)	46,088	39,544
Derivative assets (Designated for hedging) (Notes 4,11,12 and 26)	174,820	121,131
Other assets (Notes 19 and 41)	1,348,994	233,646
Total assets	<u>399,081,017</u>	<u>361,980,724</u>
LIABILITIES		
Financial liabilities at fair value through profit or loss (“FVTPL”) (Notes 4, 11, 12, 20 and 26)	6,813,822	2,958,302
Deposits due to customers (Notes 4,11,21 and 41)	291,477,279	264,685,578
Borrowings (Notes 4, 11, 12 and 22)	20,745,466	18,998,920
Debentures (Notes 4, 11 and 22)	37,479,358	30,858,055
Provisions (Notes 23, 40 and 41)	501,643	443,980
Net defined benefit liability (Note 24)	52,237	92,470
Current tax liabilities (Note 38)	370,718	182,690
Deferred tax liabilities (Note 38)	160,250	134,322
Derivative liabilities (Designated for hedging) (Notes 4,11,12 and 26)	64,769	6,837
Other financial liabilities (Notes 4,11,12, 25 and 41)	14,215,817	17,706,767
Other liabilities (Notes 25 and 41)	473,813	420,471
Total liabilities	<u>372,355,172</u>	<u>336,488,392</u>
EQUITY		
Owners’ equity (Note 28)		
Capital stock	3,611,338	3,611,338
Hybrid securities	1,895,366	997,544
Capital surplus	626,111	626,295
Other equity	(2,347,472)	(2,249,322)
Retained earnings	19,268,265	18,524,515
	<u>23,053,608</u>	<u>21,510,370</u>
Non-controlling interests	3,672,237	3,981,962
Total equity	<u>26,725,845</u>	<u>25,492,332</u>
Total liabilities and equity	<u>399,081,017</u>	<u>361,980,724</u>

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
	(Korean Won in millions)	
Interest income	9,523,853	10,576,770
Financial assets at FVTPL	48,612	50,619
Financial assets at FVTOCI	437,527	474,751
Financial assets at amortized cost	9,037,714	10,051,400
Interest expense	(3,525,341)	(4,683,064)
Net interest income (Notes 11, 30 and 41)	<u>5,998,512</u>	<u>5,893,706</u>
Fees and commissions income	1,694,016	1,709,326
Fees and commissions expense	(679,977)	(606,698)
Net fees and commissions income (Notes 11, 31 and 41)	<u>1,014,039</u>	<u>1,102,628</u>
Dividend income (Notes 11, 32 and 41)	138,543	107,959
Net gain on financial instruments at FVTPL (Notes 11, 33 and 41)	421,709	25,455
Net gain on financial assets at FVTOCI (Notes 11 and 34)	24,138	11,015
Net gain arising on financial assets at amortized cost (Note 11)	44,443	102,115
Impairment losses due to credit loss (Notes 35 and 41)	(784,371)	(374,244)
General and administrative expense (Notes 36 and 41)	(3,956,181)	(3,766,077)
Other net operating expense (Notes 11, 26, 36 and 41)	(820,438)	(302,581)
Operating income	<u>2,080,394</u>	<u>2,799,976</u>
Share of gain of joint ventures and associates (Note 13)	101,077	83,997
Other non-operating expense	(180,220)	(160,924)
Non-operating expense (Note 37)	<u>(79,143)</u>	<u>(76,927)</u>
Net income before income tax expense	2,001,251	2,723,049
Income tax expense (Note 38)	(486,002)	(685,453)
Net income	<u>1,515,249</u>	<u>2,037,596</u>
Net gain(loss) on valuation of equity securities at FVTOCI	47,246	(58,129)
Changes in capital due to equity method	(2,065)	-
Remeasurement gain(loss) related to defined benefit plan	9,783	(34,648)
Items that will not be reclassified to profit or loss:	<u>54,964</u>	<u>(92,777)</u>
Net gain on valuation of debt securities at FVTOCI	12,114	43,988
Changes in capital due to equity method	(233)	613
Net gain(loss) on foreign currency translation of foreign operations	(153,472)	101,781
Net gain(loss) on valuation of cash flow hedge	4,420	(1,823)
Items that may be reclassified to profit or loss:	<u>(137,171)</u>	<u>144,559</u>
Other comprehensive income (loss), net of tax	<u>(82,207)</u>	<u>51,782</u>
Total comprehensive income	<u>1,433,042</u>	<u>2,089,378</u>

(Continued)

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

	2020	2019
	(Korean Won in millions)	
Net income attributable to:	1,515,249	2,037,596
Net income attributable to owners	1,307,266	1,872,207
Net income attributable to non-controlling interests	207,983	165,389
Total comprehensive income attributable to:	1,433,042	2,089,378
Comprehensive income attributable to owners	1,233,097	1,914,393
Comprehensive income attributable to non-controlling interests	199,945	174,985
Earnings per share (Note 39)		
Basic and diluted earnings per share (Unit: In Korean Won)	1,742	2,727

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	Capital Stock	Hybrid securities	Capital surplus	Other equity	Retained earnings	Owners' equity in total	Non-controlling interests	Total equity
	(Korean Won in millions)							
January 1, 2019	3,381,392	3,161,963	285,889	(2,213,970)	17,124,657	21,739,931	213,113	21,953,044
Total comprehensive income								
Net income	-	-	-	-	1,872,207	1,872,207	165,389	2,037,596
Net loss on valuation of financial instruments at FVTOCI	-	-	-	(14,101)	-	(14,101)	(40)	(14,141)
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	29,368	(29,368)	-	-	-
Changes in capital due to equity method	-	-	1,153	613	-	1,766	-	1,766
Gain on foreign currency translation of foreign operations	-	-	-	91,748	-	91,748	10,033	101,781
Loss on valuation of cash flow hedge	-	-	-	(1,823)	-	(1,823)	-	(1,823)
Remeasurement loss related to defined benefit plan	-	-	-	(34,251)	-	(34,251)	(397)	(34,648)
Transactions with owners								
Dividends to common stocks	-	-	-	-	(437,626)	(437,626)	(2,014)	(439,640)
Acquisition of subsidiaries	229,946	-	351,663	-	-	581,609	69,534	651,143
New stocks issue cost	-	-	(12,848)	-	-	(12,848)	-	(12,848)
Net increase of treasury stocks	-	-	-	4,245	-	4,245	-	4,245
Issuance of hybrid securities	-	997,544	-	-	-	997,544	658,470	1,656,014
Dividends to hybrid securities	-	-	-	-	(4,362)	(4,362)	(134,421)	(138,783)
Redemption of hybrid securities	-	-	-	(277)	-	(277)	(159,618)	(159,895)
Exchange of non-controlling interests in hybrid securities	-	(3,161,963)	-	-	-	(3,161,963)	3,161,963	-
Changes in subsidiaries' capital	-	-	438	-	-	438	(50)	388
Appropriation of retained earnings	-	-	-	368	(368)	-	-	-
Other changes in consolidated capital	-	-	-	(111,242)	(625)	(111,867)	-	(111,867)
December 31, 2019	3,611,338	997,544	626,295	(2,249,322)	18,524,515	21,510,370	3,981,962	25,492,332
January 1, 2020	3,611,338	997,544	626,295	(2,249,322)	18,524,515	21,510,370	3,981,962	25,492,332
Total comprehensive income								
Net income	-	-	-	-	1,307,266	1,307,266	207,983	1,515,249
Net gain(loss) on valuation of financial instruments at FVTOCI	-	-	-	59,417	-	59,417	(57)	59,360
Net gain(loss) due to disposal of equity securities at FVTOCI	-	-	-	2,664	(2,664)	-	-	-
Changes in capital due to equity method	-	-	-	(2,298)	-	(2,298)	-	(2,298)
Gain on foreign currency translation of foreign operations	-	-	-	(145,376)	-	(145,376)	(8,096)	(153,472)
Gain on valuation of cash flow hedge	-	-	-	4,306	-	4,306	114	4,420
Remeasurement gain related to defined benefit plan	-	-	-	9,782	-	9,782	1	9,783
Transactions with owners								
Dividends to common stocks	-	-	-	-	(505,587)	(505,587)	(2,071)	(507,658)
Issuance of hybrid securities	-	897,822	-	-	-	897,822	-	897,822
Dividends to hybrid securities	-	-	-	-	(48,915)	(48,915)	(162,362)	(211,277)
Redemption of hybrid securities	-	-	-	(31,252)	-	(31,252)	(555,744)	(586,996)
Changes in subsidiaries' capital	-	-	(184)	4,607	(6,350)	(1,927)	45,684	43,757
Changes in non-controlling interests related to business combination	-	-	-	-	-	-	164,823	164,823
December 31, 2020	3,611,338	1,895,366	626,111	(2,347,472)	19,268,265	23,053,608	3,672,237	26,725,845

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
	(Korean Won in millions)	
Cash flows from operating activities:		
Net income	1,515,249	2,037,596
Adjustments to net income:		
Income tax expense	486,002	685,453
Interest income	(9,523,853)	(10,576,770)
Interest expense	3,525,341	4,683,064
Dividend income	(138,543)	(107,959)
	<u>(5,651,053)</u>	<u>(5,316,212)</u>
Additions of expenses not involving cash outflows:		
Loss on valuation of financial instruments at FVTPL	44,863	-
Loss on financial assets at FVTOCI	787	1,375
Impairment loss due to credit loss	784,371	374,244
Loss on other provisions	232,680	129,682
Retirement benefit	174,628	165,125
Depreciation and amortization	535,548	505,718
Net gain on foreign currency translation	191,504	-
Loss on derivatives (designated for hedge)	82,746	3,686
Loss on fair value hedge	68,508	86,214
Loss on valuation of investments in joint ventures and associates	24,525	19,778
Loss on disposal of premises and equipment, intangible assets and other assets	2,717	3,433
Impairment loss on premises and equipment, intangible assets and other assets	8,763	28,295
	<u>2,151,640</u>	<u>1,317,550</u>
Deductions of income not involving cash inflows:		
Gain on valuation of financial instruments at FVTPL	-	246,175
Gain on financial assets at FVTOCI	24,925	12,390
Gain on other provisions	2,450	3,302
Gain on derivatives (designated for hedge)	67,395	126,651
Gain on fair value hedge	9,646	231
Gain on valuation of investments in joint ventures and associates	125,602	103,775
Gain on disposal of investments in joint ventures and associates	3,470	-
Gain on disposal of premises and equipment, intangible assets and other assets	9,715	1,632
Reversal of impairment loss on premises and equipment, intangible assets and other assets	172	103
Profit from bargain purchase	67,427	-
Other income	20,600	-
	<u>331,402</u>	<u>494,259</u>
Changes in operating assets and liabilities:		
Financial instruments at FVTPL	(875,076)	(506,772)
Loans and other financial assets at amortized cost	(22,763,192)	(11,265,714)
Other assets	(89,918)	86,237
Deposits due to customers	27,378,173	15,407,222
Provisions	(184,112)	(63,751)
Net defined benefit liability	(214,741)	(293,008)
Other financial liabilities	(2,694,701)	(4,719,399)
Other liabilities	(8,150)	30,693
	<u>548,283</u>	<u>(1,324,492)</u>
Interest income received	9,558,119	10,478,357
Interest expense paid	(4,008,001)	(4,383,916)
Dividends received	138,562	107,940
Income tax paid	(315,422)	(552,215)
	<u>5,373,258</u>	<u>5,650,166</u>
Net cash inflow from operating activities	<u>3,605,975</u>	<u>1,870,349</u>

(Continued)

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019 (CONTINUED)

	2020	2019
	(Korean Won in millions)	
Cash flows from investing activities:		
Cash in-flows from investing activities:		
Disposal of financial instruments at FVTPL	6,605,483	11,357,056
Disposal of financial assets at FVTOCI	20,527,695	14,303,197
Redemption of securities at amortized cost	5,661,472	8,709,947
Disposal of investments in joint ventures and associates	410,940	30,098
Disposal of investment properties	353	193
Disposal of premises and equipment	22,828	13,343
Disposal of intangible assets	634	939
Net increase of other assets	26,642	-
	<u>33,256,047</u>	<u>34,414,773</u>
Cash out-flows from investing activities:		
Net cash in-flows of business combination	313,058	296,813
Acquisition of financial instruments at FVTPL	8,082,824	11,823,630
Acquisition of financial assets at FVTOCI	23,044,741	23,775,062
Acquisition of securities at amortized cost	2,380,448	6,092,078
Acquisition of investments in joint ventures and associates	550,619	389,096
Acquisition of investment properties	76,588	70,346
Acquisition of premises and equipment	149,341	429,547
Acquisition of intangible assets	114,854	126,342
	<u>34,712,473</u>	<u>43,002,914</u>
Net cash outflow from investing activities	<u>(1,456,426)</u>	<u>(8,588,141)</u>
Cash flows from financing activities:		
Cash in-flows from financing activities:		
Net increase in borrowings	2,033,851	3,081,757
Issuance of debentures	23,082,798	25,510,713
Net increase of other liabilities	3,971	-
Issuance of hybrid securities	897,822	1,656,014
Retirement of treasury stocks	-	760,101
Paid-in capital increase on non-controlling interests	45,749	-
	<u>26,064,191</u>	<u>31,008,585</u>
Cash out-flows from financing activities:		
Net cash out-flows from hedging activities	5,409	5,520
Redemption of debentures	22,168,962	23,651,950
Redemption of lease liabilities	204,794	217,867
New stock issue cost	-	17,337
Acquisition of treasury stocks	-	184,164
Dividends paid	505,587	437,626
Redemption of hybrid stocks	598,850	160,000
Dividends paid to hybrid securities	211,277	161,052
Dividends paid to non-controlling interest	2,071	2,014
Paid-in capital decrease on non-controlling interests	-	50
	<u>23,696,950</u>	<u>24,837,580</u>
Net cash inflow from financing activities	<u>2,367,241</u>	<u>6,171,005</u>
Net increase (decrease) in cash and cash equivalents	4,516,790	(546,787)
Cash and cash equivalents, beginning of the period	6,392,566	6,747,894
Effects of exchange rate changes on cash and cash equivalents	(918,373)	191,459
Cash and cash equivalents, end of the period (Note 6)	<u>9,990,983</u>	<u>6,392,566</u>

The accompanying notes are part of this consolidated financial statements.

WOORI FINANCIAL GROUP INC. AND SUBSIDIARIES NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2020 AND 2019

1. GENERAL

(1) Summary of the Parent company

Woori Financial Group, Inc. (hereinafter referred to the “Parent company”) is primarily aimed at controlling subsidiaries that operate in the financial industry or those that are closely related to the financial industry through the ownership of shares and was established on January 11, 2019 under the Financial Holding Company Act through the comprehensive transfer with shareholders of Woori Bank (hereinafter referred to the “Bank”), Woori FIS Co., Ltd., Woori Finance Research Institute Co., Ltd., Woori Credit Information Co., Ltd., Woori Fund Services Co., Ltd. and Woori Private Equity Asset Management Co. Ltd. The headquarters of the Parent company is located at 51, Sogong-ro, Jung-gu, Seoul, Korea, and the capital is 3,611,338 million won as of December 31, 2020 while the Korea Deposit Insurance Corp. (“KDIC”), the Parent company’s largest shareholder, owns 124,604,797 shares (17.25%) of the Parent company’s stocks issued. The company’s stocks were listed on the Korea Exchange on February 13, 2019, and its American Depository Shares (“ADS”) are also being traded as the underlying common stock on the New York Stock Exchange since the same date.

The details of stock transfer between the Parent company and subsidiaries as of incorporation are as follows (Unit: Number of shares)

Stock transfer company	Total number of issued shares	Exchange ratio per share	Number of Parent company’s stocks
Woori Bank	676,000,000	1.0000000	676,000,000
Woori FIS Co., Ltd.	4,900,000	0.2999708	1,469,857
Woori Finance Research Institute Co., Ltd.	600,000	0.1888165	113,289
Woori Credit Information Co., Ltd.	1,008,000	1.1037292	1,112,559
Woori Fund Service Co., Ltd.	2,000,000	0.4709031	941,806
Woori Private Equity Asset Management Co., Ltd.	6,000,000	0.0877992	526,795

As of August 1, 2019, the Parent company acquired a 73% interest in Tongyang Asset Management Co., Ltd. and changed the name to Woori Asset Management Corp. Also, as of August 1, 2019, the Parent company gained 100% control of ABL Asset Management Co., Ltd., added it as a consolidated subsidiary and changed the name to Woori Global Asset Management Co., Ltd. on December 6, 2019.

The Parent company paid 598,391 million won in cash and 42,103,377 new shares of the Parent company to acquire 100% interest of Woori Card Co., Ltd. from its subsidiary, Woori Bank, on September 10, 2019. On the same date, the Parent company also acquired 59.8% interest of Woori Investment Bank Co., Ltd. from Woori Bank with 392,795 million won in cash.

As of December 30, 2019, the Parent company acquired a 67.2% interest (excluding treasury stocks, 51% interest including treasury stocks) in Woori Asset Trust Co., Ltd. (formerly Kukje Asset Trust Co., Ltd.) and added it as a consolidated subsidiary at the end of 2019.

The Group acquired 76.8% (excluding treasury stocks, 74.0% interest including treasury stocks) stake in Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.) on December 10, 2020.

(2) Details of the Parent company and subsidiaries (hereinafter ‘Group’) as of December 31, 2020 and 2019 are as follows:

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2020	December 31, 2019		
Held by Woori Financial Group Inc.					
Woori Bank	Bank	100.0	100.0	Korea	December 31
Woori Card Co., Ltd.	Finance	100.0	100.0	Korea	December 31
Woori Financial Capital Co., Ltd.	Finance	76.8	-	Korea	December 31
Woori Investment Bank Co., Ltd. (*7)	Other credit finance business	58.7	59.8	Korea	December 31
Woori Asset Trust Co., Ltd.	Real estate trust	67.2	67.2	Korea	December 31
Woori Asset Management Corp.	Finance	73.0	73.0	Korea	December 31
Woori Credit Information Co., Ltd.	Credit information	100.0	100.0	Korea	December 31
Woori Fund Service Co., Ltd.	Finance	100.0	100.0	Korea	December 31
Woori Private Equity Asset Management Co., Ltd.	Finance	100.0	100.0	Korea	December 31
Woori Global Asset Management Co., Ltd.	Finance	100.0	100.0	Korea	December 31
Woori FIS Co., Ltd.	System software development & maintenance	100.0	100.0	Korea	December 31
Woori Finance Research Institute Co., Ltd.	Other service business	100.0	100.0	Korea	December 31
Held by Woori Bank					
Woori America Bank	Finance	100.0	100.0	America	December 31
Woori Global Markets Asia Limited	Finance	100.0	100.0	Hong Kong	December 31
Woori Bank China Limited	Finance	100.0	100.0	China	December 31
AO Woori Bank	Finance	100.0	100.0	Russia	December 31
PT Bank Woori Saudara Indonesia 1906 Tbk	Finance	79.9	79.9	Indonesia	December 31
Banco Woori Bank do Brasil S.A.	Finance	100.0	100.0	Brazil	December 31
Korea BTL Infrastructure Fund	Finance	99.9	99.9	Korea	December 31
Woori Finance Cambodia PLC. (*1)(*5)	Finance	-	100.0	Cambodia	-
Woori Finance Myanmar Co., Ltd.	Finance	100.0	100.0	Myanmar	December 31
Wealth Development Bank	Finance	51.0	51.0	Philippines	December 31
Woori Bank Vietnam Limited	Finance	100.0	100.0	Vietnam	December 31
WB Finance Co., Ltd.	Finance	100.0	100.0	Cambodia	December 31
Woori Bank Europe	Finance	100.0	100.0	Germany	December 31
Kumho Trust First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Asiana Saigon Inc. (*2)	Asset securitization	0.0	0.0	Korea	December 31
KAMCO Value Recreation First Securitization Specialty Co., Ltd. (*2)	Asset securitization	15.0	15.0	Korea	December 31
Hermes STX Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
BWL First Co., LLC (*2)	Asset securitization	0.0	0.0	Korea	December 31
Deogi Dream Fourth Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Jeonju Iwon Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Wonju I one Inc. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Heitz Third Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woorihansoop 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Electric Cable First Co., Ltd. (*2)(*5)	Asset securitization	-	0.0	Korea	-
Woori International First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori WEBST 1st Co., Ltd. (*2)(*5)	Asset securitization	-	0.0	Korea	-
Wibihansoop 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Uri QS 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Uri Display 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Tiger Eyes 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Serveone 1st Co., Ltd. (*2)(*5)	Asset securitization	-	0.0	Korea	-

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2020	December 31, 2019		
Uri Display 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori the Colony Unjung Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Dream 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Dream 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori H 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HS 2nd Co., Ltd. (*5)	Asset securitization	-	0.0	Korea	-
Woori Sinnonhyeon 1st Inc. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori K 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Uri S 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Smart Casting Inc. (*2)(*5)	Asset securitization	-	0.0	Korea	-
Uri Display 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
TY 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HJ 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori-HJ 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Uri K 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori KC No.1 Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Lake 1st, Ltd. (*2)(*5)	Asset securitization	-	0.0	Korea	-
Woori QSell 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Quantum Jump the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Quantum Jump the 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori BK the 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori-HC 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Wivi Synergy 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
ATLANTIC TRANSPORTATION 1 S.A. (*2)	Asset securitization	0.0	0.0	Marshall islands	December 31
Woori Gongdeok First Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
HD Project Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HW 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori HC 2nd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Dream 3rd Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori SJS 1st Co., Ltd. (*2)	Asset securitization	0.0	0.0	Korea	December 31
Woori Steel 1st Co., Ltd. (*2)	Asset securitization	0.0	-	Korea	December 31
Woori-HWC 1st Co., Ltd.	Asset securitization	0.0	-	Korea	December 31
SPG the 1st Co., Ltd.	Asset securitization	0.0	-	Korea	December 31
Woori Park I 1st co., Ltd (*2)	Asset securitization	0.0	-	Korea	December 31
Woori HC 3rd Co., Ltd. (*2).	Asset securitization	0.0	-	Korea	December 31
Woori DS 1st co., Ltd (*2)	Asset securitization	0.0	-	Korea	December 31
Woori HC 4th Co., Ltd. (*2).	Asset securitization	0.0	-	Korea	December 31
Woori SKR 1st Co., Ltd. (*2).	Asset securitization	0.0	-	Korea	December 31
G5 Pro Short-term Bond Investment Fund 13 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Heungkuk Global Private Placement Investment Trust No. 1 (*3)	Securities investment and others	98.5	98.5	Korea	December 31
AI Partners UK Water Supply Private Placement Investment Trust No.2 (*3)	Securities investment and others	97.3	97.3	England	December 31
Consus Sakhalin Real Estate Investment Trust 1st (*5)	Securities investment and others	-	75.0	Korea	-
Multi Asset Global Real Estate Investment Trust No. 5-2 (*3)	Securities investment and others	99.0	99.0	Korea	December 31
Igis Australia Investment Trust No. 209-1 (*3)	Securities investment and others	99.4	99.4	Korea	December 31
INMARK Spain Private Placement Real Estate Investment Trust No. 26-2 (*3)	Securities investment and others	97.7	-	Korea	December 31
Woori G Japan Investment Trust No. 1-2 (*3)	Securities investment and others	98.8	-	Korea	December 31
IGIS Global Private Placement Real Estate Fund No. 316-1 (*3)	Securities investment and others	99.3	99.3	Korea	December 31
Principal Guaranteed Trust (*4)	Trust	0.0	0.0	Korea	December 31

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2020	December 31, 2019		
Principal and Interest Guaranteed Trust (*4)	Trust	0.0	0.0	Korea	December 31
Held by Multi Asset Global Real Estate Investment Trust No. 5-2: MAGI No.5 LuxCo S.a.r.l. (*3)	Asset securitization	54.6	54.6	Luxembourg	December 31
Held by MAGI No.5 LuxCo S.a.r.l.: ADP 16 Brussels (*2)	Asset securitization	0.0	0.0	Belgium	December 31
Held by Woori Card Co., Ltd.: TUTU Finance –WCI Myanmar Co., Ltd.	Finance	100.0	100.0	Myanmar	December 31
Woori Card one of 2017-1 Securitization Specialty Co., Ltd. (*2)(*5)	Asset securitization	-	0.5	Korea	-
Woori Card one of 2017-2 Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card one of 2018-1 Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2019-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	0.5	Korea	December 31
Woori Card 2020-1 Asset Securitization Specialty Co., Ltd. (*2)	Asset securitization	0.5	-	Korea	December 31
Held by Woori Financial Capital Co., Ltd.	Bank	100.0	-	Korea	December 31
Woori Savings Bank ACE Auto Invest the 46th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	-	Korea	December 31
ACE Auto Invest the 47th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	-	Korea	December 31
ACE Auto Invest the 48th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	-	Korea	December 31
ACE Auto Invest the 49th Securitization Specialty Co., Ltd. (*2)	Asset securitization	1.0	-	Korea	December 31
Specified Money Market Trust	Trust	100.0	-	Korea	December 31
Held by Woori Investment Bank Co., Ltd.:					
Dongwoo First Securitization Specialty Co., Ltd. (*2)(*5)	Asset securitization	-	5.0	Korea	-
Seari First Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Seari Second Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Namjong 1st Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Bukgeum First Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
Bukgeum Second Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WS1909 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	5.0	Korea	December 31
WS2003 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
WS2006 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
WJ2008 Securitization Specialty Co., Ltd. (*2)	Asset securitization	5.0	-	Korea	December 31
One Punch Korea the 1st Co., Ltd. (*2).	Asset securitization	0.0	0.0	Korea	December 31

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2020	December 31, 2019		
One Punch blue the 1 st Co., Ltd. (*2) Held by Woori Asset Management Corp.:	Asset securitization	0.0	0.0	Korea	December 31
Woori China Convertible Bond Hedging feeder Investment Trust H (debt-oriented hybrid) (*3)	Securities investment and others	99.6	98.8	Korea	December 31
Woori China Convertible Bond Master Fund (debt-oriented hybrid) (*3)	Securities investment and others	34.5	98.6	Korea	December 31
Woori Yellow Chip High Yield Strategic Allocation 1 (FOF) (*3)	Securities investment and others	89.8	-	Korea	December 31
Woori Together TDF 2025 (*3)	Securities investment and others	47.6	-	Korea	December 31
Woori Together TDF 2030 (*3)	Securities investment and others	47.4	-	Korea	December 31
Woori Together TDF 2035 (*3)	Securities investment and others	47.8	-	Korea	December 31
Woori Together TDF 2040 (*3)	Securities investment and others	48.8	-	Korea	December 31
Woori Together TDF 2045 (*3)	Securities investment and others	47.7	-	Korea	December 31
Woori Together TDF 2050 (*3)	Securities investment and others	87.0	-	Korea	December 31
Held by Woori Financial Capital Co., Ltd., Woori Private Equity Asset Management Co., Ltd. and Woori Investment Bank Co., Ltd.: (*6)					
Japanese Hotel Real Estate Private Equity Fund 1 (*3)	Securities investment and others	100.0	45.5	Korea	December 31
Held by Woori Global Asset Management Co., Ltd.:					
Woori G China Value Equity (C/C(F)) (*3)(*5)	Securities investment and others	-	95.1	Korea	-
Woori G Global Multi Asset Income Private Placement Investment Trust Class Cs (*3)	Securities investment and others	22.2	-	Korea	December 31
Held by Woori Bank, Woori Financial Capital Co., Ltd., Woori Investment Bank Co., Ltd and Woori Private Equity Asset Management Co., Ltd.: (*6)					
Woori Innovative Growth Professional Investment Type Private Investment Trust No.1 (*3)	Securities investment and others	90.0	60.0	Korea	December 31
Woori Innovative Growth Professional Investment Type Private Investment Trust No.2 (*3)	Securities investment and others	85.0	-	Korea	December 31
Held by Woori bank and Woori Investment Bank Co., Ltd.: (*6)					
Heungkuk Woori Tech Company Private Placement Investment Trust No. 1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori Global Development Infrastructure Synergy Company Private Placement Investment Trust No.1 (*3)	Securities investment and others	100.0	100.0	Korea	December 31
Woori G NorthAmerica Infra Private Placement Investment Trust No. 1 (*3)	Securities investment and others	100.0	-	Korea	December 31
Woori G Infrastructure New Deal Specialized Investment Private	Securities investment and others	100.0	-	Korea	December 31

Subsidiaries	Main business	Percentage of ownership (%)		Location	Financial statements date of use
		December 31, 2020	December 31, 2019		
Equity Investment Trust No. 1 (*3)					
Woori G Private Placement Real Estate Investment Trust No.2 (*3)	Securities investment and others	30.1	-	Korea	December 31
Held by Woori bank (*6)					
Woori G Woori Bank Partners Private Placement Investment Trust No. 1 (*3)	Securities investment and others	92.6	-	Korea	December 31
Woori G Secondary Private Placement Investment Trust No. 1 (*3)	Securities investment and others	97.2	-	Korea	December 31
Woori G Private Placement Real Estate Investment Trust No.1[USD] (*3)	Securities investment and others	80.0	-	Korea	December 31
Held by Woori Financial Capital Co., Ltd.					
Woori G Japan Private Placement Real Estate Feeder Investment Trust No.1-1 (*3)	Securities investment and others	63.2	-	Korea	December 31
Held by Woori G Japan Private Placement Real Estate Feeder Investment Trust No.1-1 and Woori G Japan Investment Trust No. 1-2					
Woori G Japan Private Placement Real Estate Master Investment Trust No.1 (*3)	Securities investment and others	100.0	-	Korea	December 31
Held by Woori G Japan Private Placement Real Estate Master Investment Trust No.1 GK OK Chatan (*3)	Other financial services	-	-	Korea	December 31

- (*1) The entity was merged with WB Finance Co., Ltd., which is a second-tier subsidiary, during current period.
- (*2) The entity is a structured entity for the purpose of asset securitization. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.
- (*3) The entity is a structured entity for the purpose of investment in securities. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.
- (*4) The entity is a 'money trust' under the Financial Investment Services and Capital Markets Act. Although the Group is not a majority shareholder, the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns.
- (*5) Companies are excluded from the consolidation as of December 31, 2020.
- (*6) Determined that the Group controls the investees, considering the Group 1) has the power over the investee, 2) is exposed to or has rights to variable returns from its involvement with the investee, and 3) has the ability to use its power to affect its returns, by two or more subsidiaries' investment or operation.
- (*7) The equity ratio changed due to paid-in capital increase as of December 31, 2020.

- (3) The Group has not consolidated the following entities as of December 31, 2020 and 2019 despite having more than 50% ownership interest:

Subsidiaries	As of December 31, 2020		
	Location	Main Business	Percentage of ownership (%)
Mirae Asset Maps Clean Water Private Equity Investment Trust 7th (*)	Korea	Securities Investment	59.7
Kiwoom Yonsei Private Equity Investment Trust (*)	Korea	Securities Investment	88.9
IGIS Europe Private Placement Real Estate Fund No. 163-2 (*)	Korea	Securities Investment	97.9
IGIS Global Private Placement Real Estate Fund No. 148-1 (*)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*)	Korea	Securities Investment	55.6
KIM Pocheon-Hwado Highway Infra Private Placement Special Asset Fund (*)	Korea	Securities Investment	55.2
Kiwoom-Harmony Private Placement Investment Trust No.2 (*)	Korea	Securities Investment	96.3
Kiwoom-Harmony Private Placement Investment Trust No.1 (*)	Korea	Securities Investment	95.7
Midas Global Private Placement Real Estate Investment Trust No. 7-2 (*)	Korea	Securities Investment	58.3
Together-Korea Government Private Pool Private Securities Investment Trust No.3 (*)	Korea	Securities Investment	100.0
INMARK France Private Placement Investment Trust No. 18-1 (*)	Korea	Securities Investment	93.8
Kiwoom Vibrato Private Placement Investment Trust 1-W(EUR) (*)	Korea	Securities Investment	99.3

(*) Since the investee is a private equity investment fund, the Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

Subsidiaries	As of December 31, 2019		
	Location	Main Business	Percentage of ownership (%)
Golden Bridge NHN Online Private Equity Investment (*)	Korea	Securities Investment	60.0
Mirae Asset Maps Clean Water Private Equity Investment Trust 7th (*)	Korea	Securities Investment	59.7
Kiwoom Yonsei Private Equity Investment Trust (*)	Korea	Securities Investment	88.9
IGIS Europe Private Placement Real Estate Fund No. 163-2 (*)	Korea	Securities Investment	97.9
IGIS Global Private Placement Real Estate Fund No. 148-1 (*)	Korea	Securities Investment	75.0
IGIS Global Private Placement Real Estate Fund No. 148-2 (*)	Korea	Securities Investment	75.0
Mirae Asset Seoul Ring Expressway Private Special Asset Fund No. 1 (*)	Korea	Securities Investment	66.7
Hangkang Sewage Treatment Plant Fund (*)	Korea	Securities Investment	55.6
KIM Pocheon-Hwado Highway Infra Private Placement Special Asset Fund (*)	Korea	Securities Investment	55.2

(*) Since the investee is a private equity investment fund, the Group does not have the power over the fund's activities even though it holds more than 50% of ownership interest.

- (4) The summarized financial information of the major subsidiaries are as follows. The financial information of each subsidiary was prepared on the basis of consolidated financial statements. (Unit: Korean Won in millions):

Subsidiaries	As of and for the year ended December 31, 2020				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank	374,310,415	350,790,158	26,838,766	1,363,224	1,295,302
Woori Card Co., Ltd.	11,366,596	9,312,986	1,388,208	120,230	118,109
Woori Financial Capital Co., Ltd. (*)	8,880,117	8,053,840	218,945	(30,349)	(38,293)
Woori Investment Bank Co., Ltd.	4,332,474	3,803,594	256,079	62,937	62,275
Woori Asset Trust Co., Ltd.	185,634	56,396	79,426	35,312	35,954
Woori Asset Management Corp.	136,460	23,411	26,158	6,797	6,313
Woori Credit Information Co., Ltd.	40,860	9,830	40,010	1,879	1,600
Woori Fund Service Co., Ltd.	18,957	2,172	13,346	2,563	2,563
Woori Private Equity Asset Management Co., Ltd.	38,035	2,009	4,773	823	768
Woori Global Asset Management Co., Ltd.	37,935	9,807	10,652	(1,449)	(1,449)
Woori FIS Co., Ltd.	97,479	59,577	249,169	2,013	1,935
Woori Finance Research Institute Co., Ltd.	7,232	3,689	6,223	105	95

(*) Net income (loss) attributable to owners of Woori Financial Capital for the year ended December 31, 2020 has been prepared on a cumulative basis since entity was included as the subsidiary.

Subsidiaries	As of and for the year ended December 31, 2019				
	Assets	Liabilities	Operating revenue	Net income (loss) attributable to owners	Comprehensive income (loss) attributable to owners
Woori Bank (*1)	348,181,658	325,526,568	22,240,947	1,505,547	1,531,793
Woori Card Co., Ltd.	10,087,342	8,299,175	1,368,234	114,196	111,782
Woori Investment Bank Co., Ltd.	3,398,960	3,031,622	204,655	53,358	52,095
Woori Asset Trust Co., Ltd. (*2)	139,839	45,410	-	-	-
Woori Asset Management Corp. (*2)	113,037	6,301	9,204	1,720	2,544
Woori Credit Information Co., Ltd.	37,872	7,948	39,118	1,698	1,389
Woori Fund Service Co., Ltd.	16,852	2,109	11,071	1,735	1,735
Woori Private Equity Asset Management Co., Ltd.	38,243	2,985	4,152	(2,087)	(2,124)
Woori Global Asset Management Co., Ltd. (*2)	32,807	3,230	3,588	(1,360)	(1,360)
Woori FIS Co., Ltd.	91,079	55,112	244,923	3,107	3,119
Woori Finance Research Institute Co., Ltd.	5,447	1,999	5,452	160	117

(*1) The amount is prepared based on the consolidated financial statements of Woori Bank (before reflecting the classification of profit or loss of the discontinued operation).

(*2) Net income (loss) attributable to owners of Woori Asset Trust Co., Ltd., Woori Asset Management Corp. and Woori Global Asset Management Co., Ltd. are prepared on a cumulative basis from the date on which the entities were included as subsidiaries, to December 31, 2019.

(5) The financial support that the Group provides to consolidated structured entities is as follows:

- Structured entity for asset securitization
The structured entity which is established for the purpose of securitization of project financing loans, corporate bonds, and other financial assets. The Group is involved with the structured entity through provision of credit facility over asset-backed commercial papers issued by the entity, originating loans directly to the structured entity, or purchasing 100% of the subordinated debts issued by the structured entity.
- Structured entity for the investments in securities
The structured entity is established for the purpose of investments in securities. The Group acquires beneficiary certificates through its contribution of funding to the structured entity by the Group, and it is exposed to the risk that it may not be able to recover its fund depending on the result of investment performance of asset managers of the structured entity.
- Money trust under the Financial Investment Services and Capital Markets Act
The Group provides with financial guarantee of principal and interest or solely principal to some of its trust products. Due to the financial guarantees, the Group may be obliged when the principal and interest or principal of the trust product sold is short of the guaranteed amount depending on the result of investment performance of the trust product.

As of December 31, 2020, the Group provides 2,540,760 million won of credit facilities for the structured entities mentioned above.

(6) The Group has entered into various agreements with structured entities such as asset securitization, structured finance, investment fund, and monetary trust. The characteristics and the nature of risks related to unconsolidated structured entities over which the Group does not have control in accordance with Korean IFRS 1110 are as follows:

The interests in unconsolidated structured entities that the Group hold are classified into asset securitization vehicles, structured finance, investment fund and real-estate trust, based on the nature and the purpose of each structured entity.

Unconsolidated structured entities classified as ‘asset securitization vehicles’ are entities that issue asset-backed securities, pay the principal and interest or distributes dividends on asset-backed securities through borrowings or profits from the management, operation and sale of securitized assets. The Group has been purchasing commitments of asset-backed securities or issuing asset-backed securities through credit grants, and the structured entities recognize related interest or fee revenue. There are entities that provide additional funding and conditional debt acquisition commitments before the Group’s financial support, but the Group is still exposed to losses arising from the purchase of financial assets issued by the structured entities when it fails to renew the securities.

Unconsolidated structured entities classified as ‘structured financing’ include real estate project financing investment vehicle, social overhead capital companies, and special purpose companies for ship (aircraft) financing. Each entity is incorporated as a separate company with a limited purpose in order to efficiently pursue business goals. ‘Structured financing’ is a financing method for large-scale risky business, with investments made based on feasibility of the specific business or project, instead of credit of business owner or physical collaterals. The investors receive profits from the operation of the business. The Group recognizes interest revenue, profit or loss from assessment or transactions of financial instruments, or dividend income. With regard to uncertainties involving structured financing, there are entities that provide financial support such as additional fund, guarantees and prioritized credit grants prior to the Group’s intervention, but the Group is exposed to possible losses due to loss of principal from reduction in investment value or irrecoverable loans arising from failure to collect scheduled cash flows and cessation of projects.

Unconsolidated structured entities classified as ‘investment funds’ include investment trusts and private equity funds. An investment trust orders the investment and operation of funds to the trust manager in accordance with trust contract with profits distributed to the investors. Private equity funds finances money required to acquire equity securities to enable direction of management and/or improvement of ownership structure, with profit distributed to the investors. The Group recognizes pro rata amount of valuation gain or loss on investment and dividend income as an investor and may be exposed to losses due to reduction in investment value. Investments in MMF(Money Market Funds) as of December 31, 2020 and 2019 are 427,375 million won and 47,502 million won, respectively, and there is no additional commitments for MMF.

‘Real estate trust’ is to be entrusted the underlying property for the purpose of managing, disposing, operating or developing from the consignor who owns the property and distributes the proceeds achieved through the trust to the beneficiary. When the consignee does not fulfill his or her important obligations in the trust contract or it is, in fact, difficult to run the business, the Group may be exposed to the threat of compensating the loss.

The total assets of the unconsolidated structured entity held by the Group, the carrying amount of the items recognized in the consolidated financial statements, the maximum loss exposure, and the losses from the unconsolidated structured entity are as follows. The maximum loss exposure includes the amount of investment recognized in the consolidated financial statements and the amount that is likely to be confirmed in the future when satisfies certain conditions by contracts such as purchase arrangements, credit offerings. As of December 31, 2020 and 2019, the purchase commitment amount is 4,266,319 million won and 2,264,510 million won, respectively.

	December 31, 2020			
	Asset securitization vehicle	Structured Finance	Investment Funds	Real-estate trust
Total asset of the unconsolidated structured entities	3,900,254	69,010,369	44,629,638	76,772
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	648,700	4,291,535	3,350,605	22,402
Financial assets at FVTPL	374,231	167,271	2,922,716	-
Financial assets at FVTOCI	163,808	41,378	-	-
Financial assets at amortized cost	109,008	4,072,321	39,955	22,402
Investments in joint ventures and associates	-	5,958	387,902	-
Derivative assets	1,653	4,607	32	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	130	963	-	400
Other liabilities (provisions)	130	963	-	400
The maximum exposure to risks	970,628	5,366,037	3,438,924	65,722
Investment assets	648,700	4,291,535	3,350,605	22,402
Credit facilities and others	321,928	1,074,502	88,319	43,320
Loss recognized on unconsolidated structured entities	-	6,079	25,454	2,363
	December 31, 2019			
	Asset securitization vehicle	Structured Finance	Investment Funds	Real-estate trust
Total asset of the unconsolidated structured entities	8,230,254	62,879,421	18,265,273	152,257
Assets recognized in the consolidated financial statements related to the unconsolidated structured entities	5,128,616	2,982,217	1,411,639	57,928
Financial assets at FVTPL	324,414	28,834	1,109,621	655
Financial assets at FVTOCI	2,006,230	42,305	-	-
Financial assets at amortized cost	2,796,695	2,897,620	120,072	57,273
Investments in joint ventures and associates	-	7,475	181,946	-
Derivative assets	1,277	5,983	-	-
Liabilities recognized in the consolidated financial statements related to the unconsolidated structured entities	184	1,291	-	2,808
Derivative liabilities	-	15	-	-
Other liabilities (provisions)	184	1,276	-	2,808
The maximum exposure to risks	5,561,394	3,532,539	1,457,398	77,117
Investment assets	5,128,616	2,982,217	1,411,639	57,928
Credit facilities and others	432,778	550,322	45,759	19,189
Loss recognized on unconsolidated structured entities	-	4,660	34,312	5,218

(7) As of December 31, 2020 and 2019, the share of non-controlling interests on the net income and equity of subsidiaries in which non-controlling interests are significant are as follows: (Unit: Korean Won in millions):

1) Accumulated non-controlling interests at the end of the reporting period

	December 31, 2020	December 31, 2019
Woori Bank (*)	3,105,070	3,660,814
Woori Financial Capital Co., Ltd.	166,369	-
Woori Investment Bank Co., Ltd.	222,289	151,170
Woori Asset Trust Co., Ltd.	49,738	40,161
Woori Asset Management Corp	31,369	29,800
PT Bank Woori Saudara Indonesia 1906 Tbk	79,890	83,315
Wealth Development Bank	19,521	18,524

(*) Hybrid securities issued by Woori Bank

2) Net income attributable to non-controlling interests

	For the years ended December 31	
	2020	2019
Woori Bank (*)	162,362	134,421
Woori Financial Capital Co., Ltd.	1,466	-
Woori Investment Bank Co., Ltd.	25,643	21,588
Woori Asset Trust Co., Ltd.	9,732	-
Woori Asset Management Corp	1,699	408
PT Bank Woori Saudara Indonesia 1906 Tbk	6,040	8,502
Wealth Development Bank	1,130	427

(*) Distribution of the hybrid securities issued by Woori Bank

3) Dividends to non-controlling interests

	For the years ended December 31	
	2020	2019
Woori Bank (*)	162,362	134,421
Woori Asset Trust Co., Ltd.	365	-
PT Bank Woori Saudara Indonesia 1906 Tbk	1,669	1,981

(*) Distribution of the hybrid securities issued by Woori Bank

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of presentation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group's financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements, as described in following paragraphs of accounting policy, are prepared at the end of each reporting period in historical cost basis, except for certain non-current assets and financial assets that are either revalued or measured in fair value. Historical cost is generally measured at the fair value of consideration given to acquire assets.

The consolidated financial statements of the Group were first approved for the issuance by the Board of Directors on February 5, 2021 and amended on March 5, 2021. The final approval will be made in the annual general shareholders' meeting on March 26, 2021.

1) The standards and interpretations that are newly adopted by the Group during the current period, and the changes in accounting policies thereof are as follows:

① Amendments to Korean IFRS 1103 Business Combination – Definition of a Business

To consider the integration of the required activities and assets as a business, the amended definition of a business requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs, and excludes economic benefits from the lower costs. An entity can apply a concentration test, an optional test, where substantially all of the fair value of gross assets acquired is concentrated in a single asset or a group of similar assets, the assets acquired would not represent a business. The amendment does not have a significant impact on the financial statements.

② Amendments to Korean IFRS 1001 Presentation of Financial Statements and Korean IFRS 1008 Accounting policies, changes in accounting estimates and errors – Definition of Materiality

The amendments clarify the explanation of the definition of materiality and amended Korean IFRS 1001 and Korean IFRS 1008 according to the definition. Materiality is assessed by reference to omission or misstatement of material information as well as effects of immaterial information, and to the nature of the users when determining the information to be disclosed by the Group. The amendment does not have a significant impact on the financial statements.

③ Amendments to Korean IFRS 1116 Lease – Practical expedient for COVID-19-Related Rent Exemption, Concessions, Suspension

As a practical expedient, a lessee may elect not to assess whether a rent concession occurring as a direct consequence of the COVID-19 pandemic is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the rent concession the same way it would account for the change applying this Standard if the change were not a lease modification.

With implementation of Korean IFRS 1116 Lease, the Group has changed its accounting policy. The Group has adopted Korean IFRS 1116 retrospectively, as permitted under the specific transitional provisions in the standard. There was no cumulative impact on the beginning balance of retained earnings as at January 1, 2020 by retrospectively applying this standard, and the Group did not restate comparatives for the 2019 reporting period. The impact of the adoption of the leasing standard are disclosed in Note 43.

2) The details of Korean IFRSs that have been issued and published as of the date of issue approval of financial statements but have not yet reached the effective date, and which the Group has not applied at an earlier date are as follows:

① Amendments to Korean IFRS 1103 Business Combination – Reference to the Conceptual Framework

The amendments update a reference of definition of assets and liabilities qualify for recognition in revised Conceptual Framework for Financial Reporting. However, the amendments add an exception for the recognition of liabilities and contingent liabilities within the scope of Korea IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets, and Korean IFRS 2121 Levies. The amendments also confirm that contingent assets should not be recognized at the acquisition date. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

② Amendments to Korean IFRS 1037 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts: Cost of Fulfilling a Contract

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts when assessing whether the contract is onerous. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

③ Amendments to Korean IFRS 1016 Property, plant and equipment – Proceeds before intended use

The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while the entity is preparing the asset for its intended use. Instead, the entity will recognize the proceeds from selling such items, and the costs of producing those items, in profit or loss. The amendments should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

④ Annual Improvements to Korean IFRS 2018-2020

Annual improvements of Korean IFRS 2018-2020 Cycle should be applied for annual periods beginning on or after January 1, 2022, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

- Korean IFRS 1101 First time Adoption of Korean International Financial Reporting Standards- Subsidiaries that are first-time adopters
- Korean IFRS 1109 Financial Instruments - Fees related to the 10% test for derecognition of financial liabilities
- Korean IFRS 1116 Leases- Lease incentives
- Korean IFRS 1041 Agriculture - Measuring fair value

⑤ Amendments to Korean IFRS 1001 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments clarify that liabilities are classified as either current or non-current, depending on the substantive rights that exist at the end of the reporting period. Classification is unaffected by the likelihood that an entity will exercise right to defer settlement of the liability or the expectations of management. Also, the settlement of liability include the transfer of the entity's own equity instruments, however, it would be excluded if an option to settle them by the entity's own equity instruments if compound financial instruments is met the definition of equity instruments and recognized separately from the liability. The amendments should be applied for annual periods beginning on or after January 1, 2023, and earlier application is permitted. The Group does not expect that these amendments have a significant impact on the financial statements.

The above enacted or amended standards will not have a significant impact on the Group.

(2) Basis of consolidated financial statement presentation

The consolidated financial statements consist of the financial statements of the parent company and the entities (including structured entities) controlled by the parent company (or its subsidiaries, which is the "Group"). Control is achieved where the Group 1) has the power over the investee, 2) is exposed, or has rights, to variable returns from its involvement with the investee, and 3) able to use its power to affect its returns. The Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than most of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether the Group's voting rights in an investee are enough to give it power, including:

- The relative size of the Group's holding of voting rights and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary. The carrying amount of the non-controlling interest after the acquisition is the amount initially recognized plus the amount of proportionate interest of the non-controlling interest in the changes in equity since the acquisition. Total comprehensive income of subsidiaries is attributed to the owner of the Group and to the non-controlling interests even if this results in the non-controlling interests having a negative (-) balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra-group transactions and, related assets and liabilities, income and expenses are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owner of the parent company.

When the Group loses control of a subsidiary, a gain or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under Korean IFRS 1109 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

(3) Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured as the sum of the acquisition-date fair values of the assets transferred by the Group in exchange for control of the acquiree, liabilities assumed by the Group for the former owners of the acquiree and the equity interests issued by the Group. Acquisition-related costs are generally recognized in profit or loss as incurred.

At the acquisition date, the acquiree's identifiable acquires assets, liabilities and contingent liabilities are recognized at their fair value, except for the followings:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with Korean IFRS 1012 Income Taxes and Korean IFRS 1019 Employee Benefits, respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Korean IFRS 1102 Share-based Payment at the acquisition date; and
- Non-current assets (or disposal groups) that are classified as held for sale are measured in accordance with Korean IFRS 1105 Non-current Assets Held for Sale and Discontinued Operations

Any excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest (if any) in the acquiree over the net of identifiable assets and liabilities assumed of the acquiree at the acquisition date is recognized as goodwill.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognized immediately in net income as a bargain purchase gain.

The subsidiary's non-controlling interests are identified separately from the Group's equity. If the element of the non-controlling interest in the acquiree is the current interest at the acquisition date and the holder is entitled to a proportional share of the entity's net assets, the non-controlling interest can be measured in 1) fair value or 2) proportionate share of the current equity instrument of the amount recognized for the acquiree's identifiable net assets at the acquisition date. The selection of these metrics is made for each acquisition transaction. All other non-controlling interests are measured at fair value at the acquisition date. The carrying amount of the non-controlling interest after acquisition reflects the proportional interest of the non-controlling interest in changes in equity after acquisition in the initial recognition amount. Even if the non-controlling interest is a negative (-) balance, total comprehensive income is attributed to the non-controlling interest.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration other than the above is remeasured at subsequent reporting dates as appropriate, with the corresponding gain or loss being recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured at fair value at the acquisition date (i.e., the date when the Group obtains control) and the resulting gain or loss, if any, is recognized in net income (or other comprehensive income, if applicable). Amounts arising from changes in value of interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized, identical to the treatment assuming interests are sold directly.

If the initial accounting for a business combination is not completed by the end of the reporting period in which the business combination occurred, the Group reports in consolidated financial statements the provisional amount of items that have not been accounted for. If there is new information about the facts and circumstances that existed as of the acquisition date during the measurement period (see above), the Group retrospectively adjusts the provisional amounts recognized at the acquisition date or recognizes additional assets and liabilities to reflect the information that would have affected the measurement of the amount recognized at the acquisition date if it had already known at the acquisition date.

(4) Investments in joint ventures and associates

An associate is an entity over which the Group has significant influence, and that is not a subsidiary or a joint venture. Significant influence is the power to participate in making decision on the financial and operating policy of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to net assets relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The net income of current period and the assets and liabilities of the joint ventures and associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with Korean IFRS 1105 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in the joint ventures and associates is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Group's share of the net assets of the joint ventures and associates and any impairment. When the Group's share of losses of the joint ventures and associates exceeds the Group's interest in the associate, the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint ventures and associates.

Investment in joint ventures and associates are accounted for and applied with the equity method from the time the investee becomes an associate or a joint venture.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the joint ventures and associates recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition exists after the review, it is recognized immediately in net income.

The requirements of Korean IFRS 1028 - Investments in Associates and Joint Ventures to determine whether there has been a loss event are applied to identify whether it is necessary to recognize any impairment loss with respect to the Group's investment in the joint ventures and associates. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Korean IFRS 1036 - Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized is not allocated to any asset (including goodwill), which forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with Korean IFRS 1036 to the extent that the recoverable amount of the investment subsequently increases.

The Group ceases to use the equity method from the time it fails meet the definition of an associate or a joint venture. Upon a loss of significant influence over the joint ventures and associates, the Group discontinues the use of the equity method and measures at fair value of any investment that the Group retains in the former joint ventures and associates from the date when the Group loses significant influence. The fair value of the investment is regarded as its fair value on initial recognition as a financial asset in accordance with Korean IFRS 1109 Financial Instruments; Recognition and Measurement. The Group recognized differences between the carrying amount and fair value in net income and it is included in determination of the gain or loss on disposal of joint ventures and associates. The Group accounts for all amounts recognized in other comprehensive income in relation to that joint ventures and associates on the same basis as would be required if the joint ventures and associates had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by an associate or a joint venture would be reclassified to net income on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to net income as a reclassification adjustment.

When the Group's ownership of interest in an associate or a joint venture decreases but the Group continues to maintain significant influence over an associate or a joint venture, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that decrease in ownership interest if the gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities. Meanwhile, if interest on associate or joint venture meets the definition of non-current asset held for sale, it is accounted for in accordance with Korean IFRS 1105.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

The Group applies Korean IFRS 1109 Financial Instruments, including the impairment requirements, to its long-term investment interests in associates and joint ventures that form part of its net investment without applying the equity method. In addition, when applying Korean IFRS 1109 to long-term investments, the Group does not consider adjustments to the carrying amount required by Korean IFRS 1028. Examples of such adjustments include an impairment assessment or an adjustment to the carrying amount of the long-term investment interest resulting from the allocation of losses to the investee in accordance with Korean IFRS 1028.

(5) Investment in joint operation

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

When the Group operates as a joint operator, it recognizes in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation;
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses that correspond to its interest in a joint operation in accordance with the Korean IFRSs applicable to the specific assets, liabilities, revenues and expenses.

When the Group enters into a transaction with a joint operation in which it is a joint operator, such as a sale or contribution of assets, it is conducting the transaction with the other parties to the joint operation and, as such, the Group recognizes gains and losses resulting from such a transaction only to the extent of the other parties' interests in the joint operation.

When the Group enters a transaction with a joint operation in which it is a joint operator, such as a purchase of assets, it does not recognize proportional share of profit or loss until the asset is sold to a third party.

(6) Revenue recognition

Korean IFRS 1115 requires the recognition of revenues based on transaction price allocated to the performance obligation when or as the Group performs that obligation to the customer. Revenues other than those from contracts with customers, such as interest revenue and loan origination fee (cost), are recognized through effective interest rate method.

1) Revenues from contracts with customers

The Group recognizes revenue when the Group satisfies a performance obligation by transferring a promised good or service to a customer. When a performance obligation is satisfied, the Group shall recognize as a revenue the amount of the transaction price that is allocated to that performance obligation. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

The Group is recognizing revenue by major sources as shown below:

① Fees and commission received for brokerage

The fees and commission received for agency are the amount of consideration or fee expected to be entitled to receive in return for providing goods or services to the other parties with the Group acting as an agency, such as in the case of sales of bancassurance and beneficiary certificates. Most of these fees and commission received for brokerage are from the business activities relevant to Banking segment.

② Fees and commission received related to credit

The fees and commission received related to credit mainly include the lending fees received from the loan activity and the fees received in the L/C transactions. Except for the fees and commission accounted for in calculating the effective interest rate, it is generally recognized when the performance obligation has been performed. Most of these fees and commission received related to credit are from the business activities relevant to Banking, Credit card and Investment banking segment.

③ Fees and commission received for electronic finance

The fees and commission received for electronic finance include fees received in return for providing various kinds of electronic financial services through firm-banking and CMS. These fees are recognized as revenue immediately upon the completion of services. Most of these fees and commission received for electronic finance are from the business activities relevant to Banking and Investment banking segment.

④ Fees and commission received on foreign exchange handling

The fees and commission received on foreign exchange handling consist of various fees incurred when transferring foreign currency. The point of processing the customer's request is the time when performance obligation is satisfied, and revenue is immediately recognized when fees and commission are received after requests are processed. The business activities relevant to these fees and commission received on foreign exchange handling are substantially attributable to Banking segment.

⑤ Fees and commission received on foreign exchange

The fees and commission received on foreign exchange consist of fees related to the issuance of various certificates, such as exchange, import and export performance certificates, purchase certificates, etc. The point of processing the customer's request is the time when performance obligation is satisfied, and revenue is immediately recognized when fees and commission are received after requests are processed. The business activities relevant to these fees and commission received on foreign exchange are substantially attributable to Banking segment.

⑥ Fees and commission received for guarantee

The fees and commission received for guarantee include the fees received for the various warranties. The activities related to the warranty consist mainly of performance obligations satisfied over time and fees and commission are recognized over the guarantee period. The business activities relevant to these fees and commission received for guarantee are substantially attributable to Banking segment.

⑦ Fees and commission received on credit card

The fees and commission received on credit card consist mainly of merchant account fees and annual fees. The Group recognizes merchant account fees by multiplying agreed commission rate to the amount paid by using the credit card. The annual fees are performance obligation satisfied over time and are recognized over agreed periods after the annual fees are paid in advance. The business activities relevant to these fees and commission received on credit card are substantially attributable to Credit cards segment.

⑧ Fees and commission received on securities business

The fees and commission received on securities business consist mainly of fees and commission for the sale of beneficiary certificates, and these fees are recognized when the beneficiary certificates are sold to customers. The business activities relevant to these fees and commission received on securities business are substantially attributable to Banking and Investment banking segment.

⑨ Fees and commission from trust management

The fees and commission from trust management consist of fees and commission received in return for the operation and management services for entrusted assets. These operation and management services are performance obligations satisfied over time, and revenue is recognized over the service period. Among the fees and commission from trust management, variable considerations such as profit commission that are affected by the value of entrusted assets and base return of the future periods are recognized as revenue when limitations to the estimates are lifted. Most of these fees and commission received for brokerage are from the business activities relevant to Banking segment.

⑩ Fees and commission received on credit Information

The fees and commission received on credit Information are composed of the fees and commission received by performing credit investigation and proxy collection services. Credit investigation fees and commission are the amount received in return for verifying the information requested by the customer and are recognized as revenue at the time the verification is completed. Proxy collection service fees are recognized by multiplying the applicable rate to the collected amount at the time when collection services are completed. Most of these fees and commission received for brokerage are from the business activities relevant to other segments.

⑪ Other fees

Other fees are usually fees related to remittances, but include fees related to various other services provided to customers by the Group. These fees are recognized when transactions occur at the customers' request and services are provided, at the same time when commission are received. These other fees occur across all operating segments.

2) Revenues from sources other than contracts with customers

① Interest income

Interest income on financial assets measured at FVTOCI and financial assets at amortized costs is measured using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating the interest income over the expected life of the asset. The effective interest rate is the rate that exactly discounts estimated future cash flows to the instrument's initial unamortized cost over the expected period, or shorter if appropriate. Future cash flows include commissions and cost of reward points (limited to the primary component of effective interest rate) and other premiums or discounts that are paid or received between the contractual parties when calculating the effective interest rate, but does not include expected credit losses. All contractual terms of a financial instrument are considered when estimating future cash flows.

For purchased or originated credit-impaired financial assets, interest revenue is recognized by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. Even if the financial asset is no longer impaired in the subsequent periods due to credit improvement, the basis of interest revenue calculation is not changed from amortized cost to unamortized cost of the financial assets.

② Loan origination fees and costs

The commission fees earned on loans, which is part of the effective interest of loans, is accounted for as deferred origination fees. Incremental costs related to the origination of loans are accounted for as deferred origination fees and is being added or deducted to/from interest income on loans using effective interest rate method.

3) Dividend income

Dividend income is recognized when the right to receive dividends as a shareholder is confirmed. Dividend income is recognized as an appropriate item of profit or loss in the statement of comprehensive income according to the classification of financial instruments.

(7) Accounting for foreign currencies

The Group's consolidated financial statements are presented in Korean Won, which is the functional currency of the Group. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at its prevailing exchange rates at the date. The effective portion of the changes in fair value of a derivative that qualifies as a cash flow hedge and the foreign exchange differences on monetary items that form part of net investment in foreign operations are recognized in equity.

Assets and liabilities of the foreign operations subject to consolidation are translated into Korean Won at foreign exchange rates at the end of the reporting period. Except for situations in which it is required to use exchange rates at the date of transaction due to significant changes in exchange rates during the period, items that belong to profit or loss shall be measured by average exchange rate, with foreign exchange differences recognized as other comprehensive income and added to equity (allocated to non-controlling interests, if appropriate). When foreign operations are disposed, the controlling interest's share of accumulated foreign exchange differences related to such foreign operations will be reclassified to profit or loss, while non-controlling interest's corresponding share will not be reclassified.

Adjustments to fair value of identifiable assets and liabilities, and goodwill arising from the acquisition of foreign operations will be treated as assets and liabilities of the corresponding foreign operation, and translated using foreign exchange rates at the end of the period. The foreign exchange differences are recognized in other comprehensive income.

(8) Cash and cash equivalents

The Group is classifying cash on hand, demand deposits, interest-earning deposits with original maturities of up to three months on acquisition date, and highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value as cash and cash equivalents.

(9) Financial assets and financial liabilities

1) Financial assets

A regular way purchase or sale of financial assets is recognized or derecognized on the trade or settlement date. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose term requires delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

On initial recognition, financial assets are classified into financial assets at FVTPL, financial assets at FVTOCI, and financial assets at amortized cost according to its business model and contractual cash flows.

a) Business model

The Group evaluates the way business is being managed, and the purpose of the business model for managing a financial asset best reflects the way information is provided to the management at its portfolio level. Such information considers the following:

- The accounting policies and purpose specified for the portfolio, the actual operation of such policies. This includes strategy of the management focusing on the receipt of contractual interest revenue, maintaining a certain level of interest income, matching the duration of financial assets and the duration of corresponding liabilities to obtain the asset, and outflow or realization of expected cash flows from disposal of assets
- The way the performance of a financial asset held under the business model is evaluated, and the way such evaluation is being reported to the management
- The risk affecting the performance of the business model (and financial assets held under the business model), and the way such risk is being managed
- The compensation plan for the management (e.g. whether the management is being compensated based on the fair value of assets or based on contractual cash flows received)
- Frequency, amount, timing and reason for sale of financial assets in the past, and forecast of future sale activities.

b) Contractual cash flows

The principal is defined to be the fair value of a financial assets at initial recognition. Interest is not only composed of consideration for the time value of money, consideration for the credit risk related to remaining principal at a certain period of time, and consideration for other cost (e.g. liquidity risk and cost of operation) and fundamental risk associated with lending, but also profit.

When evaluating whether contractual cash flows are solely payments of principal and interests, the Group considers the contractual terms of the financial instrument. When a financial asset contains contractual conditions that modify the timing and amount of contractual cash flows, it is required to determine whether contractual cash flows that arise during the remaining life of the financial instrument due to such contractual condition are solely payments of principal and interest. The Group considers the following elements when evaluating the above:

- Conditions that lead to modification of timing or amount of cash flows
- Contractual terms that adjust contractual nominal interest, including floating rate features
- Early payment features and maturity extension features
- Contractual terms that limit the Group's claim on cash flows arising from certain assets (e.g. non-recourse feature)

① Financial assets at FVTPL

The Group is classifying those financial assets that are not classified as either financial assets at amortized cost or financial assets at FVTOCI, and those designated to be measured at FVTPL, as financial assets at FVTPL. Financial assets at FVTPL are measured at fair value, and related profit or loss is recognized in net income. Transaction costs related to acquisition at initial recognition is recognized in net income immediately upon its occurrence.

It is possible to designate a financial asset as financial asset at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial asset at FVTPL; (b) the financial asset forms part of the Group's financial instrument group (a group composed of a combination of financial asset or liability), is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial asset is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial asset at FVTPL is allowed under Korean IFRS 1109 Financial Instruments. However, the designation is irrevocable.

② Financial assets at FVTOCI

When financial assets are held under a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at FVTOCI. Also, for investments in equity instruments that are not held for short-term trade, an irrevocable election is available at initial recognition to present subsequent changes in fair value as other comprehensive income.

At initial recognition, financial assets at FVTOCI is measured at its fair value plus any direct transaction cost, and is subsequently measured in fair value. However, for equity instruments that do not have a quotation in an active market and in which fair value cannot be measured reliably, they are measured at cost. The income tax effects related to the changes in fair value except for profit or loss items such as impairment losses (reversals), interest revenue calculated by using effective interest method, and foreign exchange gain or loss about debt instrument are recognized as other comprehensive income until the asset's disposal. Upon derecognition, the accumulated other comprehensive income is reclassified from equity to net income for FVTOCI (debt instrument), and reclassified within the equity for FVTOCI (equity instruments).

③ Financial assets at amortized cost

When financial assets are held under a business model whose objective is to hold financial assets in order to collect contractual cash flows, and when contractual cash flows from such financial assets are solely payments of principal and interest, the financial assets are classified as financial assets at amortized cost. At initial recognition, financial assets at amortized cost are recognized at fair value plus any direct transaction cost. Financial assets at amortized cost is presented at amortized cost using effective interest method, less any loss allowance.

2) Financial liabilities

At initial recognition, financial liabilities are classified into either financial liabilities at FVTPL or financial liabilities at amortized cost.

Financial liabilities are usually classified as financial liabilities at FVTPL when they are acquired with a purpose to repurchase them within a short period of time, when they are part of a certain financial instrument portfolio that is actually and recently being managed with a purpose of short-term profit and joint management by the Group at initial recognition, and when they are derivatives that do not qualify as hedging instruments. Financial liabilities at FVTPL are measured at fair value plus direct transaction cost at initial recognition, and are subsequently measured at fair value. Profit or loss arising from financial liabilities at FVTPL is recognized in net income when occurred.

It is possible to designate a financial liability as financial liability at FVTPL if at initial recognition: (a) it is possible to remove or significantly reduce recognition or measurement mismatch that may otherwise have occurred if not for its designation as financial liability at FVTPL; (b) the financial asset forms part of the Group's financial instrument group (a group composed of a combination of financial asset or liability) according to the Group's documented risk management or investment strategy, is measured at fair value and is being evaluated for its performance, and such information is provided internally; and (c) the financial liability is part of a contract that contains one or more of embedded derivatives, and is a hybrid contract in which designation as financial liability at FVTPL is allowed under Korean IFRS 1109 Financial Instruments.

Financial liabilities designated as at FVTPL are initially recognized at fair value, with any direct transaction cost recognized in profit or loss, and are subsequently measured at fair value. Any profit or loss from financial liabilities at FVTPL are recognized in profit or loss.

Financial liabilities not classified as financial liabilities at FVTPL are measured at amortized cost. The Group is classifying liabilities such as deposits due to customers, borrowings and debentures as financial liabilities at amortized cost.

3) Reclassification

Financial assets are not reclassified after initial recognition unless the Group modifies the business model used to manage financial assets. When the Group modifies the business model used to manage financial assets, all affected financial assets are reclassified on the first day of the first reporting period after the modification.

4) Derecognition

Financial assets are derecognized when contractual rights to cash flows from the financial assets are expired, or when substantially all of risk and reward for holding financial assets is transferred to another entity as a result of a sale of financial assets. If the Group does not have and does not transfer substantially all of the risk and reward of holding financial assets with control of the transferred financial assets retained, the Group recognizes financial assets to the extent of its continuing involvement. If the Group holds substantially all the risk and reward of holding a financial asset, it continues to recognize that asset and proceeds are accounted for as collateralized borrowings.

When a financial asset is fully derecognized, the difference between the book value and the sum of proceeds and accumulated other comprehensive income is recognized as profit or loss in case of FVTOCI (debt instruments), and as retained earnings for FVTOCI (equity instruments).

In case when a financial asset is not fully derecognized, the Group allocates the book value into amounts retained in the books and removed from the books, based on the relative fair value of each portion at the date of sale, and based on the degree of continuing involvement. For the derecognized portion of the financial assets, the difference between its book value and the sum of proceeds and the portion of accumulated other comprehensive income attributable to that portion will be recognized in profit or loss in case of debt instruments and recognized in retained earnings in case of equity instruments. The accumulated other comprehensive income is distributed to the portion of book value retained in the books, and to the portion of book value removed from the books.

The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 percent different from the discounted present value of the remaining cash flows of the original financial liability.

5) Fair value of financial instruments

Financial assets at FVTPL and financial assets at FVTOCI are measured and presented in consolidated financial statements at their fair values, and all derivatives are also subject to fair value measurement.

Fair value is defined as the price that would be received to exchange an asset or paid to transfer a liability in a recent transaction between independent parties that are reasonable and willing. Fair value is the transaction price of identical financial assets or financial liabilities generated in an active market. An active market is a market where trade volume is sufficient and objective price information is available due to the fact that bid and ask price differences are small.

When trade volume of a financial instrument is low, when transaction prices within the market show large differences among them, or when it cannot be concluded that a financial instrument is being traded within an active market due to disclosures being extremely shallow, fair value is measured using valuation techniques based on alternative market information or using internal valuation techniques based on general and observable information obtained from objective sources. Market information includes maturity and characteristics, duration, similar yield curve, and variability measurement of financial instruments of similar nature. Fair value amount contains unique assumptions on each entity (the Group concluded that it is using assumptions applied in valuing financial instruments in the market, or risk-adjusted assumptions in case marketability does not exist).

The market approach and income approach, which are valuation techniques used to estimate the fair value of financial instruments, both require significant judgment. Market approach measures fair value using either a recent transaction price that includes the financial instrument, or observable information on comparable firm or assets. Income approach measures fair value through discounting future cash flows with a discount rate reflecting market expectations, and revenue, operating income, depreciation, capital expenditures, income tax, working capital and estimated residual value of financial investments are being considered when deriving future cash flows. Valuation techniques such as the above include estimates based on the financial instruments' complexity and usefulness of observable information in the market.

The valuation techniques used in the evaluation of financial instruments are explained below.

a) Financial assets at FVTPL and Financial assets at FVTOCI

The fair value of equity securities included in financial assets at FVTPL and financial assets at FVTOCI category is recognized in the statement of financial position at its available market price. Debt securities traded in the over-the-counter market are generally recognized at an amount computed by an independent appraiser. When the Group uses the fair value determined by independent appraisers, the Group usually obtains three values from three different appraisers for each financial instrument, and selects the minimum amount without making additional adjustments. For equity securities without marketability, the Group uses the amount determined by the independent appraiser. The Group verifies the prices obtained from appraisers in various ways, including the evaluation of independent appraisers' competency, indirect verification through comparison between appraisers' price and other available market information, and reperformed by employees who have knowledge of valuation models and assumptions that appraisers used.

b) Derivatives

The Group's transactions involving derivatives such as futures and exchange traded options are measured at market value. For exchange traded derivatives classified as level 2 in the fair value hierarchy, the fair value is estimated using internal valuation techniques. If there are no publicly available market prices because they are traded over-the-counter, fair value is measured through internal valuation techniques. When using internal valuation techniques to derive fair value, the types of derivatives, base interest rate or characteristics of prices, or stock market indices are considered. When variables used in the internal valuation techniques are not observable information in the market, such variables may contain significant estimates.

c) Adjustment of valuation amount

The Group is exposed to credit risk when a counterparty to a derivative contract does not perform its contractual obligation, and the exposure amount is equal to the amount of derivative asset recognized in the statement of financial position. When the Group earns income through valuation of derivatives, such income is recognized as derivative asset in the statement of financial position. Some of the derivatives are traded in the market, but most of the derivatives are measured at estimated fair value derived from internal valuation models that use observable information in the market. As such, in order to estimate the fair value there should be an adjustment made to incorporate counterparty's credit risk, and credit risk adjustment is being considered when valuing derivative assets such as over-the-counter derivatives. The amount of financial liabilities is also adjusted by the Group's own credit risk when valuing them.

The amount of adjustment is derived from counterparty's probability of default and loss given default. This adjustment considers contractual matters that are designed to reduce the Group's exposure to each counterparty's credit risk. When derivatives are under master netting arrangement, the exposure used in the computation of credit risk adjustment is a net amount after adding/deducting cash collateral received (or paid) from loss(or gain) position derivatives with the same counterparty.

6) Expected credit losses on financial assets

The Group recognizes loss allowance on expected credit losses for the following assets:

- Financial assets at amortized cost
- Debt instruments measured at FVTOCI
- Contract assets as defined by Korean IFRS 1115

Expected credit losses are weighted-average value of a range of possible results, considering the time value of money, and are measured by incorporating information on current conditions and forecasts of future economic conditions that are available without undue cost or effort.

The methods to measure expected credit losses are classified into following three categories in accordance with Korean IFRS:

- General approach: Financial assets that does not belong to below two models and unused loan commitments
- Simplified approach: When financial assets are either trade receivables, contract assets or lease receivables
- Credit impairment model: Purchased or originated credit-impaired financial assets

The measurement of loss allowance under general approach is differentiated depending on whether the credit risk has increased significantly after initial recognition. That is, loss allowance is measured based on 12-month expected credit loss when the credit risk has not increased significantly after initial recognition, while loss allowance is measured at lifetime expected credit loss when credit risk has increased significantly. Lifetime is the expected remaining life of the financial instrument up to the maturity date of the contract.

The measurement of loss allowance under simplified approach is always based on lifetime expected credit loss, and loss allowance under credit impairment model is measured as the cumulative change in lifetime expected credit loss since initial recognition.

a) Measurement of expected credit losses on financial asset at amortized cost

The expected credit losses on financial assets at amortized cost is measured by the difference between the contractual cash flows during the period and the present value of expected cash flows. Expected cash inflows are computed for individually significant financial assets in order to calculate expected credit losses.

When financial assets that are not individually significant, they are included in a group of financial assets with similar credit risk characteristics and expected credit losses of the group are calculated collectively.

Expected credit losses are deducted through loss allowance account, and when the financial asset is determined to be uncollectible, the loss allowance is written off from the books along with the related financial asset.

b) Measurement of expected credit losses on financial asset at FVTOCI

The measurement method of expected credit loss is identical to financial asset at amortized cost, but changes in the loss allowance is recognized in other comprehensive income. When financial assets at FVTOCI is disposed or repaid, the related loss allowance is reclassified from accumulated other comprehensive income to net income.

(10) Offsetting financial instruments

Financial assets and liabilities are presented as a net amount in the statements of financial position when the Group has an enforceable legal right and an intention to settle on a net basis or to realize an asset and settle the liability simultaneously.

(11) Investment properties

The Group classifies a property held to earn rentals and/or for capital appreciation as an investment property. Investment properties are measured initially at cost, including transaction costs, less subsequent depreciation and impairment.

Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset if it is probable that future economic benefits associated with the assets will flow into the Group and the cost of an asset can be measured reliably, and the book value of a portion of an asset that are replaced by a subsequent expenditure is removed from the books. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, all other investment properties are depreciated based on the depreciation method and useful lives of premises and equipment. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and when it is deemed appropriate to change them, the effect of any change is accounted for as a change in accounting estimates.

An investment property is derecognized from the consolidated financial statements on disposal or when it is permanently withdrawn from use and no future economic benefits are expected even from its disposal. The gain or loss on the derecognition of an investment property is calculated as the difference between the net disposal proceeds and the carrying amount of the property and is recognized in profit or loss in the period of the derecognition.

(12) Premises and equipment

Premises and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of premises and equipment is expenditure directly attributable to their purchase or construction, which includes any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. It also includes the initial estimate of costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of an asset or as a separate asset (if appropriate) if it is probable that future economic benefit associated with the assets will flow into the Group and the cost of an asset can be measured reliably. Routine maintenance and repairs are expensed as incurred.

While land is not depreciated, for all other premises and equipment, depreciation is charged to net income on a straight-line basis by applying the following estimated economic useful lives on the amount of cost or revalued amount less residual value.

	Useful life
Buildings used for business purpose	35 to 57 years
Structures in leased office	4 to 5 years
Properties for business purpose	4 to 5 years

The Group reassesses the depreciation method, the estimated useful lives and residual values of premises and equipment at the end of each reporting period. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate. When there is an indicator of impairment and the carrying amount of a premises and equipment item exceeds the estimated recoverable amount, the carrying amount of such asset is reduced to the recoverable amount.

(13) Intangible assets and goodwill

The Group recognizes the acquisition cost of an intangible asset as the manufacturing cost or purchase cost plus additional incidental expenses. Development costs are the sum of expenditures incurred after the asset recognition requirements, such as technical feasibility and future economic benefits, are met. After the initial recognition, the carrying value is presented as the accumulated amortization and accumulated impairment losses deducted from the cost.

The Group's intangible asset are amortized over the following economic lives using the straight-line method. However, for some intangible assets, the period of time that is expected to be available is not predictable, so the useful life of some intangible assets is assessed as indefinite and not depreciated.

The estimated useful life and amortization method of intangible assets with a finite useful life are reviewed at the end of each reporting period. The estimated useful life and amortization method of intangible assets with an indefinite useful life are reviewed at the end of each reporting period to ensure that the asset has an indefinite useful life. If changes in the estimates are deemed appropriate, the changes are accounted for as a change in an accounting estimate.

	Useful life
Industrial property rights	10 years
Development costs	5 years
Software and others	1 to 10 years

In addition, when an indicator that intangible assets are impaired is noted, and the carrying amount of the asset exceeds the estimated recoverable amount of the asset, the carrying amount of the asset is reduced to its recoverable amount.

Goodwill acquired in a business combination is included in intangible assets. Goodwill is not amortized, but is subject to an impairment test at the cash-generating unit level every year, and whenever there is an indicator that goodwill is impaired.

Goodwill is allocated to each of the Group's cash-generating unit (or groups of cash-generating units) that is expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods.

(14) Impairment of non-monetary assets

Intangible assets with indefinite useful lives or intangible assets that are not yet available for use are tested for impairment annually, regardless of whether there is any indication of impairment. All other assets are tested for impairment by estimating the recoverable amount when there is an objective indication that the carrying amount may not be recoverable. Recoverable amount is the higher of value in use or net fair value, less costs to sell. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and such impairment loss is recognized immediately in net income.

(15) Leases

The Group determines whether the contract is a lease or includes a lease at the time of the contract agreement. In exchange for consideration in a contract, the contract is either a lease or includes a lease if the control over the use of the identified asset is transferred for a period of time. In determining whether a contract transfers control over the use of the asset to which it is identified, the Group uses the definition of lease in Korean IFRS 1116.

① The Group as a lessee

The Group recognizes the right-of-use asset and the lease liability at the commencement date of the lease. The right-of-use asset is measured at cost, which comprises the amount of the initial measurement of the lease liability, lease payments made at or before the commencement date (less any lease incentives received), initial direct costs, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located.

The right-of-use asset is subsequently depreciated on a straight-line basis from the commencement of the lease to the end of the lease term. However, if the lease transfers ownership of the underlying asset to the lessee by the end of the lease term or if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, the lessee depreciates the right-of-use asset same as a fixed asset from the commencement date to the end of the useful life of the underlying asset. The right-of-use asset may be reduced by an impairment of the underlying asset or adjusted by remeasurement of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that cannot be readily determined, the Group uses its incremental borrowing rate. The Group generally uses the incremental borrowing rate.

The Group makes adjustments to reflect the terms of the lease and the characteristics of the lease asset in interest rates obtained from external financial information, and calculates the incremental borrowing rate.

The Group calculates the lease term by including the relevant period when it is quite certain that the lessee will exercise the extension option or the termination option. The Group calculates the enforceable period in consideration of the economic disadvantages of terminating the contract if the lessee and the lessor have the right to terminate it without the consent of the other parties.

The lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments)
- Variable lease payments that depend on an index (or a rate), initially measured using the index or rate as at the commencement date
- Amounts expected to be payable by the lessee under residual value guarantees
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, lease payments of the extended period if the lessee is reasonably certain to exercise extension option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease

The lease liability is subsequently increased by the interest expense recognized for the lease liability and decreased by reflecting the payment of the lease payments. The lease liability is remeasured if the future lease payments change depending on changes in the index (or a rate), changes in the expected amount to be paid under the residual value guarantee, and changes in the assessment of whether the purchase or extension option is reasonably certain to be exercised or not to exercise the terminate option.

When remeasuring a lease liability, the related right-of-use asset is adjusted and if the carrying amount of the right-of-use asset decreases to zero, the remeasurement amount is recognized in profit or loss.

The Group applies its judgment when determining the lease term for some lease contracts that include the extension option. The assessment of whether the Group is reasonably certain to exercise the option significantly affects the lease term and therefore has a significant impact on the amount of lease liabilities and the right-of-use asset.

Because the Group can replace the asset without significant cost or business discontinuation, the option to extend the lease is not included in the lease liability in most offices and vehicle transport leases.

The Group reevaluates the lease term when the option is exercised (or not exercised) or the Group is liable to exercise (or not exercise) the option. Group will change its judgment only when significant events occur that affect the lessee's control and the determination of the lease term, or there is a significant change in the circumstances.

Lease liabilities and right-of-use-asset increased by 15,810 million won, reflecting the exercise impact of the extension and termination options during the current term.

In the statement of financial position, the Group classified the right-of-use assets that do not meet the definition of investment property as 'premises and equipment' and the lease liabilities as 'other financial liabilities.'

The Group has chosen a practical expedient that does not recognize the right-of-use asset and lease liabilities for short-term leases with a lease term less than 12 months and leases for which the underlying asset is of low value. The Group recognizes the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

② The Group as a lessor

At the date of the agreement or the effective date of the modification containing the lease element, the Group allocates the consideration of the contract to each lease element based on its relative stand-alone price.

As a lessor, the Group classifies its leases as either a finance lease or an operating lease at the commencement date.

The Group subsequently judges whether the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise a lease is classified as an operating lease.

If the agreement contains both lease and non-lease elements, the Group applies Korean IFRS 1115 to allocate the consideration of the contract.

The Group applies the derecognition and impairment provisions of Korean IFRS 1109 to its net investment in the lease. The Group also carries out regular review of the unguaranteed residual value used to calculate total lease investment.

The Group recognizes lease payments from operating lease as income on a straight-line basis.

The accounting policy that the Group has applied as a lessor is not different from Korean IFRS 1116.

(16) Derivative instruments

Derivative instruments are classified as forwards, futures, options and swaps, depending on the types of transactions and are classified at the point of transaction as either trading or hedging based on its purpose.

Derivatives are initially recognized at fair value at the date of contract and are subsequently measured at fair value at the end of each reporting period. The resulting gain or loss is recognized in net income immediately unless the derivative is designated or effective as a hedging instrument. If derivatives have been designated as hedging instruments and if it is effective, the point of recognition of gain or loss depends on the characteristics of hedging relationship.

Derivatives that have positive (+) fair values are recognized as financial assets and those that have negative (-) fair values are recognized as financial liabilities. Derivatives are not offset in the consolidated financial statements unless they have legally enforceable right to set off or are intended to set off.

1) Embedded derivatives

Embedded derivatives are components of a hybrid financial instrument that includes a non-derivative host contract. It has an effect of modifying part of cash flows of the hybrid financial instrument similar to an independent derivative.

Embedded derivatives that are part of a hybrid contract of which the host contract is a financial asset within the scope of Korean IFRS 1109 are not separated. The classification is done by considering the hybrid contract as a whole, and subsequent measurement is either at amortized cost or fair value.

If embedded derivatives are part of a hybrid contract of which the host contract is not a financial asset within the scope of Korean IFRS 1109 (e.g. financial liability), then these are treated as separate derivatives if embedded derivatives meet the definition of a derivative, characteristics & risk of the embedded derivatives are not closely related to that of host contract, and if the host contract is not measured at FVTPL.

2) Hedge accounting

The Group is applying Korean IFRS 1109 in regard to hedge accounting. The Group is designating certain derivatives as hedging instrument against fair value changes in relation to the interest rate risk, foreign currency translation and interest rate risk, and foreign currency translation risk.

The Group is documenting the relationship between hedging instruments and hedged items at the commencement of hedging in accordance with their purpose and strategy. Also, the Group documents at the commencement and subsequent dates whether the hedging instrument effectively counters the changes in fair value of hedged items. A hedging instrument is effective only when it meets all the following criteria:

When there is an economic relationship between the hedged items and hedging instruments.
When the effect of credit risk is not stronger than the change in value due to the economic relationship between the hedged items and hedging instruments.
When the hedge ratio of hedging relationship is equal to the proportion of the number of items that the group actually hedges and the number of hedging instruments that the Group actually uses to hedge the number of hedged items.

When a hedging relationship no longer meets the hedging effectiveness requirements related to hedge ratio, but when the purpose of risk management on designated hedging relationship is still maintained, the hedge ratio of the hedging relationship is adjusted so that hedging relationship may meet the requirements again (Hedge ratio readjustment).

The Group has designated derivatives as hedging instrument except for the portion on foreign currency basis spread. The fair value change due to foreign currency basis spread is recognized in other comprehensive income and is accumulated in equity. If the hedged item is related to transactions, the accumulated other comprehensive income is reclassified to profit or loss when the hedged item affects the profit or loss. However, when non-monetary items are subsequently recognized due to hedged items, the accumulated equity is removed from the equity directly, and is included in the initial book value of the recognized non-monetary items. Such transfers does not affect other comprehensive income. But if part or all of accumulated equity is not expected to be recovered in the future periods, the amount not expected to be recovered is immediately reclassified to profit or loss. If the hedged item is time-related, then the foreign currency basis spread on the day the derivative is designated as a hedging instrument that is related to the hedged item is reclassified to profit or loss over the term of the hedge.

3) Fair value hedge

Gain or loss arising from valid hedging instrument is recognized in profit or loss. However, when the hedging instrument mitigates risks on equity instruments designated as financial assets at FVTOCI, related gain or loss is recognized in other comprehensive income.

The book value of hedged items that are not measured in fair value is adjusted by the changes in fair value arising from the hedged risk, with resulting gain or loss reflected in net income. In case of debt instruments measured at FVTOCI, book value is an amount that is already adjusted to fair value and thus gain or loss arising from the hedged risk is recognized in profit or loss instead of other comprehensive income without adjustments in book value. When the hedged item is equity instruments measured at FVTOCI, the gain or loss arising from hedged risk is retained at other comprehensive income in order to match the gain or loss with hedging instruments.

When gains or losses arising from the hedged risk are recognized in profit or loss of the current term, they are recognized as items related to the hedged items.

Hedge accounting ceases to apply only when hedging relationship (or part of it) does not meet the requirements of hedge accounting (even after hedging relationship readjustment, if applicable). This treatment holds in case of lapse, disposal, expiry and exercise of hedging instruments, and this cease of treatment applies prospectively. The fair value adjustments made to book value of hedged item due to hedged risk is amortized from the date of discontinuance of hedge accounting and is recognized in profit or loss.

4) Cash flow hedge

The Group recognizes the effective portion of changes in the fair value of derivatives and other valid hedging instruments that are designated and qualified as cash flow hedges in other comprehensive income to the extent of cumulative fair value changes of the hedged item from the starting date of hedge accounting and it is cumulated in the cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognized immediately in net income.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to net income when the hedged item affects net income. However, when non-monetary assets or liabilities are subsequently recognized due to expected transactions involving hedged items, the valuation gain or loss accumulated in the equity as other comprehensive income is removed from the equity and included in the initial book value of the recognized non-monetary assets or liabilities. Such transfers does not affect other comprehensive income. Also, if the cash flow hedge reserve is loss and accumulated other comprehensive income is a loss and part or all of the losses are not expected to be recovered in the future periods, the said amount is immediately reclassified to profit or loss.

Hedge accounting ceases to apply only when hedging relationship (or part of it) does not meet the requirements of hedge accounting (even after hedging relationship readjustment, if applicable). This treatment holds in case of lapse, disposal, expiry and exercise of hedging instruments, and this cease of treatment applies prospectively. At the point of cessation of cash flow hedge, the valuation gain or loss recognized as accumulated other comprehensive income continues to be recognized as equity, and is reclassified to profit or loss when the expected transaction is ultimately recognized as profit or loss. However, when transactions are no longer expected to occur, the valuation gain or loss of hedging instrument recognized as accumulated other comprehensive income is immediately reclassified to profit or loss.

(17) Assets (or disposal group) held for sale

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(18) Provisions

Provisions are recognized if it has present or contractual obligations as a result of the past event, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation is reliably estimated. A provision is not recognized for the future operating losses.

The Group recognizes provisions related to the payment guarantees, loan commitment and litigations. Under the terms of lease agreement, the cost incurred by the Group to recover the leased asset to its original state are recognized as provisions at the commencement of the lease or during a specific period in which the obligation is incurred as a result of the using the asset. The provisions are measured as the best estimate of the expenditure required to recover the asset, which is regularly reviewed and sated to the new situation.

Where there are a number of similar obligations, the probability that an outflow will be required in settlement is determined by considering the obligations as a whole. Although the likelihood of outflow for any one item may be small, if it is probable that some outflow of resources will be needed to settle the obligations as a whole, a provision is recognized.

At the end of each reporting period, the remaining provision balance is reviewed an assessed to determine if the current best estimate is being recognized.

(19) Equity instruments issued by the Group

1) Capital and compound financial instruments

The Group classifies a financial instrument that it issues as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement. A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The compound financial instruments are financial instruments where it is neither a financial liability nor an equity instrument because it was designed to contain both equity and debt elements.

If the Group reacquires its own equity instruments, the consideration paid including the direct transaction costs (net of tax expense) are presented as a deduction from total equity until such instruments are retired or reissued. When these instruments are reissued, the consideration received (net of direct transaction costs) is included in the shareholder's equity.

2) Hybrid securities

The Group classifies hybrid securities that have the unconditional right to avoid contractual obligations, such as to deliver cash or other financial assets in relation to financial instruments into equity instruments and presents as part of equity. Meanwhile, hybrid securities issued by subsidiaries of the group are classified as non-controlling interests according to the criteria, and the distribution paid is treated as net profit attributable to non-controlling interests in the consolidated comprehensive income statement.

(20) Financial guarantee contracts

A financial guarantee contract is a contract where the issuer must pay a certain amount of money in order to compensate losses suffered by the creditor when debtor defaults on a debt instrument in accordance with original or modified contractual terms.

A financial guarantee is initially measured at fair value and is subsequently measured at the higher of the amounts below unless it is designated to be measured at FVTPL or when it arises from disposal of an asset.

- Loss allowance in accordance with Korean IFRS 1109
- Initial book value less accumulated profit measured in accordance with Korean IFRS 1115

(21) Employee benefits and pensions

The Group recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by the employees. Also, the Group recognizes expenses and liabilities in the case of accumulating compensated absences when the employees render services that entitle their right to future compensated absences. Similarly, the Group recognizes expenses and liabilities for customary profit distribution or bonuses when the employees render services, even though the Group does not have legal obligation to do so because it can be construed as constructive obligation.

The Group is operating defined contribution plans and defined benefit plans. Contributions to defined contribution plans are recognized as an expense when employees have rendered services entitling them to receive the benefits. For defined benefit plans, the defined benefit liability is calculated through an actuarial assessment using the projected unit credit method every end of the reporting period, conducted by a professional actuaries. Remeasurement, comprising actuarial gains and losses, the return on plan assets (excluding the amount included in net interest from net defined benefit liability (asset)), and the effect of the changes to the asset ceiling is reflected immediately in the separate statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur.

Remeasurement recognized in the consolidated statement of comprehensive income is not reclassified to profit or loss in the subsequent periods. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are composed of service cost (including current service cost and past service cost, as well as gains and losses on settlements), net interest expense (income) and remeasurement.

The Group presents the service cost and net interest expense (income) components in profit or loss, and the remeasurement component in other comprehensive income. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is recognized as an asset limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Liabilities for termination benefits are recognized at the earlier of either the date when the Group is no longer able to cancel its proposal for termination benefits or the date when the Group has recognized the cost of restructuring that accompanies the payment of termination benefits.

(22) Income taxes

Income tax expense is composed of current tax and deferred tax. That is, income tax expense is composed of taxes payable or refundable during the period and deferred taxes calculated by applying asset-liability method to taxable and deductible temporary differences arising from operating loss and tax credit carryforwards. Temporary differences are the differences between the carrying values of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax benefit or expense is recognized for the change in deferred tax assets or liabilities. Deferred tax assets and liabilities are measured as of the reporting date using the enacted or substantively enacted tax rates expected to apply in the period in which the liability is settled or asset is realized. Deferred tax assets, including the carryforwards of unused tax losses, are recognized to the extent it is probable that the deferred tax assets will be realized.

Deferred income tax assets and liabilities are offset if, and only if, the Group has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority or when the entity intends to settle current tax liabilities and assets on a net basis with different taxable entities.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred liabilities are not recognized if the temporary difference arises from the initial recognition of goodwill. Deferred tax assets or liabilities are not recognized if they arise from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity or when it arises from business combination.

The tax uncertainty arises from the compensation claim filed by the Group, and refund litigation for the amount of tax levied by the tax authority due to differences in tax law analysis. In response, the Group paid taxes in accordance with Korean IFRS 2123 due to the tax authority's claim, but recognized as a corporate tax asset if it is highly probable of a refund in the future. In addition, the Group appropriately estimates and reflects the amount of corporate tax liabilities based on the analysis of corporate tax laws and the evaluation of many factors, including past experiences.

(23) Criteria of calculating earnings per share ("EPS")

Basic EPS is a calculation of net income per each common stock. It is calculated by dividing net income attributable to ordinary shareholders by the weighted-average number of common shares outstanding. Diluted EPS is calculated by adjusting the earnings and number of shares for the effects of all dilutive potential common shares.

(24) Share-based payment

For cash-settled share-based payment transactions that provide cash in return for the goods or services received, the Group measures the goods or services received, and the corresponding liability at the fair value and recognizes as employee benefit expenses and liabilities during the vesting period. The fair value of the liability is remeasured at the end of each reporting period and the settlement date until the liability is settled, and changes in fair value are recognized as employee benefits.

3. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The outbreak of COVID-19 in 2020 has had a significant impact on the global economy including Korea. Financial and economic shocks may have negative impacts on the Group's financial condition and results of operations in various forms both domestically and internationally, however, the Korean government is providing unprecedented financial and economic relief measures such as extension of maturity of loan receivables. Despite the announcement of these various forms of government support policies, the negative impact of the COVID-19 on the global economy continues.

Significant changes have been made in future forecast information affecting expected credit losses for the period ended December 31, 2020, and major economic factors are expected to remain negative for a considerable period of time after 2020 due to the influence of COVID-19, and uncertainties in recovery or deterioration will persist.

Considering this situation comprehensively, the Group updated the forward-looking information used to estimate expected credit losses in accordance with Korean IFRS 1109 *Financial Instruments* by changing major variables such as GDP to reflect the impact of COVID-19, which has brought a global economic recession. The Group also reflected the effect of deferred loan principal/interest due to COVID-19.

<Woori Bank>

The Group determined that the credit risk of loans affected by the loan deferment has significantly increased; and evaluated that the possibility of default is high. As a result, total loans (Loan receivables, payment guarantees) that are subject to loan deferment and interest deferment amount to 1,820,324 million won, and loan allowances have increased for 219,231 million won which consist of increases of corporate loan allowance for 210,173 million won and retail loan allowance for 9,058 million won.

Total loans (Loan receivables, payment guarantees) that are subject to loan deferment and interest deferment are consist of corporate loan of 1,697,899 million won and retail loan of 122,425 million won. Among total loans, loans changed its stage from 12-month to lifetime (Stage 2) expected credit losses amount to 1,650,526 million won, which consist of corporate loan of 1,548,805 million won and retail loan of 101,721 million won. The Group will continue to assess the adequacy of forward-looking information related to the duration of the impact of COVID-19 on economy and government policies.

<Woori Card>

As of December 31, 2020, Woori Card has 9,136 million won in financial assets at amortized cost related to borrowers eligible for financial support, and the additional provision is 196 million won.

< Woori Financial Capital and Woori Financial Group>

Woori Financial Capital and Woori Financial Group increased their expected credit loss allowance by 18,457 million won and 8,701 million won, respectively.

The significant accounting estimates and assumptions are continuously being evaluated based on numerous factors including historical experiences and expectations of future events considered to be reasonably possible. Actual results can differ from those estimates based on such definitions. The accounting estimates and assumptions that contain significant risk of materially changing current book values of assets and liabilities in the next accounting periods are as follows:

(1) Income taxes

The Group has recognized current and deferred taxes based on best estimates of expected future income tax effect arising from the Group's operations until the end of the current reporting period. However, actual tax payment may not be identical to the related assets and/or liabilities already recognized, and these differences may affect current taxes and deferred tax assets/liabilities at the time when income tax effects are finalized. Deferred tax assets relating to tax losses carried forward and deductible temporary differences are recognized only to the extent that it is probable that future taxable profit will be available against which the tax losses carried forward and the deductible temporary differences can be utilized. In this case the Group's evaluation considers various factors such as estimated future taxable profit based on forecasted operating results, which are based on historical financial performance. The Group is reviewing the book value of deferred tax assets every end of the reporting period and in the event that the possibility of earning future taxable income changes, the deferred tax assets are adjusted up to taxable income sufficient to use deductible temporary differences.

(2) Valuation of financial instruments

Financial assets at FVTPL and FVTOCI are recognized in the consolidated financial statements at fair value. All derivatives are measured at fair value. Valuation techniques are required in order to determine fair values of financial instruments where observable market prices do not exist. Financial instruments that are not actively traded and have low price transparency will have less objective fair value and require broad judgment in liquidity, concentration, uncertainty in market factors and assumption in price determination and other risks.

As described in 2. Basis of Preparation and Significant Accounting Policies (9) 5) Fair value of financial instruments, when valuation techniques are used to determine the fair value of a financial instrument, various general and internally developed techniques are used, and various types of assumptions and variables are incorporated during the process.

(3) Impairment of financial instruments

Korean IFRS 1109 requires entities to measure loss allowance equal to 12-month expected credit losses or lifetime expected credit losses after classifying financial assets into one of the three stages, which depends on the degree of increase in credit risk after their initial recognition.

	Stage 1	Stage 2	Stage 3
	Credit risk has not significantly increased since initial recognition (*)	Credit risk has significantly increased since initial recognition	Credit impaired
Allowance for expected credit losses	Expected 12-month credit losses: Expected credit losses due to possible defaults on financial instruments within a 12-month period from the year-end.	Expected lifetime credit losses: Expected credit losses from all possible defaults during the expected lifetime of the financial instruments.	

(*) Credit risk may be considered not to have been significantly increased when credit risk is low at year-end.

The accuracy of the provision for credit losses is determined by the estimation of the expected cash flows for each tenant for estimating the individually assessed loan-loss allowance, and the assumptions and variables in the model used for estimating the collectively assessed loan-loss allowance payment, guarantee and unused commitment.

The Group has estimated the allowance for credit losses based on reasonable and supportable information that was available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Probability of default (PD) and Loss given default (LGD) for each category of financial asset is being calculated by considering factors such as debtor type, credit rating and portfolio. The estimates are regularly being reviewed in order to reduce discrepancies with actual losses.

In measuring the expected credit losses, the Group is also using reasonable and supportable macroeconomic indicators such as economic growth rates, interest rates, market index rates, etc., in order to forecast future economic conditions.

The Group is conducting the following procedures to estimate and apply future economic forecast information.

- Development of prediction models by analyzing the correlation between default rates of corporate and retail exposures per year and macroeconomic indicators

Major macroeconomic indicators	Correlation between credit risk and macroeconomic indicators
GDP growth rate	Negative(-) Correlation
Home price index	Negative(-) Correlation
Consumer price index	Negative(-) Correlation

- Calculation of predicted default rate incorporating future economic forecasts by applying estimated macroeconomic indicators provided by verified institutions such as Bank of Korea and National Assembly Budget Office to the prediction model developed

The results of Woori Bank's sensitivity analysis on expected credit loss provisions due to changes in macroeconomic indicators as of December 31, 2020 are as follows (Unit: Korean Won in millions):

			December 31, 2020
Corporate	GDP growth rate	Increase by 1% point	(86,086)
		Decrease by 1% point	96,177
Retail	Consumer Price Index	Increase by 1% point	(15,807)
		Decrease by 1% point	17,119

At the end of every reporting period, the Group evaluates whether credit risk reflecting forward-looking information has significantly been increased since the date of initial recognition. When evaluating whether credit risk has significantly been increased, the changes in the probability of default over the financial instrument's remaining life is used instead of changes in the amount of expected credit losses.

The Bank performs the above evaluation with distinctions made to corporate and retail exposures, and indicators of significant increase in credit risk are as follows:

Corporate Exposures	Retail Exposures
Asset quality level 'Precautionary' or lower	Asset quality level 'Precautionary' or lower
More than 30 days past due	More than 30 days past due
'Warning' level in early warning system	Significant decrease in credit rating(*)
Debtor experiencing financial difficulties (Capital impairment, Adverse opinion or Disclaimer of opinion by external auditors)	Deferment of repayment of principal and interest
Significant decrease in credit rating (*)	Deferment of interest
Deferment of repayment of principal and interest	
Deferment of interest	

(*) Determining whether there has been a significant decrease in the credit rating of corporate and retail exposures applies only to credit ratings that are measured through 12-month expected credit loss. The Woori Bank, which is an important subsidiary of the Group, has applied the above indicators of significant decrease in credit rating since initial recognition as follows, and the estimation method is regularly being monitored.

	Credit rating	Significant increased indicator of the credit rating
Corporate	AAA ~ A+	More than or equal to 4 steps
	A- ~ BBB	More than or equal to 3 steps
	BBB- ~ BB+	More than or equal to 2 steps
	BB ~ BB-	More than or equal to 1 step
Retail	1 ~ 3	More than or equal to 3 steps
	4 ~ 5	More than or equal to 2 steps
	6 ~ 10	More than or equal to 1 step

The Group sees no significant increase in credit risk after initial recognition for debt securities, etc. with a credit rating of A + or higher, which are deemed to have low credit risk at the end of the reporting period

The Group concludes that credit is impaired when financial assets are under conditions stated below:

- When principal of loan is overdue for 90 days or longer due to significant deterioration in credit
- For loans overdue for less than 90 days, when it is determined that not even a portion of the loan will be recovered unless claim actions such as disposal of collaterals are taken
- When other objective indicators of impairment have been noted for the financial asset.

The Group determines which loan is subject to write-off in accordance with internal guidelines and writes off loan receivables when it is determined that the loans are practically irrecoverable. For example, loans are practically irrecoverable when application is made for rehabilitation under the Debtor Rehabilitation and Bankruptcy Act and loans are confirmed as irrecoverable by the court's decision to waive debtor's obligation, or when it is impossible to recover the loan amount through legal means such as auctioning of debtor's assets or through any other means of recovery available. Notwithstanding the write-off, the Group may still exercise its right of collection after the asset has been written off in accordance with its collection policies.

(4) Defined benefit plan

The Group operates a defined benefit pension plan. Defined benefit obligation is calculated at every end of the reporting period by performing actuarial valuation, and estimation of assumptions such as discount rate, expected wage growth rate and mortality rate is required to perform such actuarial valuation. The defined benefit plan, due to its long-term nature, contains significant uncertainties in its estimates.

4. RISK MANAGEMENT

The Group's operating activity is exposed to various financial risks and the main types of risks are credit risk, market risk, liquidity risk and etc. The risk management department analyze and assess the level of complex risks in order to manage the risks and the risk management standards such as policies, regulations, management systems and decision-making have been established and operated for sound management of the Group.

The risk management organization is operated by risk management committee, risk management responsible, and risk management department. The Board of Directors operates a risk management committee comprised of outside directors for professional risk management. The risk management committee plays a role as the top decision-making body in risk management by establishing basic policies for risk management that are in line with the Group's management strategy and determining the risk level that the Group is willing to take. The risk management office (CRO) assists the risk management committee and operates a group risk management council comprised of risk management managers of subsidiaries to periodically check and improve the risk burden of external environments and the Group. The risk management department is independent and is in charge of risk management of the Group. It also supports reporting and decision-making of key risk-related issues.

(1) Credit risk

Credit risk represents the possibility of financial losses incurred due to the refusal of the transaction or when the counterparty fails to fulfill its contractual obligations. The goal of credit risk management is to maintain the Group's credit risk exposure to a permissible degree and to optimize its rate of return considering such credit risk.

1) Credit risk management

The Group considers the probability of failure in performing the obligation of its counterparties, credit exposure to the counterparty, the related default risk and the rate of default loss. The Group uses the credit rating model to assess the possibility of counterparty's default risk; and when assessing the obligor's credit grade, the Group utilizes credit grades derived using statistical methods.

In order to manage credit risk limit, the Group establishes the appropriate credit line per obligor, company or industry. It monitors obligor's credit line, total exposures and loan portfolios when approving the loan.

The Group mitigates credit risk resulting from the obligor's credit condition by using financial and physical collateral, guarantees, netting agreements and credit derivatives. The Group has adopted the entrapment method to mitigate its credit risk. Credit risk mitigation is reflected in qualifying financial collateral, trade receivables, guarantees, residential and commercial real estate and other collaterals. The Group regularly performs a revaluation of collateral reflecting such credit risk mitigation.

2) Maximum exposure to credit risk

The Group's maximum exposure to credit risk shows the uncertainties related to the maximum possible variation of financial assets' net value as a result of changes in the specific risk factors, prior to the consideration of collaterals that are recorded at net book value after allowances and other credit enhancements. However, the maximum exposure is the fair value amount (recorded on the books) for derivatives, maximum contractual obligation for payment guarantees and unused amount of commitments for loan commitment.

The maximum exposure to credit risk as of December 31, 2020 and 2019 is as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019
Loans and other financial assets at amortized cost (*1)	Korean treasury and government agencies	9,725,719	14,797,040
	Banks	19,493,188	18,597,206
	Corporates	114,131,996	101,041,110
	Consumers	176,755,175	159,282,337
	Sub-total	320,106,078	293,717,693
Financial assets at FVTPL (*2)	Deposit	48,796	27,901
	Debt securities	2,887,097	2,337,085
	Loans	676,291	212,473
	Derivative assets	6,901,742	2,921,903
	Sub-total	10,513,926	5,499,362
Financial assets at FVTOCI	Debt securities	28,948,141	26,795,161
	Securities at amortized cost	17,020,839	20,320,539
Derivative assets	Derivative assets (Designated for hedging)	174,820	121,131
Off-balance accounts	Guarantees (*3)	11,809,456	12,618,917
	Loan commitments	112,088,680	103,651,674
	Sub-total	123,898,136	116,270,591
	Total	500,661,940	462,724,477

(*1) Cash and cash equivalents are not included.

(*2) Puttable financial instruments are not included.

(*3) As of December 31, 2020 and 2019, the financial guarantee amount of 4,163,382 million won and 4,317,969 million won are included, respectively.

a) Credit risk exposure by geographical areas

The following tables analyze credit risk exposure by geographical areas (Unit: Korean Won in millions):

	December 31, 2020						
	Korea	China	USA	UK	Japan	Others (*)	Total
Loans and other financial assets at amortized cost	296,186,751	4,356,747	3,988,304	1,990,490	1,404,670	12,179,116	320,106,078
Securities at amortized cost	16,749,531	-	110,597	-	-	160,711	17,020,839
Financial assets at FVTPL	6,954,630	13,403	1,083,096	493,285	480,760	1,488,752	10,513,926
Financial assets at FVTOCI	25,966,333	608,893	1,092,636	5	5,460	1,274,814	28,948,141
Derivative assets (Designated for hedging)	-	-	165,458	3,740	-	5,622	174,820
Off-balance accounts	119,699,069	1,393,734	399,678	38,389	41,378	2,325,888	123,898,136
Total	465,556,314	6,372,777	6,839,769	2,525,909	1,932,268	17,434,903	500,661,940

(*) Others consist of financial assets in Indonesia, Hong Kong, Germany, Australia, and other countries.

	December 31, 2019						
	Korea	China	USA	UK	Japan	Others (*)	Total
Loans and other financial assets at amortized cost	268,316,454	5,108,144	5,077,666	1,844,374	1,172,209	12,198,846	293,717,693
Securities at amortized cost	20,104,604	-	66,747	-	-	149,188	20,320,539
Financial assets at FVTPL	5,488,229	10,409	-	-	724	-	5,499,362
Financial assets at FVTOCI	24,553,655	332,319	144,601	102,311	2	1,662,273	26,795,161
Derivative assets (Designated for hedging)	121,131	-	-	-	-	-	121,131
Off-balance accounts	112,602,603	1,211,857	387,795	78,850	46,662	1,942,824	116,270,591
Total	431,186,676	6,662,729	5,676,809	2,025,535	1,219,597	15,953,131	462,724,477

(*) Others consist of financial assets in Indonesia, Hong Kong, Germany, Australia, and other countries.

b) Credit risk exposure by industries

① The following tables analyze credit risk exposure by industries, which are service, manufacturing, finance and insurance, construction, individuals and others in accordance with the Korea Standard Industrial Classification Code as of December 31, 2020 and 2019 (Unit: Korean Won in millions):

	December 31, 2020						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	56,627,927	35,933,953	35,450,774	3,493,000	172,116,780	16,483,644	320,106,078
Securities at amortized cost	492,172	6,691	8,926,909	302,225	-	7,292,842	17,020,839
Financial assets at FVTPL	301,296	234,712	8,520,127	32,240	14,619	1,410,932	10,513,926
Financial assets at FVTOCI	475,881	207,903	23,017,149	142,396	-	5,104,812	28,948,141
Derivative assets (Designated for hedging)	-	-	174,820	-	-	-	174,820
Off-balance accounts	18,828,656	21,460,581	12,086,935	4,060,358	62,477,117	4,984,489	123,898,136
Total	76,725,932	57,843,840	88,176,714	8,030,219	234,608,516	35,276,719	500,661,940

	December 31, 2019						
	Service	Manufacturing	Finance and insurance	Construction	Individuals	Others	Total
Loans and other financial assets at amortized cost	51,233,088	32,983,972	36,141,770	3,291,001	155,120,055	14,947,807	293,717,693
Securities at amortized cost	8,545,838	-	10,979,001	364,591	-	431,109	20,320,539
Financial assets at FVTPL	162,780	128,666	4,084,698	39,193	15,430	1,068,595	5,499,362
Financial assets at FVTOCI	85,609	139,098	18,968,456	10,047	9,241	7,582,710	26,795,161
Derivative assets (Designated for hedging)	-	-	121,131	-	-	-	121,131
Off-balance accounts	17,813,366	23,841,881	10,015,897	4,161,139	53,335,209	7,103,099	116,270,591
Total	77,840,681	57,093,617	80,310,953	7,865,971	208,479,935	31,133,320	462,724,477

② The detailed industries of financial assets and corporate loans that might get affected by the spread of COVID-19 as of December 31, 2020 are as follow and the industries that can be affected may change by future economic conditions. (Unit: Korean Won in millions):

< Woori Bank >

			December 31, 2020			
			Loans and other financial assets at amortized cost	Financial assets at FVTPL		
Service business	Distribution business	General retail business	1,070,789	11,944		
		General wholesale business	1,407,563	3,573		
		Sub-total	2,478,352	15,517		
		Accommodation business	1,525,157	9,305		
		Travel business	59,858	-		
		Art/sports, leisure service	1,467,643	17,739		
		Food business	1,078,832	2,515		
		Transportation business	395,873	461		
		Education business	367,701	489		
		Others	1,286,578	2,691		
		Sub-total	8,659,994	48,717		
		Manufacturing	Textile	Metal	2,281,344	6,608
				Non-metal	1,390,290	47,903
				Chemical	698,478	8,357
Transportation	1,819,207			19,161		
Electronics	3,268,095			2,060		
Cosmetics	1,424,297			19,280		
Others	323,231			217		
Sub-total	368,123			277		
Total	11,573,065			103,863		
Total	20,233,059			152,580		

		December 31, 2020				
		Off-balance accounts	Total			
Service business	Distribution business	General retail business	897,101	1,985,295		
		General wholesale business	483,360	1,894,496		
		Sub-total	1,380,461	3,879,791		
		Accommodation business	152,059	1,691,992		
		Travel business	21,350	81,208		
		Art/sports, leisure service	114,388	1,599,770		
		Food business	135,680	1,217,027		
		Transportation business	193,578	598,664		
		Education business	48,064	416,254		
		Others	318,641	1,607,910		
		Sub-total	2,364,221	11,092,616		
		Manufacturing	Textile	Metal	1,064,005	3,358,516
				Non-metal	1,581,887	3,020,080
				Chemical	377,506	1,084,341
Transportation	3,233,405			5,071,773		
Electronics	2,183,616			5,453,771		
Cosmetics	1,789,605			3,233,182		
Others	54,518			377,966		
Sub-total	1,483,551			1,851,951		
Total	11,768,093			23,451,580		
Total	14,132,314			34,544,196		

< Woori Card Co., Ltd. >

	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	4,959	-	-	12,315	17,274
Travel business	2,175	-	-	25,367	27,542
Aviation	479	-	-	4,179	4,658
Cosmetics industry	2,462	-	-	13,376	15,838
Distribution business	8,050	-	-	44,354	52,404
Food industry	33,084	-	-	163,711	196,795
Art/sports, leisure service	6,156	-	-	51,962	58,118
Total	57,365	-	-	315,264	372,629

<Woori Financial Capital Co., Ltd.>

			Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI		
Service business	Distribution business	General retail business	8,978	-	-		
		General wholesale business	57,587	-	-		
		Sub-total	66,565	-	-		
	Accommodation business	Accommodation business		6,292	-	-	
		Travel business		1,293	-	-	
		Art/sports, leisure service		615	-	-	
		Food business		21,774	-	-	
		Transportation business		28,270	-	-	
		Education business		1,132	-	-	
		Others		365,860	27,364	-	
		Sub-total		491,801	27,364	-	
		Manufacturing	Textile		29,415	-	-
			Metal		17,963	-	-
			Non-metal		4,780	-	-
Chemical			2,501	-	-		
Transportation			52,514	-	-		
Electronics			12,665	-	-		
Cosmetics			-	-	-		
Others		5,335	-	-			
Sub-total		125,173	-	-			
Total COVID-19 vulnerable business		616,974	27,364	-			
Other business	Others		6,202,754	225,078	-		
	Total		6,819,728	252,442	-		
			<hr/>				
			Off-balance accounts	Total			
Service business	Distribution business	General retail business	-	-	8,978		
		General wholesale business	-	-	57,587		
		Sub-total	-	-	66,565		
	Accommodation business	Accommodation business		-	-	6,292	
		Travel business		-	-	1,293	
		Art/sports, leisure service		-	-	615	
		Food business		-	-	21,774	
		Transportation business		-	-	28,270	
		Education business		-	-	1,132	
		Others		38,681	-	431,905	
		Sub-total		38,681	-	557,846	
		Manufacturing	Textile		-	-	29,415
			Metal		3,365	-	21,328
			Non-metal		-	-	4,780
Chemical			-	-	2,501		
Transportation			-	-	52,514		
Electronics			-	-	12,665		
Cosmetics			-	-	-		
Others		-	-	5,335			
Sub-total		3,365	-	128,538			
Total COVID-19 vulnerable business		42,046	-	686,384			
Other business	Others		333,766	-	6,761,598		
	Total		375,812	-	7,447,982		

< Woori Investment Bank Co., Ltd. >

	Loans and other financial assets at amortized cost	Financial assets at FVTPL	Financial assets at FVTOCI	Off-balance accounts	Total
Accommodation business	44,900	-	-	-	44,900
Distribution business	15,716	20,000	-	-	35,716
Art/sports, leisure service	28,000	-	-	-	28,000
Total	88,616	20,000	-	-	108,616

3) Credit risk exposure

a) Financial assets

The maximum exposure to credit risk by asset quality, except for financial assets at FVTPL and derivative asset (Designated for hedging) as of December 31, 2020 and 2019 is as follows (Unit: Korean Won in millions):

	December 31, 2020							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)				
Loans and other financial assets at amortized cost	278,729,012	21,249,885	10,356,251	10,143,839	1,623,276	322,102,263	(1,996,185)	320,106,078
Korean treasury and government agencies	9,674,891	1,063	52,279	-	-	9,728,233	(2,514)	9,725,719
Banks	19,301,570	105,890	75,876	-	25,598	19,508,934	(15,745)	19,493,189
Corporates	93,889,922	14,873,376	1,890,564	3,860,389	839,234	115,353,485	(1,221,491)	114,131,994
General business	61,082,336	9,013,955	1,349,053	2,585,868	576,078	74,607,290	(869,744)	73,737,546
Small- and medium-sized enterprise	27,504,992	5,415,312	538,909	1,207,706	227,003	34,893,922	(304,077)	34,589,845
Project financing and others	5,302,594	444,109	2,602	66,815	36,153	5,852,273	(47,670)	5,804,603
Consumers	155,862,629	6,269,556	8,337,532	6,283,450	758,444	177,511,611	(756,435)	176,755,176
Securities at amortized cost	17,025,405	-	-	-	-	17,025,405	(4,566)	17,020,839
Financial assets at FVTOCI (*3)	28,789,281	158,860	-	-	-	28,948,141	(9,631)	28,948,141
Total	324,543,698	21,408,745	10,356,251	10,143,839	1,623,276	368,075,809	(2,010,382)	366,075,058

	December 31, 2020			
	Collateral value			
	Stage1	Stage2	Stage3	Total
Loans and other financial assets at amortized cost	187,731,443	15,677,871	696,709	204,106,023
Korean treasury and government agencies	19,280	-	-	19,280
Banks	1,003,971	-	-	1,003,971
Corporates	62,817,305	3,963,101	400,340	67,180,746
General business	35,578,470	2,670,480	271,815	38,520,765
Small- and medium-sized enterprise	25,404,002	1,290,941	118,265	26,813,208
Project financing and others	1,834,833	1,680	10,260	1,846,773
Consumers	123,890,887	11,714,770	296,369	135,902,026
Securities at amortized cost	-	-	-	-
Financial assets at FVTOCI (*3)	-	-	-	-
Total	187,731,443	15,677,871	696,709	204,106,023

(*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(*2) Credit grade of corporates are BBB- ~ C, and consumers are grades 7 ~ 10.

(*3) Financial assets at FVTOCI has been disclosed as the amount before deducting loss allowance because loss allowance does not reduce the carrying amount.

	December 31, 2019							
	Stage 1		Stage 2		Stage 3	Total	Loss allowance	Total, net
	Above appropriate credit rating (*1)	Less than a limited credit rating (*3)	Above appropriate credit rating (*2)	Less than a limited credit rating (*3)				
Loans and other financial assets at amortized cost	255,709,205	19,823,451	8,712,860	9,625,024	1,504,172	295,374,712	(1,657,019)	293,717,693
Korean treasury and government agencies	14,789,933	10,390	-	-	1	14,800,324	(3,284)	14,797,040
Banks	18,336,664	109,667	150,318	-	21,907	18,618,556	(21,350)	18,597,206
Corporates	82,286,304	15,201,687	485,469	3,267,311	792,375	102,033,146	(992,036)	101,041,110
General business	45,769,233	6,191,625	441,089	1,620,761	544,238	54,566,946	(678,237)	53,888,709
Small- and medium-sized enterprise	32,180,551	8,507,800	44,380	1,586,865	230,901	42,550,497	(287,027)	42,263,470
Project financing and others	4,336,520	502,262	-	59,685	17,236	4,915,703	(26,772)	4,888,931
Consumers	140,296,304	4,501,707	8,077,073	6,357,713	689,889	159,922,686	(640,349)	159,282,337
Securities at amortized cost	20,326,050	-	-	-	-	20,326,050	(5,511)	20,320,539
Financial assets at FVTOCI (*4)	26,684,601	110,560	-	-	-	26,795,161	(8,569)	26,795,161
Total	302,719,856	19,934,011	8,712,860	9,625,024	1,504,172	342,495,923	(1,671,099)	340,833,393

	December 31, 2019			
	Collateral value			
	Stage1	Stage2	Stage3	Total
Loans and other financial assets at amortized cost	169,438,539	14,451,806	692,139	184,582,484
Korean treasury and government agencies	-	-	-	-
Banks	612,200	2,028	-	614,228
Corporates	55,602,818	2,335,496	394,860	58,333,174
General business	22,291,348	1,023,766	240,771	23,555,885
Small- and medium-sized enterprise	31,517,538	1,311,730	145,061	32,974,329
Project financing and others	1,793,932	-	9,028	1,802,960
Consumers	113,223,521	12,114,282	297,279	125,635,082
Securities at amortized cost	-	-	-	-
Financial assets at FVTOCI (*4)	-	-	-	-
Total	169,438,539	14,451,806	692,139	184,582,484

(*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(*2) Credit grade of corporates are A- ~ BBB, and consumers are grades 1 ~ 6.

(*3) Credit grade of corporates are BBB- ~ C, and consumers are grades 7 ~ 10.

(*4) Financial assets at FVTOCI has been disclosed as the amount before deducting loss allowance because loss allowance does not reduce the carrying amount.

b) Guarantees and commitments

The credit quality of the guarantees and loan commitments as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020					
	Stage 1		Stage 2		Stage3	Total
	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)	Above appropriate credit rating (*1)	Less than a limited credit rating (*2)		
Financial assets						
Off-balance accounts:						
Guarantees	10,152,900	1,382,592	11,504	191,962	70,498	11,809,456
Loan Commitments	105,108,967	4,045,595	1,951,649	977,185	5,284	112,088,680
Total	115,261,867	5,428,187	1,963,153	1,169,147	75,782	123,898,136

(*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(*2) Credit grade of corporate are BBB- ~ C, and consumers are grades 7 ~ 10.

	December 31, 2019					
	Stage 1		Stage 2		Stage3	Total
	Above appropriate credit rating (*1)	Less than a limited credit rating (*3)	Above appropriate credit rating (*2)	Less than a limited credit rating (*3)		
Financial assets						
Off-balance accounts						
Guarantees	10,952,917	1,333,561	355	223,657	108,427	12,618,917
Loan Commitments	97,854,790	3,479,295	1,388,136	906,033	23,420	103,651,674
Total	108,807,707	4,812,856	1,388,491	1,129,690	131,847	116,270,591

(*1) Credit grade of corporates are AAA ~ BBB, and consumers are grades 1 ~ 6.

(*2) Credit grade of corporates are A- ~ BBB, and consumers are grades 1 ~ 6.

(*3) Credit grade of corporate are BBB- ~ C, and consumers are grades 7 ~ 10.

4) Collateral and other credit enhancements

For the year ended December 31, 2020 and 2019, there have been no significant changes in the value of collateral or other credit enhancements held by the Group and there have been no significant changes in collateral or other credit enhancements due to changes in the collateral policy of the Group. As of December 31, 2020, there are no financial assets that do not recognize the allowance for losses just because financial assets have collateral.

5) Among financial assets that measured loss allowance at lifetime expected credit losses, amortized costs before changes in contractual cash flows as of December 31, 2020 and 2019 are 265,760 million Won and 18,735 million Won, respectively, with net losses recognized along with the changes 12,786 million Won and 82 million Won, respectively.

6) As the Group manages receivables that have not lost the right of claim to the debtor for the grounds of incomplete statute limitation and uncollected receivables under the related laws as receivable charge-offs, the balance as of December 31, 2020 and 2019 are 9,986,186 million won and 9,667,199 million won. In addition, the contractual non-recoverable amount of financial assets amortized for the year ended December 31, 2020, but still in the process of recovery is 390,854 million won.

(2) Market risk

Market risk is the possible risk of loss arising from trading position and non-trading position as a result of the volatility of market factors such as interest rates, stock prices and foreign exchange rates.

1) Market risk management

Market risk management refers to the process of making and implementing decisions for the avoidance, acceptance or mitigation of risks by identifying the underlying source of the risks and measuring its level, and evaluating the appropriateness of the level of accepted market risks.

a) Trading activities

The Group uses the standard method and the internally developed model (the Bank) in measuring market risk for trading positions, and allocates market risk capital through the Risk Management Committee. Risk management departments of the Group and its subsidiaries manage limits in detail including those on risk and loss with their management result regularly reported to the Risk Management Committee.

Woori Bank, a subsidiary of the Group, uses the internal model approved by the Financial Supervisory Service to measure the VaR using the Historical Simulation Method based on a 99% confidence level and a 10-day retention period, and calculates the required capital risk for calculating the BIS ratio. For internal management purposes, limit management is performed on a daily basis measuring VaR based on a 99% confidence and 1 day retention period. In addition, Woori Bank perform a daily verification that compares VaR measurement and profit and loss to verify the suitability of the model.

The minimum, maximum and average VaR of the Bank for the year December 31, 2020 and 2019, and the VaR of the Bank as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Risk factor	December 31, 2020	For the year ended December 31, 2020			December 31, 2019	For the year ended December 31, 2019		
		Average	Maximum	Minimum		Average	Maximum	Minimum
Interest rate	6,815	7,959	15,065	2,427	5,052	3,406	5,725	1,176
Stock price	2,283	5,783	14,394	1,982	3,730	3,203	5,935	1,146
Foreign currencies	11,160	8,814	11,233	4,613	5,028	5,033	6,469	4,395
Commodity price	-	-	-	-	-	1	32	-
Diversification	(11,087)	(11,175)	(18,796)	(3,452)	(6,233)	(5,127)	(9,229)	(2,339)
Total VaR(*)	9,171	11,381	21,896	5,570	7,577	6,516	8,932	4,378

(*) VaR (Value at Risk): Retention period of 1 day, Maximum expected losses under 99% level of confidence.

b) Non-trading activities

The Bank manages and measures interest risk for non-trading activities through Δ NII(Change in Net Interest Income) and Δ EVE(Change in Economic Value of Equity) in accordance with IRRBB(Interest Rate Risk in the Banking Book) introduced at the end of 2019.

Δ NII represents a change in net interest income that may occur over a certain period (e.g. one year) due to changes in net interest income, and Δ EVE indicates the economic value changes in equity capital that could be caused by changes in interest rates affecting the present value of asset, liabilities, and others.

Subsidiaries other than the Bank measure and manage interest rate risk with interest rates EaR(Earnings at Risk) and VaR(Value at Risk). The interest rate EaR represents the maximum expected change in profit or loss that could occur over a period of time (e.g. one year) due to unfavorable interest rate changes, which shows the maximum reduction scale in net interest. The interest rate VaR represents the maximum expected loss that indicates how unfavorable changes in interest rates can reduce the value of the net asset at any given point in time, now or in the future.

For assets and liabilities as of December 31, 2020 and 2019 that include bank, consolidated trusts and subsidiaries of the bank, details of Δ EVE and Δ NII calculated based on interest rate risk in banking book (IRRBB) are as follows (Unit: Korean Won in millions):

December 31, 2020		December 31, 2019	
Δ EVE (*1)	Δ NII (*2)	Δ EVE (*1)	Δ NII (*2)
634,596	66,138	490,981	162,023

(*1) Δ EVE: change in Economic Value of Equity

(*2) Δ NII: change in Net Interest Income

For the remaining subsidiaries except the bank, consolidated trusts, and consolidated subsidiaries of the bank as of December 31, 2020 and 2019, the interest rate EaR and VaR calculated based on the BIS Framework are as follows (Unit: Korean Won in millions):

	December 31, 2020		December 31, 2019	
	EaR (*1)	VaR (*2)	EaR (*1)	VaR (*2)
Woori Card Co., Ltd.	106,645	157,085	100,213	85,010
Woori Financial Capital Co., Ltd.	3,701	12,550	-	-
Woori Investment Bank Co., Ltd.	1,479	5,005	7,629	958
Woori Asset Trust Co., Ltd.	3,211	398	-	-
Woori Asset Management Corp.	64	493	256	2,486
Woori Private Equity Asset Management Co., Ltd.	193	37	416	80
Woori Global Asset Management Co., Ltd.	119	318	386	84

(*1) EaR (Earning at Risk): Change of maximum expected income and expense

(*2) VaR (Value at Risk): Maximum expected losses

The Group estimates and manages risks related to changes in interest rate due to the difference in the maturities of interest-bearing assets and liabilities and discrepancies in the terms of interest rates. Cash flows (both principal and interest), interest bearing assets and liabilities, presented by each re-pricing date, are as follows (Unit: Korean Won in millions):

		December 31, 2020						
		Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:								
	Loans and other financial assets at amortized cost	177,214,415	54,035,826	12,410,513	11,140,520	64,799,854	5,170,572	324,771,700
	Financial assets at FVTPL	609,542	263,510	91,791	94,879	150,148	13,239	1,223,109
	Financial assets at FVTOCI	4,344,718	3,339,086	3,751,882	2,915,238	14,648,033	473,124	29,472,081
	Securities at amortized cost	1,372,094	1,471,309	933,715	1,869,352	11,080,632	1,018,002	17,745,104
	Total	183,540,769	59,109,731	17,187,901	16,019,989	90,678,667	6,674,937	373,211,994
Liability:								
	Deposits due to customers	127,557,303	46,471,099	35,455,403	29,354,652	52,395,811	50,655	291,284,923
	Borrowings	11,223,338	2,832,846	1,126,728	949,892	3,828,384	452,495	20,413,683
	Debentures	3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,026	39,224,735
	Total	142,026,874	52,700,372	40,511,477	33,800,459	78,123,983	3,760,176	350,923,341
		December 31, 2019						
		Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Asset:								
	Loans and other financial assets at amortized cost	153,023,603	49,505,606	12,505,250	10,506,470	57,582,270	5,209,670	288,332,869
	Financial assets at FVTPL	150,149	23,648	63,825	34,299	131,206	13,347	416,474
	Financial assets at FVTOCI	5,414,586	5,486,113	3,450,669	3,174,893	9,367,756	318,371	27,212,388
	Securities at amortized cost	1,844,868	1,696,004	738,383	1,409,549	14,869,227	858,142	21,416,173
	Total	160,433,206	56,711,371	16,758,127	15,125,211	81,950,459	6,399,530	337,377,904
Liability:								
	Deposits due to customers	116,490,812	45,803,202	32,683,132	26,740,013	43,175,232	59,305	264,951,696
	Borrowings	12,105,234	1,910,759	1,048,991	706,952	3,264,861	509,359	19,546,156
	Debentures	2,378,211	2,894,577	3,330,658	2,466,142	19,211,409	2,537,391	32,818,388
	Total	130,974,257	50,608,538	37,062,781	29,913,107	65,651,502	3,106,055	317,316,240

2) Currency risk

Currency risk arises from the financial instruments denominated in foreign currencies other than the functional currency. Therefore, no currency risk arises from non-monetary items or financial instruments denominated in the functional currency.

Financial instruments in foreign currencies exposed to currency risk as of December 31, 2020 and 2019 are as follows (Unit: USD in millions, JPY in millions, CNY in millions, EUR in millions, and Korean Won in millions):

		December 31, 2020									
		USD		JPY		CNY		EUR		Others	Total
		Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Korean Won equivalent	Korean Won equivalent
Asset	Cash and cash equivalents	5,584	6,074,879	22,832	240,710	4,580	764,686	115	154,154	501,900	7,736,329
	Loans and other financial assets at amortized cost (*)	21,687	23,595,957	172,782	1,821,554	24,230	4,045,435	2,001	2,678,382	4,857,438	36,998,766
	Financial assets at FVTPL	280	304,146	18,855	198,781	73	11,989	248	332,182	88,745	935,843
	Financial assets at FVTOCI	2,741	2,981,832	-	-	2,601	434,258	37	49,789	565,893	4,031,772
	Securities at amortized cost	319	347,570	-	-	-	-	34	45,197	115,534	508,301
	Total	30,611	33,304,384	214,469	2,261,045	31,484	5,256,368	2,435	3,259,704	6,129,510	50,211,011
Liability	Financial liabilities at FVTPL	426	463,678	14,493	152,792	-	-	158	211,525	115,429	943,424
	Deposits due to customers	16,664	18,130,448	220,153	2,320,983	26,733	4,463,300	1,532	2,050,400	3,443,631	30,408,762
	Borrowings	5,657	6,154,464	48,446	510,750	-	-	590	789,955	697,234	8,152,403
	Debentures	3,973	4,322,800	-	-	-	-	-	-	444,711	4,767,511
	Other financial liabilities	2,381	2,590,147	6,705	70,690	1,853	309,319	64	85,553	193,128	3,248,837
	Total	29,101	31,661,537	289,797	3,055,215	28,586	4,772,619	2,344	3,137,433	4,894,133	47,520,937
Off-balance accounts		7,441	8,095,297	24,992	263,478	3,007	502,106	533	712,846	556,988	10,130,715
		December 31, 2019									
		USD		JPY		CNY		EUR		Others	Total
		Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Foreign currency	Korean Won equivalent	Korean Won equivalent	Korean Won equivalent
Asset	Loans and other financial assets at amortized cost (*)	22,916	26,531,794	150,462	1,600,140	31,393	5,203,131	2,258	2,929,312	5,272,352	41,536,729
	Financial assets at FVTPL	165	190,733	5,322	56,602	25	4,155	105	135,827	64,185	451,502
	Financial assets at FVTOCI	2,679	3,102,752	-	-	2,005	332,319	25	33,017	406,753	3,874,841
	Securities at amortized cost	319	369,677	-	-	-	-	40	52,139	97,092	518,908
	Total	26,079	30,194,956	155,784	1,656,742	33,423	5,539,605	2,428	3,150,295	5,840,382	46,381,980
Liability	Financial liabilities at FVTPL	251	291,102	4,415	46,957	-	-	68	87,776	83,790	509,625
	Deposits due to customers	13,208	15,291,671	166,108	1,766,526	27,739	4,597,467	1,727	2,240,884	3,247,164	27,143,712
	Borrowings	6,588	7,627,665	11,061	117,634	16	2,743	515	668,060	499,046	8,915,148
	Debentures	3,999	4,629,944	-	-	-	-	105	136,230	271,790	5,037,964
	Other financial liabilities	3,016	3,492,462	11,240	119,529	3,079	510,281	359	466,240	6,906	4,595,418
	Total	27,062	31,332,844	192,824	2,050,646	30,834	5,110,491	2,774	3,599,190	4,108,696	46,201,867
Off-balance accounts		7,030	8,139,395	34,316	364,946	4,525	749,973	560	726,323	634,870	10,615,507

(3) Liquidity risk

Liquidity risk refers to the risk that the Group may encounter difficulties in meeting obligations from its financial liabilities.

1) Liquidity risk management

Liquidity risk management is to prevent potential cash shortages as a result of mismatching the use of funds (assets) and sources of funds (liabilities) or unexpected cash outflows. The financial liabilities that are relevant to liquidity risk are incorporated within the scope of risk management. Derivatives instruments are excluded from those financial liabilities as they reflect expected cash flows for a pre-determined period.

Assets and liabilities are grouped by account under Asset Liability Management (“ALM”) in accordance with the characteristics of the account. The Group manages liquidity risk by identifying the maturity gap and such gap ratio through various cash flows analysis (i.e. based on remaining maturity and contract period, etc.), while maintaining the gap ratio at or below the target limit.

2) Maturity analysis of non-derivative financial liabilities

a) Cash flows of principals and interests by remaining contractual maturities of non-derivative financial liabilities as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	64,183	135,232	42,418	112,102	-	-	353,935
Deposits due to customers	191,660,253	34,349,298	25,213,410	31,144,452	9,230,904	1,793,143	293,391,460
Borrowings	10,159,819	2,524,572	1,714,490	1,866,810	4,177,634	463,376	20,906,701
Debentures	3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,228	39,224,937
Lease liabilities	53,429	44,551	40,809	34,761	201,113	34,780	409,443
Other financial liabilities	8,121,978	70,277	10,294	10,897	451,096	2,142,772	10,807,314
Total	213,305,895	40,520,357	30,950,767	36,664,937	35,960,535	7,691,299	365,093,790

	December 31, 2019						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	115,156	-	-	-	-	-	115,156
Deposits due to customers	166,474,535	36,697,168	24,634,859	31,233,844	6,590,119	1,877,594	267,508,119
Borrowings	8,596,202	2,948,384	2,162,846	1,880,424	3,682,214	520,936	19,791,006
Debentures	2,378,211	2,894,577	3,330,658	2,466,142	19,211,409	2,537,391	32,818,388
Lease liabilities	46,072	42,549	37,420	35,210	232,985	40,698	434,934
Other financial liabilities	11,242,367	60,981	119,633	10,344	71,561	2,660,640	14,165,526
Total	188,852,543	42,643,659	30,285,416	35,625,964	29,788,288	7,637,259	334,833,129

b) Cash flows of principals and interests by expected maturities of non-derivative financial liabilities as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	68,909	131,496	41,428	112,102	-	-	353,935
Deposits due to customers	199,931,480	35,912,096	23,924,403	25,477,917	7,582,278	105,413	292,933,587
Borrowings	10,159,819	2,524,572	1,714,490	1,866,810	4,177,634	463,376	20,906,701
Debentures	3,246,233	3,396,427	3,929,346	3,495,915	21,899,788	3,257,228	39,224,937
Lease liabilities	53,429	44,894	40,949	35,074	208,125	36,950	419,421
Other financial liabilities	8,121,978	70,277	10,294	10,897	451,096	2,142,772	10,807,314
Total	221,581,848	42,079,762	29,660,910	30,998,715	34,318,921	6,005,739	364,645,895

	December 31, 2019						
	Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
Financial liabilities at FVTPL	115,156	-	-	-	-	-	115,156
Deposits due to customers	175,309,271	38,219,793	23,649,424	24,102,750	5,547,232	150,233	266,978,703
Borrowings	8,596,202	2,948,384	2,162,846	1,880,424	3,682,214	520,936	19,791,006
Debentures	2,378,211	2,894,577	3,330,658	2,466,142	19,211,409	2,537,391	32,818,388
Lease liabilities	46,072	42,549	37,420	35,210	232,985	40,698	434,934
Other financial liabilities	11,242,367	60,981	119,633	10,344	71,561	2,660,640	14,165,526
Total	197,687,279	44,166,284	29,299,981	28,494,870	28,745,401	5,909,898	334,303,713

3) Maturity analysis of derivative financial liabilities

Derivatives held for trading purpose are not managed in accordance with their contractual maturity, since the Group holds such financial instruments with the purpose of disposing or redemption before their maturity. As such, those derivatives are incorporated as “within 3 months” in the table below. Derivatives designated for hedging purpose are estimated by offsetting cash inflows and cash outflows.

The cash flow by the maturity of derivative financial liabilities as of December 31, 2020 and 2019 is as follows (Unit: Korean Won in millions):

		Remaining maturity						
		Within 3 months	4 to 6 months	7 to 9 months	10 to 12 months	1 to 5 years	Over 5 years	Total
December 31, 2020	Cash flow risk hedge	2,655	6,004	515	239	55,744	-	65,157
	Fair value risk hedge	255	(302)	233	(287)	126	-	25
	Trading purpose	6,460,472	-	-	-	-	-	6,460,472
December 31, 2019	Cash flow risk hedge	1,839	(341)	(298)	(247)	6,249	-	7,202
	Trading purpose	2,843,195	-	-	-	-	-	2,843,195

4) Maturity analysis of off-balance accounts (Guarantees and loan commitments)

A financial guarantee represents an irrevocable undertaking that the Group should meet a customer’s obligations to third parties if the customer fails to do so. The loan commitment represents the limit if the Group has promised a credit to the customer. Commitments to lend include commercial standby facilities and credit lines, liquidity facilities to commercial paper conduits and utilized overdraft facilities. The maximum limit to be paid by the Group in accordance with guarantees and loan commitment only applies to principal amounts. There are contractual maturities for financial guarantees, such as guarantees for debentures issued or loans, unused loan commitments, and other guarantees, however, under the terms of the guarantees and unused loan commitments, funds should be paid upon demand from the counterparty. Details of off-balance accounts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Guarantees	11,809,456	12,618,917
Loan commitments	112,088,680	103,651,674
Other commitments	4,912,690	3,411,334

(4) Operational risk

The Group defines the operational risk that could cause a negative effect on capital resulting from inadequate internal process, labor work and systematic problem or external factors.

1) Operational risk management

The Group has established and operated an operating risk management system to strengthen external competitiveness, reduce risk capital volume, enhance operational risk management capacity and prevent accidents through compliance with Basel II, and has obtained approval from the Financial Supervisory Service for “Advanced Measurement Approaches”(AMA) based on self-compliance verification and independent third-party inspection results.

2) Operational risk measurement

The Group is applying the basic indicator method for the purpose of calculating the regulatory capital of operation risk, and the Bank is applying the advanced measurement method. The Bank applies AMA using internal and external loss data, business environment and internal control factors, and scenario analysis.

(5) Capital management

The Group complies with the standard of capital adequacy provided by financial regulatory authorities. The capital adequacy standard is based on Basel published by Basel III Committee on Banking Supervision in Bank for International Settlement in 2010 and was implemented in Korea in December 2013. The capital adequacy ratio is calculated by dividing own capital by asset (weighted with a risk premium – risk weighted assets) based on the consolidated financial statements of the Group.

According to the above regulations, the Group is required to meet the following new minimum requirements: Tier 1 common capital ratio of 8.0% and 7.0%, a Tier 1 capital ratio of 9.5% and 8.5%, and a minimum total capital ratio of 11.5% and 10.5% as of December 31, 2020 and 2019

The risk management committee of the Group determines the risk appetite of the Group, allocates internal capital by risk type and major subsidiaries, and the major subsidiaries operate the capital efficiently within the allocated internal capital. The risk management department of the Group monitors internal capital limit management and reports it to the management and risk management committees. If internal capital is expected to exceed the limit due to new business or expansion of operations, the capital adequacy of the Group is managed by taking a preliminary review and approval process by the Risk Management Committee.

Details of the Group’s capital adequacy ratio as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Details(*)	December 31, 2020	December 31, 2019
Tier 1 capital	19,828,094	19,135,300
Other Tier 1 capital	3,533,648	3,340,252
Tier 2 capital	4,086,035	4,639,519
Total risk-adjusted capital	27,447,777	27,115,071
Risk-weighted assets for credit risk	178,114,590	209,802,895
Risk-weighted assets for market risk	6,086,905	5,586,757
Risk-weighted assets for operational risk	14,067,185	12,656,301
Total risk-weighted assets	198,268,680	228,045,953
Common Equity Tier 1 ratio	10.00%	8.39%
Tier 1 capital ratio	11.78%	9.86%
Total capital ratio	13.84%	11.89%

(*) The above figures are prior to dividend reflection and may change to provisional values.

5. OPERATING SEGMENTS

In evaluating the results of the Group and allocating resources, the Group’s Chief Operation Decision Maker (“CODM”) utilizes the information per type of customers. With the establishment of Woori Financial Group Inc. during the prior term, the Group reports to the CODM according to the organizational sectors below. This financial information of the segments is regularly reviewed by the CODM to make decisions about resources to be allocated to each segment and evaluate its performance.

(1) Segment by type of organization

The Group’s reporting segments consist of banking, credit card, comprehensive finance and other sectors, and the composition of such reporting segments was divided based on internal report data periodically reviewed by the management to evaluate the performance of the segment and make decisions on the resources to be distributed.

	Operational scope
Banking	Loans/deposits and relevant services for Woori Bank and overseas subsidiaries’ customers
Credit card	Credit card, cash services, card loans and relevant work of Woori Card Co., Ltd.
Comprehensive finance	Securities operation, sale of financial instruments, project financing and other related activities for comprehensive financing of Woori Investment bank Co., Ltd.
Others	Woori Financial Group Inc., Woori Financial Capital Co., Ltd., Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Ltd., Woori Credit Information Co., Ltd., Woori Fund Services Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Institute,

(2) The composition of each organization's sectors for the years ended December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020						
	Banking	Credit card	Investment banking	Others (*1)	Sub-total	Adjustments (*2)	Total
Net Interest income(expense)	4,545,155	564,461	78,302	69,188	5,257,106	741,406	5,998,512
Non-interest income(expense)	1,423,286	3,648	34,497	1,071,852	2,533,283	(1,710,849)	822,434
Impairment losses due to credit loss	(512,008)	(195,816)	(4,146)	(43,660)	(755,630)	(28,741)	(784,371)
General and administrative expense	(3,545,186)	(207,301)	(39,039)	(416,595)	(4,208,121)	251,940	(3,956,181)
Net operating income(expense)	1,911,247	164,992	69,614	680,785	2,826,638	(746,244)	2,080,394
Non-operating income(expense)	(57,027)	(5,569)	(775)	771	(62,600)	(16,543)	(79,143)
Net income(expense) before tax	1,854,220	159,423	68,839	681,556	2,764,038	(762,787)	2,001,251
Tax income(expense)	(437,288)	(39,193)	(5,902)	(29,372)	(511,755)	25,753	(486,002)
Net income(loss)	1,416,932	120,230	62,937	652,184	2,252,283	(737,034)	1,515,249
Total assets	374,120,064	11,366,596	4,332,474	31,872,690	421,691,824	(22,610,807)	399,081,017
Total liabilities	348,706,682	9,312,986	3,803,594	9,606,742	371,430,004	925,168	372,355,172

(*1) Other segments include gains and losses from Woori Financial Group Inc., Woori Financial Capital Co., Ltd.(Profit or loss for 3 months after incorporation into subsidiary), Woori Asset Trust Co., Ltd., Woori Asset Management Corp., Woori Credit Information Co., Ltd., Woori Fund Service Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Co., Ltd.,

(*2) Adjustments were made for the presentation of profit or loss in accordance with the Accounting Standards from the reporting segments in accordance with the Managerial Accounting Standards.

	For the year ended December 31, 2019						Total
	Banking	Credit card	Investment banking	Others (*1)	Sub-total	Adjustments (*2)	
Net Interest income(expense)	4,583,386	553,956	54,077	2,290	5,193,709	699,997	5,893,706
Non-interest income(expense)	1,557,247	31,842	33,539	957,880	2,580,508	(1,533,917)	1,046,591
Impairment losses due to credit loss	(32,621)	(259,604)	(572)	(538)	(293,335)	(80,909)	(374,244)
General and administrative expense	(3,478,535)	(190,062)	(31,183)	(323,528)	(4,023,308)	257,231	(3,766,077)
Net operating income(expense)	2,629,477	136,132	55,861	636,104	3,457,574	(657,598)	2,799,976
Non-operating income(expense)	(151,348)	13,889	(3,501)	(1,545)	(142,505)	65,578	(76,927)
Net income(expense) before tax	2,478,129	150,021	52,360	634,559	3,315,069	(592,020)	2,723,049
Tax income(expense)	(616,110)	(35,825)	998	(1,294)	(652,231)	(33,222)	(685,453)
Net income(loss)	1,862,019	114,196	53,358	633,265	2,662,838	(625,242)	2,037,596
Total assets	347,819,743	10,087,342	3,398,960	21,681,769	382,987,814	(21,007,090)	361,980,724
Total liabilities	323,592,850	8,299,175	3,031,622	1,225,422	336,149,069	339,323	336,488,392

(*1) Other segments include gains and losses from Woori Financial Group Inc., Woori Asset Management Corp., Woori Credit Information Co., Ltd., Woori Fund Service Inc., Woori Private Equity Asset Management Co., Ltd., Woori Global Asset Management Co., Ltd., Woori FIS Co., Ltd. and Woori Finance Research Co., Ltd.,

(*2) Adjustments were made for the presentation of profit or loss in accordance with the Accounting Standards from the reporting segments in accordance with the Managerial Accounting Standards.

(3) Operating profit or loss from external customers for the years ended December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Details	For the years ended December 31	
	2020	2019
Domestic	1,869,516	2,500,504
Foreign	210,878	299,472
Total	2,080,394	2,799,976

(4) Major non-current assets as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Details (*)	December 31, 2020 (*)		December 31, 2019 (*)	
Domestic	5,026,161		4,908,141	
Foreign	433,869		387,284	
Total	5,460,030		5,295,425	

(*) Major non-current assets included joint ventures and related business investments, investment properties, property, plant and equipment, and intangible assets.

(5) Information about major customers

The Group does not have any single customer that generates 10% or more of the Group's total revenue for the years ended December 31, 2020 and 2019.

6. STATEMENTS OF CASH FLOWS

(1) Details of cash and cash equivalents are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Cash	1,611,282	1,957,997
Foreign currencies	514,565	625,999
Demand deposits	7,314,353	3,684,044
Fixed deposits	550,783	124,526
Total	9,990,983	6,392,566

(2) Significant transactions of investing activities and financing activities not involving cash inflows and outflows are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Changes in other comprehensive income related to valuation of financial assets at FVTOCI	59,360	(14,141)
Changes in other comprehensive income related to valuation of equity method investments	(2,298)	613
Changes in other comprehensive income related to valuation profit or loss on cash flow hedge	4,420	(1,823)
Changes in financial assets measure at FVTOCI due to debt-for-equity swap	3,575	96,527
Changes in the investment assets of associates due to the transfer of assets held-for-sale	(50,411)	651
Changes in financial assets at FVTPL and assets held-for-sale	(2,385)	-
Transfer of investment properties and premises and equipment	30,431	166,892
Transfer from property, plant and equipment to assets held for sale	-	(95)
Changes in account payables related to intangible assets	(11,639)	29,705
Changes in right-of-use assets and lease liabilities	222,587	692,103
Comprehensive stock exchange	-	581,609

(3) Adjustments of liabilities from financing activities in current and prior year are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020						Ending balance
	Not involving cash inflows and outflows						
	Beginning balance	Cash flow	Foreign Exchange	Variation of gains on hedged items	Business Combination	Others (*)	
Borrowings	18,998,920	2,033,851	(586,215)	-	298,854	56	20,745,466
Debentures	30,858,055	913,836	(290,041)	58,861	5,980,746	(42,099)	37,479,358
Lease liabilities	419,045	(204,794)	(5,141)	-	3,751	194,570	407,431
Other liabilities	23,909	3,971	-	-	-	(1,526)	26,354
Total	50,299,929	2,746,864	(881,397)	58,861	6,283,351	151,001	58,658,609

(*) The change in lease liabilities due to the new contract includes 231,325 million won.

	For the year ended December 31, 2019						Ending balance
	Not involving cash inflows and outflows						
	Beginning balance	Cash flow	Foreign Exchange	Variation of gains on valuation of hedged items	Business Combination	Others	
Borrowings	16,202,986	3,081,757	(285,607)	-	-	(216)	18,998,920
Debentures	28,735,862	1,858,763	155,433	85,984	-	22,013	30,858,055
Lease liabilities(*)	377,030	(217,867)	(819)	-	5,552	255,149	419,045
Total	45,315,878	4,722,652	(130,993)	85,984	5,552	276,947	50,276,020

(*) The amount of lease liability at the beginning of the current in applying Korean IFRS 1116 is reflected.

7. FINANCIAL ASSETS AT FVTPL

(1) Details of financial assets at FVTPL as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Financial assets at fair value through profit or loss measured at fair value	14,762,941	8,069,144

(2) Financial assets at fair value through profit or loss measured at fair value as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Deposits:		
Gold banking asset	48,796	27,901
Securities:		
Debt securities		
Korean treasury and government agencies	1,020,418	872,954
Financial institutions	873,031	600,303
Corporates	761,681	762,265
Others	231,967	101,563
Equity securities	570,772	688,350
Capital contributions	865,685	515,199
Beneficiary certificates	2,812,558	1,366,233
Sub-total	7,136,112	4,906,867
Loans	676,291	212,473
Derivatives assets	6,901,742	2,921,903
Total	14,762,941	8,069,144

The Group does not have financial assets at fair value through profit or loss designated as upon initial recognition as of December 31, 2020 and 2019.

8. FINANCIAL ASSETS AT FVTOCI

(1) Details of financial assets at FVTOCI as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Debt securities:		
Korean treasury and government agencies	2,922,671	1,152,711
Financial institutions	17,996,660	17,769,924
Corporates	3,896,744	3,917,004
Bond denominated in foreign currencies	4,031,721	3,874,785
Securities loaned	100,345	80,737
Sub-total	28,948,141	26,795,161
Equity securities	1,080,788	935,370
Total	30,028,929	27,730,531

(2) Details of equity securities designated as financial assets at FVTOCI as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Purpose of acquisition	December 31, 2020	December 31, 2019	Remarks
Investment for strategic business partnership purpose	778,657	678,846	
Debt-equity swap	302,090	256,480	
Others	41	44	Cooperative insurance, etc.
Total	1,080,788	935,370	

(3) Changes in the loss allowance and gross carrying amount of financial assets at FVTOCI are as follows (Unit: Korean Won in millions):

1) Allowance for credit losses

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(8,569)	-	-	(8,569)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision of loss allowance	(1,529)	-	-	(1,529)
Disposal	764	-	-	764
Others (*)	(297)	-	-	(297)
Ending balance	(9,631)	-	-	(9,631)

(*) Others consist of foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(5,939)	(238)	-	(6,177)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net provision (reversal) of loss allowance	(3,297)	-	-	(3,297)
Disposal	615	238	-	853
Others (*)	52	-	-	52
Ending balance	(8,569)	-	-	(8,569)

(*) Others consist of foreign currencies translation, etc.

2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	26,795,161	-	-	26,795,161
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	22,970,010	-	-	22,970,010
Disposal / Recovery	(20,530,076)	-	-	(20,530,076)
Gain (loss) on valuation	17,957	-	-	17,957
Amortization based on effective interest method	(12,545)	-	-	(12,545)
Others (*)	(292,366)	-	-	(292,366)
Ending balance	28,948,141	-	-	28,948,141

(*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	17,087,096	25,153	-	17,112,249
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	23,774,375	-	-	23,774,375
Disposal / Recovery	(14,224,358)	(25,000)	-	(14,249,358)
Gain (loss) on valuation	48,956	(153)	-	48,803
Amortization based on effective interest method	14,629	-	-	14,629
Business combination	24,985	-	-	24,985
Others (*)	69,478	-	-	69,478
Ending balance	26,795,161	-	-	26,795,161

(*) Changes due to foreign currencies translation, etc.

(4) During the years ended December 31, 2020 and 2019, the Group sold its equity securities., designated as financial assets at FVTOCI in accordance with decision of disposal by the creditors, and the fair values at disposal dates were 2,848 million won and 34,841 million won, respectively and cumulative losses at disposal dates were 3,665 million won and 38,995 million won, respectively.

9. SECURITIES AT AMORTIZED COST

(1) Details of securities at amortized cost as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Korean treasury and government agencies	6,947,495	8,044,040
Financial institutions	4,843,534	6,694,614
Corporates	4,726,075	5,068,489
Bond denominated in foreign currencies	508,301	518,907
Allowance for credit losses	(4,566)	(5,511)
Total	17,020,839	20,320,539

(2) Changes in the loss allowance and gross carrying amount of securities at amortized cost are as follows (Unit: Korean Won in millions):

1) Loss allowance

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(5,511)	-	-	(5,511)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net reversal of loss allowance	934	-	-	934
Others (*)	11	-	-	11
Ending balance	(4,566)	-	-	(4,566)

(*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(6,924)	-	-	(6,924)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net reversal of loss allowance	1,415	-	-	1,415
Others (*)	(2)	-	-	(2)
Ending balance	(5,511)	-	-	(5,511)

(*) Changes due to foreign currencies translation, etc.

2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	20,326,050	-	-	20,326,050
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	2,380,448	-	-	2,380,448
Disposal / Recovery	(5,659,365)	-	-	(5,659,365)
Amortization based on effective interest method	(396)	-	-	(396)
Others (*)	(21,332)	-	-	(21,332)
Ending balance	17,025,405	-	-	17,025,405

(*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	22,939,484	-	-	22,939,484
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Acquisition	6,092,078	-	-	6,092,078
Disposal / Recovery	(8,709,947)	-	-	(8,709,947)
Amortization based on effective interest method	(3,286)	-	-	(3,286)
Others (*)	7,721	-	-	7,721
Ending balance	20,326,050	-	-	20,326,050

(*) Changes due to foreign currencies translation, etc.

10. LOANS AND OTHER FINANCIAL ASSETS AT AMORTIZED COST

(1) Details of loans and other financial assets at amortized cost as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Due from banks	9,863,160	14,492,223
Loans	302,794,182	271,032,244
Other financial assets	7,448,736	8,193,226
Total	320,106,078	293,717,693

(2) Details of due from banks are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Due from banks in local currency:		
Due from The Bank of Korea (“BOK”)	6,519,226	11,028,850
Due from depository banks	84,195	82,509
Due from non-depository institutions	266	378
Due from the Korea Exchange	227	50,113
Others	172,914	43,253
Loss allowance	(1,576)	(2,865)
Sub-total	<u>6,775,252</u>	<u>11,202,238</u>
Due from banks in foreign currencies:	-	-
Due from banks on demand	1,608,126	1,122,521
Due from banks on time	296,489	1,296,842
Others	1,186,083	872,617
Loss allowance	(2,790)	(1,995)
Sub-total	<u>3,087,908</u>	<u>3,289,985</u>
Total	9,863,160	14,492,223

(3) Details of restricted due from banks are as follows (Unit: Korean Won in millions):

	Counterparty	December 31, 2020	Reason of restriction
Due from banks in local currency:			
Due from BOK	The BOK	6,519,226	Reserve deposits under the BOK Act
Due from KSFC	KB Securities Co. Ltd.	227	Futures trading margin
Others	Korea Federation of Savings Banks and others	89,562	Guarantees, mortgage of domestic exchange transactions and others
Sub-total		<u>6,609,015</u>	
Due from banks in foreign currencies:			
Due from banks on demand	The BOK and others	1,544,492	Reserve deposits under the BOK Act and others
Foreign currency deposits on time	National Bank Cambodia	54	Reserve deposits and others
Others	Korea Investment & Securities and others	1,180,570	Overseas futures and options trade deposits and others
Sub-total		<u>2,725,116</u>	
Total		9,334,131	

	Counterparty	December 31, 2019	Reason of restriction
Due from banks in local currency:			
Due from BOK	The BOK	11,028,850	Reserve deposits under the BOK Act
Due from KSFC	Korea Securities Finance Corp. and others	50,113	Customer’s deposit reserve
Others	The Korea Exchange and others	41,645	Central counterparty KRW margin and others
Sub-total		<u>11,120,608</u>	
Due from banks in foreign currencies:			
Due from banks on demand	The BOK and others	1,103,917	Reserve deposits under the BOK Act and others
Foreign currency deposits on time	National Bank Cambodia	58	Reserve deposits and others
Others	Korea Investment & Securities and others	872,603	Overseas futures and options trade deposits and others
Sub-total		<u>1,976,578</u>	
Total		13,097,186	

(4) Changes in the loss allowance and gross carrying amount of due from banks are as follows (Unit: Korean Won in millions):

1) Allowance for credit losses

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(4,860)	-	-	(4,860)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal for allowance for credit loss	315	-	-	315
Others (*)	179	-	-	179
Ending balance	<u>(4,366)</u>	<u>-</u>	<u>-</u>	<u>(4,366)</u>

(*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(5,387)	-	-	(5,387)
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Reversal for allowance for credit loss	544	-	-	544
Others (*)	(17)	-	-	(17)
Ending balance	<u>(4,860)</u>	<u>-</u>	<u>-</u>	<u>(4,860)</u>

(*) Changes due to foreign currencies translation, etc.

2) Gross carrying amount

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	14,497,083	-	-	14,497,083
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net decrease	(4,759,053)	-	-	(4,759,053)
Business combination	129,825	-	-	129,825
Others (*)	(329)	-	-	(329)
Ending balance	9,867,526	-	-	9,867,526

(*) Changes due to foreign currencies translation, etc.

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	14,156,399	-	-	14,156,399
Transfer to 12-month expected credit losses	-	-	-	-
Transfer to lifetime expected credit losses	-	-	-	-
Transfer to credit-impaired financial assets	-	-	-	-
Net decrease	313,991	-	-	313,991
Business combination	35,910	-	-	35,910
Others (*)	(9,217)	-	-	(9,217)
Ending balance	14,497,083	-	-	14,497,083

(*) Changes due to foreign currencies translation, etc.

(5) Details of loans are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Loans in local currency	249,264,947	221,484,049
Loans in foreign currencies (*)	20,025,092	18,534,270
Domestic banker's usance	2,240,830	2,899,651
Credit card accounts	8,542,619	8,398,605
Bills bought in foreign currencies	5,763,427	4,772,093
Bills bought in local currency	133,650	61,362
Factoring receivables	38,017	20,905
Advances for customers on guarantees	31,300	12,616
Private placement bonds	353,585	307,339
Securitized loans	2,561,914	2,250,042
Call loans	2,352,034	3,290,167
Bonds purchased under resale agreements	10,145,749	8,981,752
Financial lease receivables	586,216	226,296
Installment financial bond	1,925,493	752,961
Others	380	1,191
Loan origination costs and fees	744,109	620,791
Discounted present value	(6,656)	(6,826)
Allowance for credit losses	(1,908,524)	(1,575,020)
Total	302,794,182	271,032,244

(*) As of December 31, 2020, 50,088 million won of assets provided for collateral related to the bonds sold under repurchase agreements are included.

(6) Changes in the loss allowance of loans are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020					
	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(85,148)	(77,962)	(125,588)	(324,258)	(297,718)	(390,045)
Transfer to 12-month expected credit losses	(20,839)	20,050	789	(29,117)	25,067	4,050
Transfer to lifetime expected credit losses	9,137	(10,800)	1,663	19,259	(48,184)	28,925
Transfer to credit-impaired financial assets	3,549	4,913	(8,462)	3,607	10,349	(13,956)
Net reversal(provision) of loss allowance	5,142	(10,042)	(125,923)	2,831	(200,024)	(271,265)
Recovery	-	-	(71,277)	-	-	(66,179)
Charge-off	-	-	181,713	-	-	243,634
Disposal	-	-	5,640	-	13	47,106
Interest income from impaired loans	-	-	10,790	-	-	14,945
Business combination	(31,327)	(15,129)	(72,040)	(13,703)	(18,164)	(24,364)
Others	(2,041)	4,507	(2,998)	13,921	6,754	38,405
Ending balance	(121,527)	(84,463)	(205,693)	(327,460)	(521,907)	(388,744)

	For the year ended December 31, 2020					
	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(74,726)	(71,533)	(128,042)	(484,132)	(447,213)	(643,675)
Transfer to 12-month expected credit losses	(14,978)	14,755	223	(64,934)	59,872	5,062
Transfer to lifetime expected credit losses	9,341	(9,742)	401	37,737	(68,726)	30,989
Transfer to credit-impaired financial assets	627	1,137	(1,764)	7,783	16,399	(24,182)
Net reversal(provision) of loss allowance	17,022	(25,098)	(179,872)	24,995	(235,164)	(577,060)
Recovery	-	-	(66,026)	-	-	(203,482)
Charge-off	-	-	245,890	-	-	671,237
Disposal	-	-	23,653	-	13	76,399
Interest income from impaired loans	-	-	-	-	-	25,735
Business combination	-	-	-	(45,030)	(33,293)	(96,404)
Others	2	-	-	11,882	11,261	35,407
Ending balance	(62,712)	(90,481)	(105,537)	(511,699)	(696,851)	(699,974)

For the year ended December 31, 2019

	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(114,509)	(48,368)	(129,906)	(348,311)	(349,619)	(527,673)
Transfer to 12-month expected credit losses	(14,430)	13,661	769	(58,537)	49,884	8,653
Transfer to lifetime expected credit losses	14,022	(15,332)	1,310	8,215	(20,473)	12,258
Transfer to credit-impaired financial assets	8,603	10,312	(18,915)	3,308	17,852	(21,160)
Net reversal(provision) of loss allowance	21,802	(38,203)	(146,204)	86,565	6,855	(75,392)
Recovery	-	-	(61,914)	-	-	(66,359)
Charge-off	-	-	217,382	-	-	222,537
Disposal	-	-	2,763	-	1	42,095
Interest income from impaired loans	-	-	9,647	-	-	17,887
Business combination	-	-	-	(9)	(2,008)	(3,150)
Others	(636)	(32)	(520)	(15,489)	(210)	259
Ending balance	(85,148)	(77,962)	(125,588)	(324,258)	(297,718)	(390,045)

For the year ended December 31, 2019

	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	(64,787)	(78,131)	(116,772)	(527,607)	(476,118)	(774,351)
Transfer to 12-month expected credit losses	(15,712)	15,231	481	(88,679)	78,776	9,903
Transfer to lifetime expected credit losses	6,031	(6,317)	286	28,268	(42,122)	13,854
Transfer to credit-impaired financial assets	98,647	94,116	(192,763)	110,558	122,280	(232,838)
Net reversal(provision) of loss allowance	(98,888)	(96,434)	(40,343)	9,479	(127,782)	(261,939)
Recovery	-	-	(60,365)	-	-	(188,638)
Charge-off	-	-	281,420	-	-	721,339
Disposal	-	-	-	-	1	44,858
Interest income from impaired loans	-	-	-	-	-	27,534
Business combination	-	-	-	(9)	(2,008)	(3,150)
Others	(17)	2	14	(16,142)	(240)	(247)
Ending balance	(74,726)	(71,533)	(128,042)	(484,132)	(447,213)	(643,675)

(7) Changes in the gross carrying amount of loans are as follows (Unit: Korean Won in millions):

For the year ended December 31, 2020

	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	111,253,283	12,448,807	417,674	134,443,979	4,910,598	740,257
Transfer to 12-month expected credit losses	4,564,471	(4,552,400)	(12,071)	1,160,399	(1,146,756)	(13,643)
Transfer to lifetime expected credit losses	(5,365,577)	5,388,064	(22,487)	(3,983,614)	4,023,106	(39,492)
Transfer to credit-impaired financial assets	(96,197)	(103,016)	199,213	(357,386)	(120,491)	477,877
Charge-off	-	-	(181,713)	-	-	(243,634)
Disposal	-	-	(55,349)	-	(398)	(163,644)
Net increase (decrease)	13,326,560	(1,289,910)	54,503	14,804,391	(696,164)	(64,490)
Business combination	2,307,498	125,166	137,336	3,507,163	358,846	24,678
Ending balance	125,990,038	12,016,711	537,106	149,574,932	7,328,741	717,909

For the year ended December 31, 2020

	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	7,278,467	885,832	228,367	252,975,729	18,245,237	1,386,298
Transfer to 12-month expected credit losses	257,399	(257,144)	(255)	5,982,269	(5,956,300)	(25,969)
Transfer to lifetime expected credit losses	(454,230)	454,709	(479)	(9,803,421)	9,865,879	(62,458)
Transfer to credit-impaired financial assets	(26,947)	(10,796)	37,743	(480,530)	(234,303)	714,833
Charge-off	-	-	(245,890)	-	-	(671,237)
Disposal	-	-	(43,781)	-	(398)	(262,774)
Net increase (decrease)	224,286	5,619	204,369	28,355,237	(1,980,455)	194,382
Business combination	-	-	-	5,814,661	484,012	162,014
Ending balance	7,278,975	1,078,220	180,074	282,843,945	20,423,672	1,435,089

For the year ended December 31, 2019

	Consumers			Corporates		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	110,619,242	6,028,009	391,494	131,453,727	5,031,258	1,020,658
Transfer to 12-month expected credit losses	2,626,998	(2,614,767)	(12,231)	1,560,734	(1,550,164)	(10,570)
Transfer to lifetime expected credit losses	(8,238,499)	8,256,600	(18,101)	(2,306,186)	2,341,881	(35,695)
Transfer to credit-impaired financial assets	(152,128)	(104,129)	256,257	(252,249)	(142,902)	395,151
Charge-off	-	-	(217,382)	-	-	(222,537)
Disposal	-	(55)	(67,924)	-	(70)	(161,318)
Net increase (decrease)	6,397,570	883,149	85,561	3,985,392	(809,566)	(266,432)
Business combination	100	-	-	2,561	40,161	21,000
Ending balance	111,253,283	12,448,807	417,674	134,443,979	4,910,598	740,257

For the year ended December 31, 2019

	Credit card accounts			Total		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Beginning balance	6,861,844	982,772	208,989	248,934,813	12,042,039	1,621,141
Transfer to 12-month expected credit losses	258,674	(258,166)	(508)	4,446,406	(4,423,097)	(23,309)
Transfer to lifetime expected credit losses	(307,100)	307,450	(350)	(10,851,785)	10,905,931	(54,146)
Transfer to credit-impaired financial assets	(124,675)	(104,712)	229,387	(529,052)	(351,743)	880,795
Charge-off	-	-	(281,420)	-	-	(721,339)
Disposal	-	-	-	-	(125)	(229,242)
Net increase (decrease)	589,724	(41,512)	72,269	10,972,686	32,071	(108,602)
Business combination	-	-	-	2,661	40,161	21,000
Ending balance	7,278,467	885,832	228,367	252,975,729	18,245,237	1,386,298

(8) Details of other financial assets are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Cash Management Account asset (CMA asset)	210,000	199,000
Receivables	3,809,929	5,653,997
Accrued income	864,107	1,012,240
Telex and telephone subscription rights and refundable deposits	936,878	949,118
Domestic exchange settlement debit	1,518,775	373,228
Other assets	192,342	82,782
Allowance for credit losses	(83,295)	(77,139)
Total	<u>7,448,736</u>	<u>8,193,226</u>

(9) Changes in the allowances for credit losses on other financial assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(3,196)	(1,666)	(72,277)	(77,139)
Transfer to 12-month expected credit losses	(142)	129	13	-
Transfer to lifetime expected credit losses	125	(155)	30	-
Transfer to credit-impaired financial assets	23	64	(87)	-
Provision of loss allowance	(667)	(1,589)	(3,080)	(5,336)
Charge-off	-	-	2,151	2,151
Disposal	-	-	1,557	1,557
Business combination	(624)	(2,235)	(1,968)	(4,827)
Others	815	2	(518)	299
Ending balance	<u>(3,666)</u>	<u>(5,450)</u>	<u>(74,179)</u>	<u>(83,295)</u>

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	(3,469)	(1,971)	(62,501)	(67,941)
Transfer to 12-month expected credit losses	(207)	198	9	-
Transfer to lifetime expected credit losses	116	(43)	(73)	-
Transfer to credit-impaired financial assets	19	159	(178)	-
Reversal (provision) of loss allowance	802	(9)	(6,854)	(6,061)
Charge-off	-	-	2,506	2,506
Disposal	-	-	1,685	1,685
Business combination	(401)	-	(7,268)	(7,669)
Others	(56)	-	397	341
Ending balance	<u>(3,196)</u>	<u>(1,666)</u>	<u>(72,277)</u>	<u>(77,139)</u>

(10) Changes in the gross carrying amount of other financial assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	8,059,844	92,647	117,874	8,270,365
Transfer to 12-month expected credit losses	8,760	(8,737)	(23)	-
Transfer to lifetime expected credit losses	(15,305)	15,334	(29)	-
Transfer to credit-impaired financial assets	(1,900)	(701)	2,601	-
Charge-off	-	-	(2,151)	(2,151)
Disposal	-	-	(1,847)	(1,847)
Net increase (decrease)	(856,008)	(26,539)	69,500	(813,047)
Business combination	72,035	4,414	2,262	78,711
Ending balance	<u>7,267,426</u>	<u>76,418</u>	<u>188,187</u>	<u>7,532,031</u>

	For the year ended December 31, 2019			
	Stage 1	Stage 2	Stage 3	Total
Beginning balance	7,454,390	28,193	72,007	7,554,590
Transfer to 12-month expected credit losses	8,036	(8,019)	(17)	-
Transfer to lifetime expected credit losses	(17,678)	17,740	(62)	-
Transfer to credit-impaired financial assets	(952)	(918)	1,870	-
Charge-off	-	-	(2,506)	(2,506)
Disposal	-	-	(2,212)	(2,212)
Net increase (decrease)	606,457	55,651	41,138	703,246
Business combination	9,591	-	7,656	17,247
Ending balance	<u>8,059,844</u>	<u>92,647</u>	<u>117,874</u>	<u>8,270,365</u>

11. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(1) The fair value hierarchy

The fair value hierarchy for financial instruments is determined by the amount of observable market data. The specific financial instruments characteristics and market condition such as the existence of the transactions among market participants and transparency are reflected to the market observable inputs. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities. The Group maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value of its financial assets and financial liabilities. Fair value is measured based on the perspective of a market participant. As such, even when market assumptions are not readily available, the Group's own assumptions reflect those that market participants would use for measuring the assets or liabilities at the measurement date.

The fair value measurement is described in the one of the following three levels used to classify fair value measurements:

- Level 1—fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The types of financial assets or liabilities generally included in Level 1 are publicly traded equity securities, derivatives, and debt securities issued by governmental bodies.
- Level 2— fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). The types of financial assets or liabilities generally included in Level 2 are debt securities not traded in active markets and derivatives traded in OTC but not required significant judgment.
- Level 3— fair value measurements are those derived from valuation technique that include inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). The types of financial assets or liabilities generally included in Level 3 are non-public securities and derivatives and debt securities of which valuation techniques require significant judgments and subjectivity.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Group's assessment of the significance of a particular input to a fair value measurement in its entirety requires judgment and consideration of inherent factors of the asset or liability.

(2) Fair value hierarchy of financial assets and liabilities measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	48,796	-	-	48,796
Debt securities	516,597	2,365,882	4,618	2,887,097
Equity securities	35,422	-	450,371	485,793
Capital contributions	-	-	865,685	865,685
Beneficiary certificates	24,895	869,852	1,917,811	2,812,558
Loans	-	467,229	209,062	676,291
Derivative assets (Designated for trading)	18,416	6,875,454	7,872	6,901,742
Others	-	-	84,979	84,979
Sub-total	644,126	10,578,417	3,540,398	14,762,941
Financial assets at FVTOCI				
Debt securities	3,092,237	25,855,904	-	28,948,141
Equity securities	510,073	-	570,715	1,080,788
Sub-total	3,602,310	25,855,904	570,715	30,028,929
Derivative assets (Designated for hedging)	-	174,820	-	174,820
Total	4,246,436	36,609,141	4,111,113	44,966,690
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	49,279	-	-	49,279
Derivative liabilities (Designated for trading)	6,024	6,433,727	20,136	6,459,887
Securities sold	285,026	-	-	285,026
Sub-total	340,329	6,433,727	20,136	6,794,192
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities	-	-	19,630	19,630
Derivative liabilities (Designated for hedging)	-	64,769	-	64,769
Total	340,329	6,498,496	39,766	6,878,591

(*) There were no transfers between Level 1 and Level 2 of financial assets and liabilities measured at fair value. The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

	December 31, 2019			
	Level 1 (*)	Level 2 (*)	Level 3	Total
Financial assets:				
Financial assets at FVTPL				
Deposits	27,901	-	-	27,901
Debt securities	420,330	1,910,929	5,826	2,337,085
Equity securities	157,895	1,834	528,621	688,350
Capital contributions	-	-	515,199	515,199
Beneficiary certificates	1	90,498	1,275,734	1,366,233
Loans	-	59,844	152,629	212,473
Derivative assets (Designated for trading)	3,057	2,893,798	25,048	2,921,903
Sub-total	609,184	4,956,903	2,503,057	8,069,144
Financial assets at FVTOCI				
Debt securities	2,146,163	24,568,261	-	26,714,424
Equity securities	441,672	-	493,698	935,370
Securities loaned	-	80,737	-	80,737
Sub-total	2,587,835	24,648,998	493,698	27,730,531
Derivative assets (Designated for hedging)	-	121,131	-	121,131
Total	3,197,019	29,727,032	2,996,755	35,920,806
Financial liabilities:				
Financial liabilities at FVTPL				
Deposits due to customers	27,530	-	-	27,530
Derivative liabilities (Designated for trading)	4,336	2,766,771	72,039	2,843,146
Sub-total	31,866	2,766,771	72,039	2,870,676
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities	-	-	87,626	87,626
Derivative liabilities (Designated for hedging)	-	6,516	321	6,837
Total	31,866	2,773,287	159,986	2,965,139

(*) There were no transfers between Level 1 and Level 2 of financial assets and liabilities measured at fair value. The Group recognizes transfers among levels at the end of reporting period in which events have occurred or conditions have changed.

Financial assets and liabilities at FVTPL, financial liabilities at FVTPL designated as upon initial recognition, financial assets at FVTOCI, and derivative assets and liabilities are recognized at fair value. Fair value is the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Financial instruments are measured at fair value using a quoted market price in active markets. If there is no active market for a financial instrument, the Group determines the fair value using valuation methods. Valuation methods and input variables for each type of financial instruments are as follows:

1) Valuation methods and input variables for each type of financial instrument classified into level 2 in December 31, 2020 and 2019 are as follows:

	Valuation methods	Input variables
Debt securities	Fair value is measured by discounting the future cash flows of debt securities applying the risk-free market rate with credit spread.	Risk-free market rate and credit spread
Beneficiary certificates	The beneficiary certificates classified as Level 2 are MMF and are measured at the standard price.	Standard price
Derivatives	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Discount rate, values of underlying assets such as foreign exchange rate and stock prices, risk-free market rate, forward rate, etc.
Loans	The future cash flows of debt instruments are measured at a discount by applying the market interest rate applied to entities with similar creditworthiness to the debtor.	Risk-free market rate and credit spread

2) Valuation methods and input variables for each type of financial instrument classified into level 3 in December 31, 2020 and 2019 are as follows:

	Valuation methods	Input variables
Loans, bond with options	Fair value is calculated by using the Discounted Cash Flow Model, Binomial Tree, which is a valuation technique commonly used in the market taking into account the price and variability of the underlying asset, and LSMC.	Values of underlying assets, volatility, credit spread, discount rate and terminal growth rate
Debt securities	The Group is measuring fair value with LSMC and the Hull-White model.	Stock volatility, interest rate volatility and discount rate
Equity securities, capital contributions and Beneficiary certificates	Among DCF (Discounted Cash Flow) Model, FCFE (Free Cash Flow to Equity) Model, Comparable Company Analysis, Dividend Discount Model, Risk-adjusted Rate of Return Method, Net Asset Value Method, LSMC, and Binomial Tree, more than one method is used given the characteristic of the subject of fair value measurement.	Risk-free market rate, market risk premium, corporate Beta, stock prices, volatility of underlying asset, net asset of the investment association and discount rate
Derivatives	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Risk-free market rate, discount rate, values of underlying assets such as foreign exchange rate and stock prices, volatility, etc.
Equity-linked securities	Fair value is measured by models such as option model (Closed form), DCF model, FDM and Monte Carlo Simulation.	Volatility of underlying assets, discount rate, dividends, volatility, correlation coefficient, foreign exchange rate, etc.
Others	Fair value is measured by DCF model, LSMC, etc.	Stock prices, volatility of underlying assets, etc.

Valuation methods of financial assets and liabilities measured at fair value and classified into Level 3 and significant but unobservable inputs are as follows:

	Fair value measurement technique	Type	Input variable	Range(%)	Impact of changes in significant unobservable inputs on fair value measurement	
Loans, bond with options, convertible bonds	Binomial Tree		Stock prices, Volatility of underlying asset	19.82~22.84%	Variation of fair value increases as volatility of underlying asset increases.	
	LSMC		Stock prices, Volatility of underlying asset	18.99%	Variation of fair value increases as volatility of underlying asset increases.	
	DCF model		Discount rate		4.70~16.50%	Fair value increases as discount rate decreases.
			Terminal growth rate		1.00%	Fair value increases as terminal growth rate increases.
			Credit spread		2.30~5.90%	Fair value decreases as credit spread increases.
	Hull-White model		Stock volatility		17.50~27.30%	Fair value increases as volatility increases.
			Interest rate volatility		0.50%	Fair value increases as volatility increases.
		Discount rate		3.10~53.20%	Fair value increases as discount rate decreases.	
Derivative assets	Option valuation model and others	Interest rate related	Correlation coefficient	0.90~0.98	Variation of fair value increases as correlation coefficient increases.	
			Volatility of underlying asset	25.46~131.47%	Variation of fair value increases as volatility of underlying assets increases.	
	DCF model	Interest rate related	Equity related	Correlation coefficient	0.29~0.75	Variation of fair value increases as correlation coefficient increases.
			Volatility of underlying asset	-	Variation of fair value increases as volatility of underlying assets increases.	
			Credit risk adjustment ratio	100.00%	Variation of fair value decreases as credit risk adjustment ratio increases.	
Derivative liabilities	Option valuation model and others	Interest rate related	Correlation coefficient	0.90~0.98	Variation of fair value increases as correlation coefficient increases.	
			Volatility of underlying asset	25.46~131.47%	Variation of fair value increases as volatility of underlying assets increases.	
	Monte Carlo Simulation and others	Equity related	Correlation coefficient	0.29~0.75	Variation of fair value increases as correlation coefficient increases.	
			Volatility of underlying asset	-	Variation of fair value increases as volatility of underlying assets increases.	
Equity-linked securities	Monte Carlo Simulation and others	Equity related	Correlation coefficient	0.48~0.60	Fair value of equity-linked securities increases if both historical volatility and correlation coefficient increase. However, when correlation coefficient decreases despite the increase in historical volatility, the fair value variation of equity-linked securities may decrease.	
			Volatility of underlying asset	27.59~49.29%		

	Fair value measurement technique	Type	Input variable	Range(%)	Impact of changes in significant unobservable inputs on fair value measurement	
Equity securities, capital contributions, and beneficiary certificates	LSMC		Stock prices, Volatility of underlying asset	18.99~26.45%	Variation of fair value increases as volatility of underlying asset increases.	
	DCF model and others		Terminal growth rate	1.00%	Fair value increases as terminal growth rate increases.	
			Discount rate		5.83~34.63%	Fair value increases as discount rate decreases.
			Fluctuation rate of real estate sales price		-	Fair value increases as sales price increases
	Net asset value method	Binomial Tree	Liquidation value		-	Variation of liquidation value increases as volatility of underlying assets increases
			Discount rate		14.30%	Fair value increases as discount rate decreases.
			Volatility		39.60%	Fair value increases as volatility increases.
Discount rate				8.50%	Fair value increases as discount rate decreases.	
Others	Income approach	Discount rate		12.69%	Fair value increases as discount rate decreases.	
		Growth rate		1.00%	Fair value increases as growth rate increases.	
		LSMC		17.61~26.45%	Variation of fair value increases as volatility of underlying asset increases.	

Fair value of financial assets and liabilities classified into Level 3 is measured by the Group using its own valuation methods or using external specialists. Unobservable inputs used in the fair value measurements are produced by the internal system of the Group and the appropriateness of inputs is reviewed regularly.

(3) Changes in financial assets and liabilities measured at fair value classified into Level 3 are as follows
(Unit: Korean Won in millions):

	For the year ended December 31, 2020							
	Beginning balance	Business combination	Net income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals / settlements	Transfer to or out of Level 3 (*2)	Ending balance
Financial assets:								
Financial assets at FVTPL								
Debt securities	5,826	-	(632)	-	2,627	(3,203)	-	4,618
Equity securities	464,741	3,894	(8,977)	-	5,088	(14,407)	32	450,371
Capital contributions	515,199	173,244	39,500	-	194,396	(56,654)	-	865,685
Beneficiary certificates	1,275,734	166,467	(7,919)	-	715,437	(231,908)	-	1,917,811
Loans	152,629	35,854	6,149	-	656,880	(642,450)	-	209,062
Derivative assets	25,048	-	9,458	-	9,501	(23,911)	(12,224)	7,872
Others	63,880	-	3,472	-	17,997	(370)	-	84,979
Sub-total	2,503,057	379,459	41,051	-	1,601,926	(972,903)	(12,192)	3,540,398
Financial assets at FVTOCI								
Equity securities	493,698	-	-	(4,920)	82,227	(2,482)	2,192	570,715
Total	2,996,755	379,459	41,051	(4,920)	1,684,153	(975,385)	(10,000)	4,111,113
Financial liabilities:								
Financial liabilities at FVTPL								
Derivative liabilities	72,039	-	30,150	-	2,650	(66,170)	(18,533)	20,136
Financial liabilities at FVTPL designated as upon initial recognition								
Equity-linked securities	87,626	-	665	-	-	(68,661)	-	19,630
Derivative liabilities (Designated for hedging)	321	-	-	-	-	(321)	-	-
Total	159,986	-	30,815	-	2,650	(135,152)	(18,533)	39,766

(*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The statements of comprehensive income includes gain of 37,340 million won included in net gain (loss) on financial assets at FVTPL and net gain (loss) on financial assets at FVTOCI pertaining to the assets and liabilities held by the Group at the end of the period.

(*2) The Group recognizes transfers between levels at the end of reporting period within which events have occurred or conditions have changed.

	For the year ended December 31, 2019							
	Beginning balance	Business Combination	Net Income (loss) (*1)	Other comprehensive income	Purchases/ issuances	Disposals/ settlements	Transfer to or out of Level 3 (*2)	Ending balance
Financial assets:								
Financial assets at FVTPL								
Debt securities	8,389	-	476	-	2,000	(5,039)	-	5,826
Equity securities	401,860	-	59,537	-	95,511	(28,287)	-	528,621
Capital contributions	422,614	707	(13,270)	-	173,064	(67,916)	-	515,199
Beneficiary certificates	854,299	-	18,450	-	578,228	(183,684)	8,441	1,275,734
Loans	180,450	-	6,854	-	60,696	(95,371)	-	152,629
Derivative assets	48,798	-	16,935	-	1,115	(40,343)	(1,457)	25,048
Sub-total	1,916,410	707	88,982	-	910,614	(420,640)	6,984	2,503,057
Financial assets at FVTOCI								
Equity securities	468,847	1,408	-	23,063	687	(306)	(1)	493,698
Total	2,385,257	2,115	88,982	23,063	911,301	(420,946)	6,983	2,996,755
Financial liabilities:								
Financial liabilities at FVTPL								
Derivative liabilities	16,691	-	84,033	-	(11,140)	(14,817)	(2,728)	72,039
Financial liabilities at FVTPL designated as upon initial recognition								
Equity-linked securities	164,767	-	33,237	-	1,809	(112,187)	-	87,626
Derivatives liabilities (designated for hedging)	-	-	-	-	321	-	-	321
Total	181,458	-	117,270	-	(9,010)	(127,004)	(2,728)	159,986

(*1) For financial liabilities, positive numbers represent losses that increase balance and negative numbers represent gains that decrease balance. The statements of comprehensive income includes gain of 21,809 million won included in net gain (loss) on financial assets at FVTPL and net gain (loss) on financial assets at FVTOCI pertaining to the assets and liabilities held by the Group at the end of the period.

(*2) The Group recognizes transfers between levels at the end of reporting period within which events have occurred or conditions have changed.

(4) Sensitivity analysis results on reasonable fluctuation of the significant unobservable input variables for the fair value of Level 3 financial instruments are as follows.

The sensitivity analysis of the financial instruments has been performed by classifying with favorable and unfavorable changes based on how changes in unobservable assumptions would have effects on the fluctuations of financial instruments' value. When the fair value of a financial instrument is affected by more than one unobservable assumption, the below table reflects the most favorable or the most unfavorable changes which resulted from varying the assumptions individually. The sensitivity analysis was performed for two types of level 3 financial instruments: (1) interest rate related derivatives, currency related derivatives, equity related derivatives, equity-linked securities beneficiary certificates and loans of which fair value changes are recognized as net income; (2) equity securities of which fair value changes are recognized as other comprehensive income.

Meanwhile, among the financial instruments that are classified as Level 3 amounting to 4,150,878 million won and 3,156,741 million won as of December 31, 2020 and 2019 respectively, equity instruments of 3,052,432 million won and 2,194,320 million won whose carrying amount are considered to represent the reasonable approximation of fair value are excluded from the sensitivity analysis.

The sensitivity on fluctuation of input variables by financial instruments as of December 31, 2020 and 2019 is as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	110	(257)	-	-
Loans (*2)	933	(932)	-	-
Debt securities	13	(10)	-	-
Equity securities (*2) (*3) (*4)	8,539	(7,337)	-	-
Beneficiary certificates (*4)	1,403	(1,537)	-	-
Others (*2)	640	(547)	-	-
Financial assets at FVTOCI	-	-	-	-
Equity securities (*3) (*4)	-	-	21,587	(16,740)
Total	11,638	(10,620)	21,587	(16,740)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	776	(405)	-	-
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities (*1)	57	(45)	-	-
Total	833	(450)	-	-

- (*1) Fair value changes of equity related derivatives assets and liabilities and equity-linked securities are calculated by increasing or decreasing historical volatility of the stock price and correlation, which are major unobservable variables, by 10%, respectively. In the case of interest rate related derivative assets and liabilities, fair value changes are calculated by increasing or decreasing the volatility of interest rate, which are major unobservable variables, by 10%.
- (*2) Fair value changes of equity securities are calculated by increasing or decreasing stock prices (-10%~10%) and volatility (-10~10%). The stock prices and volatility are major unobservable variables.
- (*3) Fair value changes of equity securities are calculated by increasing or decreasing terminal growth rate (-0.5%~0.5%) and discount rate (-1~1%) or liquidation value (-1~1%). The growth rate, discount rate, and liquidation value are major unobservable variables.
- (*4) Even if the sensitivity analysis of the capital contributions and beneficiary certificates is not possible in practice, fair value changes of beneficiary certificates and other securities whose major unobservable variables are composed of the real estate are calculated by increasing or decreasing price fluctuation rate of real estate which is underlying assets and discount rate by 1%.

	December 31, 2019			
	Net income (loss)		Other comprehensive income (loss)	
	Favorable	Unfavorable	Favorable	Unfavorable
Financial assets:				
Financial assets at FVTPL				
Derivative assets (*1)	640	(935)	-	-
Loans (*2)	152	(128)	-	-
Debt securities	652	(640)	-	-
Equity securities (*3) (*4)	16,104	(10,929)	-	-
Beneficiary certificates (*4)	1,125	(1,125)	-	-
Financial assets at FVTOCI				
Equity securities (*3) (*4)	-	-	26,380	(11,981)
Total	18,673	(13,757)	26,380	(11,981)
Financial liabilities:				
Financial liabilities at FVTPL				
Derivative liabilities (*1)	1,054	(816)	-	-
Financial liabilities at FVTPL designated as upon initial recognition				
Equity-linked securities (*1)	136	(142)	-	-
Total	1,190	(958)	-	-

- (*1) Fair value changes of equity related derivatives assets and liabilities and equity-linked securities are calculated by increasing or decreasing historical volatility of the stock price and correlation, which are major unobservable variables, by 10%, respectively. In the case of interest rate related derivative assets and liabilities, fair value changes are calculated by increasing or decreasing the volatility of interest rate, which are major unobservable variables, by 10%.
- (*2) Fair value changes of equity securities are calculated by increasing or decreasing stock prices (-10%~10%) and volatility (-10~10%). The stock prices and volatility are major unobservable variables.
- (*3) Fair value changes of equity securities are calculated by increasing or decreasing terminal growth rate (0~1%) and discount rate or liquidation value (-1~1%). The growth rate, discount rate, and liquidation value are major unobservable variables.
- (*4) Even if the sensitivity analysis of the capital contributions and beneficiary certificates is not possible in practice, fair value changes of beneficiary certificates and other securities whose major unobservable variables are composed of the real estate are calculated by increasing or decreasing price fluctuation rate of real estate which is underlying assets and discount rate by 1%.

(5) Fair value and carrying amount of financial assets and liabilities that are recorded at amortized cost are as follows (Unit: Korean Won in millions):

	December 31, 2020				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	2,968,875	14,299,748	-	17,268,623	17,020,839
Loans and other financial assets at amortized cost	-	-	318,144,845	318,144,845	320,106,078
Financial liabilities:					
Deposits due to customers	-	291,767,282	-	291,767,282	291,477,279
Borrowings	-	20,586,930	176,745	20,763,675	20,745,466
Debentures	-	37,931,989	-	37,931,989	37,479,358
Other financial liabilities	-	13,305,067	286,489	13,591,556	13,808,386
	December 31, 2019				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets:					
Securities at amortized cost	3,123,898	17,378,920	-	20,502,818	20,320,539
Loans and other financial assets at amortized cost	25,902	54,507	283,058,699	283,139,108	293,717,693
Financial liabilities:					
Deposits due to customers	-	264,909,974	-	264,909,974	264,685,578
Borrowings	-	18,919,018	-	18,919,018	18,998,920
Debentures	-	31,173,189	-	31,173,189	30,858,055
Other financial liabilities	-	17,274,514	-	17,274,514	17,287,722

The fair values of financial instruments are measured using quoted market price in active markets. In case there is no active market for financial instruments, the Group determines the fair value by using valuation methods. Valuation methods and input variables for financial assets and liabilities that are measured at amortized cost are given as follows:

	Valuation methods	Input variables
Securities at amortized cost	The fair value is measured by discounting the projected cash flows of debt securities by applying risk-free market rate with credit spread.	Risk-free market rate and credit spread
Loans and other financial assets at amortized cost	The fair value is measured by discounting the projected cash flows of loan products by applying the market discount rate that has been applied to a proxy company that has similar credit rating to the debtor.	Risk-free market rate, credit spread and prepayment rate
Deposits due to customers, borrowings, debentures and other financial liabilities	The fair value is measured by discounting the projected cash flows of debt products by applying the market discount rate that is reflecting credit rating of the Group.	Risk-free market rate, credit spread and forward rate

(6) Financial instruments by category

Carrying amounts of financial assets and liabilities by each category are as follows (Unit: Korean Won in millions):

	December 31, 2020				
	Financial asset at FVTPL	Financial assets at FVTOCI	Financial assets at amortized cost	Derivatives assets	Total
				(Designated for hedging)	
Deposits	48,796	-	9,863,160	-	9,911,956
Securities	7,136,112	30,028,929	17,020,839	-	54,185,880
Loans	676,291	-	302,794,182	-	303,470,473
Derivative assets	6,901,742	-	-	174,820	7,076,562
Other financial assets	-	-	7,448,736	-	7,448,736
Total	14,762,941	30,028,929	337,126,917	174,820	382,093,607
	December 31, 2020				
	Financial liabilities at FVTPL	Financial liabilities designated at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities	Total
				(Designated for hedging)	
Deposits due to customers	49,279	-	291,477,279	-	291,526,558
Borrowings	285,026	19,630	20,745,466	-	21,050,122
Debentures	-	-	37,479,358	-	37,479,358
Derivative liabilities	6,459,887	-	-	64,769	6,524,656
Other financial liabilities	-	-	13,808,386	-	13,808,386
Total	6,794,192	19,630	363,510,489	64,769	370,389,080

December 31, 2019					
Financial assets	Financial asset	Financial assets	Financial assets	Derivatives	Total
	at FVTPL	at FVTOCI	at amortized cost	assets (Designated for hedging)	
Deposits	27,901	-	14,492,223	-	14,520,124
Securities	4,906,867	27,730,531	20,320,539	-	52,957,937
Loans	212,473	-	271,032,244	-	271,244,717
Derivative assets	2,921,903	-	-	121,131	3,043,034
Other financial assets	-	-	8,193,226	-	8,193,226
Total	8,069,144	27,730,531	314,038,232	121,131	349,959,038

December 31, 2019					
Financial liabilities	Financial liabilities at FVTPL	Financial liabilities designated at FVTPL	Financial liabilities at amortized cost	Derivatives liabilities (Designated for hedging)	Total
	Deposits due to customers	27,530	-	264,685,578	
Borrowings	-	87,626	18,998,920	-	19,086,546
Debentures	-	-	30,858,055	-	30,858,055
Derivative liabilities	2,843,146	-	-	6,837	2,849,983
Other financial liabilities	-	-	17,287,722	-	17,287,722
Total	2,870,676	87,626	331,830,275	6,837	334,795,414

(7) Income or expense from financial instruments by category

Income or expense from financial assets and liabilities by each category during the years ended December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020					
	Interest Income (expense)	Fees and Commissions Income (expense)	Provision (reversal) of credit loss	Gain or loss on transactions and valuation	Others	Total
Financial assets at FVTPL	48,612	-	-	421,709	120,158	590,479
Financial assets at FVTOCI	437,527	311	(1,529)	24,138	18,385	478,832
Securities at amortized cost	382,988	-	934	-	-	383,922
Loans and other financial assets at amortized cost	8,654,726	376,872	(792,250)	44,443	-	8,283,791
Financial liabilities at amortized cost	(3,516,023)	-	-	-	-	(3,516,023)
Net derivatives (designated for hedging)	-	-	-	(74,213)	-	(74,213)
Total	6,007,830	377,183	(792,845)	416,077	138,543	6,146,788

	For the year ended December 31, 2019					
	Interest Income (expense)	Fees and Commissions Income (expense)	Provision (reversal) of credit loss	Gain or loss on transactions and valuation	Others	Total
Financial assets at FVTPL	50,277	89,817	-	25,455	86,979	252,528
Financial assets at FVTOCI	474,751	-	(3,297)	11,015	20,980	503,449
Securities at amortized cost	436,340	-	1,415	-	-	437,755
Loans and other financial assets at amortized cost	9,615,060	296,435	(385,758)	102,115	-	9,627,852
Financial liabilities at amortized cost	(4,682,722)	-	-	-	-	(4,682,722)
Net derivatives (designated for hedging)	-	-	-	36,982	-	36,982
Total	5,893,706	386,252	(387,640)	175,567	107,959	6,175,844

12. DERECOGNITION AND OFFSET OF FINANCIAL INSTRUMENTS

(1) Derecognition of financial instruments

Transferred financial assets that do not meet the condition of derecognition in their entirety.

1) Bonds sold under repurchase agreements

The financial instruments that were disposed but the Group agreed to repurchase at the fixed amounts at the same time, so that they did not meet the conditions of derecognition, are as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019
Assets transferred	Financial assets at FVTPL	410,331	407,985
	Financial assets at FVTOCI	138,315	56,975
	Securities at amortized cost	40,987	42,841
	Loans and other financial assets at amortized cost	50,088	82,594
	Total	639,721	590,395
Related liabilities	Bonds sold under repurchase agreements	657,823	569,002

2) Securities loaned

When the Group loans its securities to outside parties, the legal ownerships of the securities are transferred; however, they should be returned at the end of lending period. Therefore, the Group does not derecognize them from the consolidated financial statements as it owns majority of risks and benefits from the securities continuously, regardless of the transfer of legal ownership. The carrying amounts of the securities loaned are as follows (Unit: Korean Won in millions):

Financial assets at FVTOCI	Korean treasury and government bonds	December 31, 2020	December 31, 2019	Loaned to Korea Securities Finance Corporation
		100,345	80,737	

3) Liquidity of financial assets

As of December 31, 2020 and 2019, the consolidated structured companies issued asset-backed securities with loans and corporate bonds held by the Group as liquid assets, and the Group bear related risks through the purchase agreements or credit contributions. The transaction details of the transfer of the financial instrument are as follows:

	December 31, 2020		December 31, 2019	
	Book value (*)	Fair value	Book value	Fair value
Assets transferred	4,630,470	4,629,545	4,504,496	4,485,942
Related liabilities	3,803,911	3,804,821	3,523,010	3,532,784

(*) The carrying amount is the amount before the allowance for bad debts.

On the other hand, the details of transferred financial assets that have not been removed, such as bonds sold under the repurchase agreement and loan securities, are also described in Note 18. The Group does not have financial instruments that are continuously involved.

(2) The offset of financial assets and liabilities

The Group possesses both the uncollected domestic exchange receivables and the unpaid domestic exchange payable, which satisfy offsetting criteria of Korean IFRS 1032. Therefore, the total number of uncollected domestic exchange receivables or unpaid domestic exchange payable has been offset with part of unpaid domestic exchange payables or uncollected domestic exchange receivables and has been disclosed in loans at amortized cost and other financial assets and other financial liabilities of the Group's statements of financial position respectively.

The Group possesses the derivative assets, derivative liabilities, receivable spot exchange and payable spot exchange that do not satisfy the offsetting criteria of Korean IFRS 1032, but provide the Group under the circumstances of the trading party's defaults, insolvency or bankruptcy, with the right of offsetting. Items such as cash collateral cannot satisfy the offsetting criteria of Korean IFRS 1032, but in accordance with the collateral arrangements and under the circumstances of the trading party's default, insolvency or bankruptcy, the net amount of derivative assets and derivative liabilities, receivable spot exchange and payable spot exchange can be offset.

The Group has entered into a resale and repurchase agreement and accounted it as a collateralized borrowing. The Group has also entered into a resale and purchase agreement and accounted it as a secured loans. The Group under the repurchase agreements has an offsetting right only upon the counterparty's default, insolvency or bankruptcy; thus, the repurchase agreements are applied by the TBMA/ISMA Global Master Repurchase Agreement, which does not satisfy the offsetting criteria of Korean IFRS 1032. The Group disclosed bonds sold under repurchase agreements as borrowings and bonds purchased under resale agreements as loan at amortized cost and other financial assets.

As of December 31, 2020 and 2019, the financial instruments to be offset and may be covered by master netting agreements and similar agreements are as follows (Unit: Korean Won in millions):

	December 31, 2020					
	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets setoff	Net amounts of financial assets presented	Related amounts not setoff in the consolidated statement of financial position		
				Netting agreements and others	Cash collateral received and others	Net amounts
Financial assets:						
Derivative assets (*1)	6,456,799	-	6,456,799			
Receivable spot exchange (*2)	3,153,919	-	3,153,919	7,733,997	598,545	1,278,176
Bonds purchased under resale agreements (*2)	10,145,749	-	10,145,749	10,145,749	-	-
Domestic exchange settlement debits (*2) (*6)	34,352,965	32,834,189	1,518,776	-	-	1,518,776
Total	54,109,432	32,834,189	21,275,243	17,879,746	598,545	2,796,952
Financial liabilities:						
Derivative liabilities (*1)	5,823,620	-	5,823,620			
Equity-linked securities in short position (*3)	19,630	-	19,630			
Payable spot exchange (*4)	3,153,400	-	3,153,400	7,147,683	477,603	1,371,364
Bonds sold under repurchase agreements (*5)	657,823	-	657,823	213,623	444,200	-
Domestic exchange settlement credits (*4) (*6)	33,014,440	32,834,189	180,251	176,179	-	4,072
Total	42,668,913	32,834,189	9,834,724	7,537,485	921,803	1,375,436

(*1) The items include derivative assets and liabilities held for trading and designated for hedging.

(*2) The items are included in loan at amortized cost and other financial assets.

(*3) The items are equity linked securities related to derivatives and are included in financial liabilities at FVTPL.

(*4) The items are included in other financial liabilities.

(*5) The items are included in borrowings.

(*6) Certain financial assets and liabilities are presented as net amounts.

December 31, 2019

	Gross amounts of recognized financial assets	Gross amounts of recognized financial assets setoff	Net amounts of financial assets presented	Related amounts not setoff in the consolidated statement of financial position		Net amounts
				Netting agreements and others	Cash collateral received	
Financial assets:						
Derivative assets (*1)	3,032,894	-	3,032,894			
Receivable spot exchange (*2)	5,112,206	-	5,112,206	7,058,885	111,122	975,093
Bonds purchased under resale agreements (*2)	8,981,752	-	8,981,752	8,981,752	-	-
Domestic exchange settlement debits (*2) (*6)	31,642,486	31,269,258	373,228	-	-	373,228
Total	48,769,338	31,269,258	17,500,080	16,040,637	111,122	1,348,321
Financial liabilities:						
Derivative liabilities (*1)	2,824,449	-	2,824,449			
Equity-linked securities in short position (*3)	87,626	-	87,626			
Payable spot exchange (*4)	5,111,386	-	5,111,386	7,071,549	172,488	779,424
Bonds sold under repurchase agreements (*5)	569,002	-	569,002	180,402	388,600	-
Domestic exchange settlement credits (*4) (*6)	32,531,186	31,269,258	1,261,928	1,257,280	-	4,648
Total	41,123,649	31,269,258	9,854,391	8,509,231	561,088	784,072

(*1) The items include derivatives held for trading, derivatives designated for hedging.

(*2) The items are included in loan at amortized cost and other financial assets.

(*3) The items are equity linked securities related to derivatives and are included in financial liabilities at FVTPL.

(*4) The items are included in other financial liabilities.

(*5) The items are included in borrowings.

(*6) Certain financial assets and liabilities are presented as net amounts.

13. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

(1) Investments in associates accounted for using the equity method of accounting are as follows:

Joint ventures and associates	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2020	December 31, 2019		
Woori Bank:					
W Service Networks Co., Ltd. (*1)	Freight & staffing services	4.9	4.9	Korea	2020.11.30(*5)
Korea Credit Bureau Co., Ltd. (*2)	Credit information	9.9	9.9	Korea	2020.12.31
Korea Finance Security Co., Ltd. (*1)	Security service	15.0	15.0	Korea	2020.11.30(*5)
Saman Corporation (*6)	General construction				
	Technology service	-	9.2	Korea	-
Wongwang Co., Ltd. (*4)	Wholesale and real estate	29.0	29.0	Korea	-
Sejin Construction Co., Ltd. (*4)	Construction	29.6	29.6	Korea	-
ARES-TECH Co., Ltd. (*4)	Electronic component manufacturing	23.4	23.4	Korea	-
Reading Doctors Co., Ltd. (*4)	Other services	35.4	35.4	Korea	-
Cultizm Korea LTD Co., Ltd. (*4)	Wholesale and retail sales	31.3	31.3	Korea	-
NK Eng Co., Ltd. (*4)	Manufacturing	23.1	23.1	Korea	-
Beomgyo.,Ltd. (*4)	Telecommunication equipment retail sales	23.1	23.1	Korea	-
Woori Growth Partnerships New Technology Private Equity Fund	Other financial services	23.1	23.1	Korea	2020.12.31
2016KIF-IMM Woori Bank Technology Venture Fund	Other financial services	20.0	20.0	Korea	2020.12.31
K BANK Co., Ltd. (*2) (*7)	Finance	26.2	14.5	Korea	2020.11.30(*5)
Smart Private Equity Fund No.2	Other financial services	20.0	20.0	Korea	2020.12.31
Woori Bank-Company K Korea Movie Asset Fund	Other financial services	25.0	25.0	Korea	2020.12.31
Well to Sea No. 3 Private Equity Fund (*6)	Finance	50.0	50.0	Korea	2020.9.30(*5)
Partner One Value Up I Private Equity Fund	Other financial services	23.3	23.3	Korea	2020.12.31
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	Other financial services	20.0	20.0	Korea	2020.12.31
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	Other financial services	25.0	25.0	Korea	2020.12.31
LOTTE CARD Co., Ltd.	Credit card and installment financing	20.0	20.0	Korea	2020.9.30(*5)
Together-Korea Government Private Pool Private Securities Investment Trust No.3	Other financial services	100.0	-	Korea	2020.12.31
Genesis Environmental Energy Company 1st Private Equity Fund	Trust and collective investment	24.8	-	Korea	2020.12.31
Union Technology Finance Investment Association	Trust and collective investment	29.7	-	Korea	2020.12.31

Joint ventures and associates	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2020	December 31, 2019		
Woori Bank: (*8)					
Japanese Hotel Real Estate Private Equity Fund 2	Other financial services	19.9	19.9	Korea	2020.12.31
Woori G Clean Energy No.1	Investment trust and discretionary investment business	29.3	-	Korea	2020.12.31
Woori Goseong Power EBL Private Special Asset Fund	Trust and collective investment	16.7	-	Korea	2020.12.31
Woori Seoul Beltway Private Special Asset Fund	Trust and collective investment	25.0	-	Korea	2020.12.31
Woori Financial Capital Co., Ltd. : AJU TAERIM 1st Fund	Other financial services	25.6	-	Korea	2020.12.31
Portone-Cape Fund No.1	Other financial services	20.0	-	Korea	2020.12.31
KIWOOM PE AJU Investment Fund (*9)	Other financial services	9.1	-	Korea	2020.12.31
Woori Investment Bank Co., Ltd. : (*8)					
Woori FirstValue Private Real Estate Fund No.2	Real estate business	12.0	-	Korea	2020.12.31
Woori Asset Management Co. Ltd.: Woori High plus G.B. Securities Feeder Fund1(G.B.)	Collective investment business	21.8	-	Korea	2020.12.31
Woori Star50 Master Fund ClassC-F	Collective investment business	24.5	-	Korea	2020.12.31
Woori Private Equity Asset Management Co., Ltd.:					
Uri Hanhwa Eureka Private Equity Fund (*2)	Other financial services	0.8	0.8	Korea	2020.12.31
Japanese Hotel Real Estate Private Equity Fund 1: Godo Kaisha Oceanos 1	Other financial services	47.8	47.8	Japan	2020.10.31(*5)
Woori bank and Woori Financial Capital Co., Ltd.: (*8)					
JC Assurance No.2 Private Equity Fund	Collective investment business	29.3	-	Korea	2020.12.31
Dream Company Growth no.1 PEF	Collective investment business	27.8	-	Korea	2020.12.31
HMS-Oriens 1st Fund	Trust and collective investment	22.8	-	Korea	2020.12.31
Woori G Senior Loan No.1	Investment trust and discretionary investment business	21.7	-	Korea	2020.12.31
Woori bank and Woori card Co., Ltd.:					
Dongwoo C & C Co., Ltd. (*4)	Construction	24.5	24.5	Korea	-
SJCO Co., Ltd. (*4)	Aggregate transportation and wholesale	28.7	28.7	Korea	-
G2 Collection Co., Ltd. (*4)	Wholesale and retail sales	29.2	29.2	Korea	-
The Base Enterprise Co., Ltd. (*4)	Manufacturing	48.4	48.4	Korea	-

Joint ventures and associates	Main business	Percentage of ownership (%)		Location	Financial statements as of
		December 31, 2020	December 31, 2019		
Kyesan Engineering Co., Ltd. (*4)	Construction	23.3	23.3	Korea	-
Good Software Lap Co., Ltd. (*4)	Service	29.4	29.4	Korea	-
QTS Shipping Co., Ltd. (*4)	Complex transportation brokerage	49.8	49.8	Korea	-
DAEA SNC Co., Ltd. (*4)	Wholesale and retail sales	25.5	25.5	Korea	-
Force TEC Co., Ltd. (*4)	Manufacturing	25.8	25.8	Korea	-
Sinseong Trading Co., Ltd. (*4)	Manufacturing	27.9	27.9	Korea	-
PREXCO Co., Ltd. (*4)	Manufacturing	28.1	28.1	Korea	-
Jiwon Plating Co., Ltd. (*4)	Plating	20.8	20.8	Korea	-
Youngdong Sea Food Co., Ltd. (*4)	Processed sea food manufacturing	24.5	24.5	Korea	-
Woori bank and Woori Asset Management Co., Ltd.:					
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	Collective investment business	23.3	-	Korea	2020.12.31
Woori Bank, Woori Financial Capital Co., Ltd., Woori Investment Bank Co., Ltd. and Woori Private Equity Asset Management Co., Ltd.: (*8)					
Woori-Shinyoung Growth-Cap Private Equity Fund I	Other financial services	35.0	31.9	Korea	2020.12.31
Woori Bank and Woori Investment Bank Co., Ltd.: (*8)					
Chin Hung International Inc. (*3)	Construction	-	25.3	Korea	-
PCC-Woori LP Secondary Fund	Other financial services	38.8	38.8	Korea	2020.12.31
Woori Bank and Woori Private Equity Asset Management Co., Ltd.: (*8)					
Woori-Q Corporate Restructuring Private Equity Fund	Trust and collective investment	38.4	38.4	Korea	2020.12.31

- (*1) Most of the significant business transactions of associates are with the Group as of December 31, 2020 and 2019.
- (*2) The Group can participate in decision-making body and exercise significant influence over financial policies and operational policies decision making of the associates.
- (*3) As of December 31, 2020, it is classified as assets held for sale. Quoted market prices per share of Chin Hung International Inc. are 2,595 Won and 2,310 Won as of December 31, 2020 and 2019, respectively.
- (*4) There is no investment balance as of December 31, 2020 and 2019.
- (*5) The equity method was applied using the most recent financial statements available from the settlement date because no financial statements were available at the end of December and the significant transactions or events that occurred between the end of the reporting period of the associate and the end of the reporting period of the subsidiary were duly reflected.
- (*6) Due to a significant loss of influence as of December 31, 2020, the entity was classified as a fair value through other comprehensive income measurement financial asset.
- (*7) The equity ratio increased due to paid-in capital increase as of December 31, 2020.
- (*8) Two or more subsidiaries may invest or operate to exert significant influence on the decision-making process for activities related to the investee.
- (*9) The Group can participate as a co-operator to exert significant influence.
- (*10) Woori G IPO10 [FI_Bal][F]C(F), Woori G Egis Bond[FI][F]C(F) can exert significant influence but was classified as an item measured at fair value through profit or loss.

(2) Changes in the carrying value of investments in associates accounted for using the equity method of accounting are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020								
	Acquisition cost	January 1, 2020	Share of profits (losses)	Acquisition	Disposal/ Reclassification	Dividends	Business combination	Change in capital	December 31, 2020
W Service Networks Co., Ltd.	108	186	7	-	-	(3)	-	1	191
Korea Credit Bureau Co., Ltd.	3,313	6,845	1,370	-	-	(90)	-	-	8,125
Korea Finance Security Co., Ltd.	3,267	3,287	(221)	-	-	-	-	-	3,066
Chin Hung International Inc.	-	51,176	(742)	-	(50,411)	-	-	(23)	-
Saman Corporation	-	849	(432)	-	(466)	-	-	49	-
Woori Growth Partnerships New Technology Private Equity Fund	16,938	19,212	(2,240)	-	(1,728)	(212)	-	-	15,032
2016KIF-IMM Woori Bank Technology Venture Fund	11,893	15,141	1,240	-	(492)	(1,088)	-	(1,563)	13,238
K BANK Co., Ltd. Smart Private Equity Fund No.2	236,232	31,254	(18,334)	163,082	-	-	-	(1,905)	174,097
Woori Bank-Company K Korea Movie Asset Fund	2,915	2,764	(1,283)	-	-	-	-	-	1,481
Well to Sea No.3 Private Equity Fund	2,100	3,323	365	-	(900)	-	-	-	2,788
Partner One Value Up I Private Equity Fund	-	209,023	87,180	-	(117,170)	(178,355)	-	(678)	-
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	10,000	9,908	(75)	-	-	-	-	(17)	9,816
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	9,756	4,576	-	5,720	(540)	-	-	-	9,756
Woori-Shinyoung Growth-Cap Private Equity Fund I	4,130	4,375	-	75	(321)	-	-	-	4,129
LOTTE CARD Co.,Ltd	32,480	11,841	7,366	31,363	(12,124)	(104)	-	-	38,342
Woori-Q Corporate Restructuring Private Equity Fund	346,810	409,444	19,692	810	-	(5,710)	-	(1,404)	422,832
PCC-Woori LP Secondary Fund	23,146	6,046	(159)	17,017	-	-	-	-	22,904
Force TEC Co., Ltd.	7,575	2,525	554	5,049	-	-	-	-	8,128
Together-Korea Government Private Pool Private Securities Investment Trust No.3	-	-	1,542	-	-	-	-	(1,149)	393
Genesis Environmental Energy Company 1st Private Equity Fund	10,000	-	23	100,000	(90,000)	-	-	-	10,023
Union Technology Finance Investment Association	3,738	-	241	4,084	(346)	-	-	-	3,979
Uri Hanhwa Eureka Private Equity Fund	4,500	-	(15)	4,500	-	-	-	-	4,485
Godo Kaisha Oceanos 1	350	342	61	-	-	-	-	-	403
Japanese Hotel Real Estate Private Equity Fund 2	10,800	10,952	7	-	-	(850)	-	84	10,193
	3,291	3,291	283	-	-	(154)	-	(186)	3,234

	For the year ended December 31, 2020								
	Acquisition cost	January 1, 2020	Share of profits (losses)	Acquisition	Disposal/ Reclassification	Dividends	Business combination	Change in capital	December 31, 2020
Woori High plus G.B. Securities Feeder Fund1(G.B.)	6,000	-	49	6,141	-	-	-	(114)	6,076
Woori G Senior Loan No.1	51,959	-	343	51,959	-	(257)	-	-	52,045
Woori G Clean Energy No.1	1,015	-	9	1,015	-	-	-	-	1,024
Woori Goseong Power EBL Private Special Asset Fund	14,915	-	611	14,915	-	(408)	-	-	15,118
Woori Seoul Beltway Private Special Asset Fund	5,590	-	97	5,591	-	(75)	-	-	5,613
AJU TAERIM 1st Fund	1,100	-	(6)	-	-	-	289	-	283
Portone-Cape Fund No.1	1,000	-	-	-	-	-	960	-	960
KIWOOM PE AJU Investment Fund	1,000	-	(6)	1,000	-	-	-	-	994
Woori FirstValue Private Real Estate Fund No.2	9,000	-	1,184	-	-	-	-	946	2,130
Woori Star50 Master Fund ClassC-F	200	-	(16)	200	-	-	-	-	184
JC Assurance No.2 Private Equity Fund	29,050	-	-	29,050	-	-	-	-	29,050
Dream Company Growth no.1 PEF	7,705	-	-	7,705	-	-	-	-	7,705
HMS-Oriens 1st Fund	12,000	-	-	12,000	-	-	-	-	12,000
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	91,092	-	2,382	91,092	-	-	-	-	93,474
	973,371	806,360	101,077	552,368	(274,498)	(187,306)	1,249	(5,959)	993,291

For the year ended December 31, 2019

	Acquisition cost	January 1, 2019	Share of profits (losses)	Acquisition	Disposal/ Reclassification	Dividends	Change in capital	December 31, 2019
W Service Networks Co., Ltd.	108	157	31	-	-	(2)	-	186
Korea Credit Bureau Co., Ltd.	3,313	6,790	190	-	-	(135)	-	6,845
Korea Finance Security Co., Ltd.	3,267	3,456	(169)	-	-	-	-	3,287
Chin Hung International Inc.	130,779	44,741	6,426	-	-	-	9	51,176
Saman Corporation	8,521	1,014	(198)	-	-	-	33	849
Woori Growth Partnerships New Technology Private Equity Fund	18,666	25,091	1,466	309	(7,490)	(164)	-	19,212
2016KIF-IMM Woori Bank Technology Venture Fund	12,385	15,300	1,193	-	(2,615)	-	1,263	15,141
K BANK Co., Ltd.	73,150	43,709	(18,233)	5,807	-	-	(29)	31,254
Smart Private Equity Fund No.2	2,915	2,890	(41)	-	(85)	-	-	2,764
Woori Bank-Company K Korea Movie Asset Fund	3,000	2,700	623	-	-	-	-	3,323
Well to Sea No.3 Private Equity Fund	101,483	197,393	30,343	-	-	(18,836)	123	209,023
Partner One Value Up I Private Equity Fund	10,000	9,948	(40)	-	-	-	-	9,908
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	4,576	4,426	-	150	-	-	-	4,576
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	4,375	3,025	-	1,350	-	-	-	4,375
Woori-Shinyoung Growth-Cap Private Equity Fund I	12,665	-	(824)	12,665	-	-	-	11,841
LOTTE CARD Co.,Ltd	346,000	-	63,444	346,000	-	-	-	409,444
Woori-Q Corporate Restructuring Private Equity Fund	6,129	-	(83)	6,129	-	-	-	6,046
PCC-Woori LP Secondary Fund	2,525	-	-	2,525	-	-	-	2,525
Nomura-Rifa Private Real Estate Investment Trust No.17	1,000	787	(136)	-	(651)	-	-	-
Uri Hanhwa Eureka Private Equity Fund	350	339	3	-	-	-	-	342
Godo Kaisha Oceanos 1	10,870	-	2	10,870	(15)	(105)	200	10,952
Japanese Hotel Real Estate Private Equity Fund 2	3,291	-	-	3,291	-	-	-	3,291
	<u>759,368</u>	<u>361,766</u>	<u>83,997</u>	<u>389,096</u>	<u>(10,856)</u>	<u>(19,242)</u>	<u>1,599</u>	<u>806,360</u>

(3) Summary financial information relating to investments in associates accounted for using the equity method of accounting is as follows (Unit: Korean Won in millions):

	December 31, 2020			
	Assets	Liabilities	Operating revenue	Net income (loss)
W Service Networks Co., Ltd.	6,305	2,448	18,525	1,197
Korea Credit Bureau Co., Ltd.	117,077	37,599	107,810	13,391
Korea Finance Security Co., Ltd.	36,978	16,536	60,599	(1,985)
Woori Growth Partnerships New Technology Private Equity Fund	65,390	252	1,589	(9,601)
2016KIF-IMM Woori Bank Technology Venture Fund	64,109	1,198	7,425	6,201
K BANK Co., Ltd.	4,040,051	3,530,074	68,144	(83,989)
Smart Private Equity Fund No.2	13,667	51	1	(204)
Woori Bank-Company K Korea Movie Asset Fund	11,273	119	1,926	1,461
Well to Sea No.3 Private Equity Fund	22,001	3,102	610,535	16,061
Partner One Value Up I Private Equity Fund	42,205	-	308	(329)
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	46,542	655	1,024	(411)
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,747	-	284	(85)
Woori-Shinyoung Growth-Cap Private Equity Fund I	110,452	825	23,875	21,106
LOTTE CARD Co.,Ltd (*)	14,578,716	12,238,805	1,255,593	78,781
Woori-Q Corporate Restructuring Private Equity Fund	58,355	433	206	(1,590)
PCC-Woori LP Secondary Fund	20,927	4	2,082	1,425
Force TEC Co., Ltd.	47,077	45,552	25,914	(415)
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,025	1	187	23
Genesis Environmental Energy Company 1st Private Equity Fund	16,192	118	1,400	974
Union Technology Finance Investment Association	15,151	51	1	(50)
Uri Hanhwa Eureka Private Equity Fund	50,382	235	8,150	7,676
Godo Kaisha Oceanos 1	66,793	45,472	1,425	14
Japanese Hotel Real Estate Private Equity Fund 2	16,293	15	1,359	1,271
Woori High plus G.B. Securities Feeder FundI(G.B.)	27,870	-	148	148
Woori G Senior Loan No.1	240,414	15	1,721	1,584
Woori G Clean Energy No.1	3,496	1	33	32
Woori Goseong Power EBL Private Special Asset Fund	90,728	21	3,060	2,969
Woori Seoul Beltway Private Special Asset Fund	22,452	1	352	323
AJU TAERIM 1st Fund	1,192	86	-	(22)
Portone-Cape Fund No.1	4,800	-	-	-
KIWOOM PE AJU Investment Fund	10,986	57	-	(71)
Woori FirstValue Private Real Estate Fund No.2	20,220	2,467	9	(9)
Woori Star50 Master Fund ClassC-F	1,011	246	11	11
JC Assurance No.2 Private Equity Fund	98,431	13	-	(732)
Dream Company Growth no.1 PEF	28,727	43	-	(116)
HMS-Oriens 1st Fund	52,685	53	90	20
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	402,015	-	10,727	10,727

(*) The amount is after reflecting the fair value adjustment that occurred when acquiring the shares and the adjustments that occurred by difference of accounting policies with the Group.

	December 31, 2019			
	Assets	Liabilities	Operating revenue	Net income (loss)
W Service Networks Co., Ltd.	5,742	1,969	17,572	1,322
Korea Credit Bureau Co., Ltd.	96,855	30,289	91,200	1,480
Korea Finance Security Co., Ltd.	32,574	10,660	61,939	(1,265)
Chin Hung International Inc.	335,147	229,764	499,152	26,617
Saman Corporation	92,206	66,184	91,088	(485)
Woori Growth Partnerships New Technology Private Equity Fund	83,583	330	7,866	6,355
2016KIF-IMM Woori Bank Technology Venture Fund	72,768	343	8,939	7,462
K BANK Co., Ltd.	2,679,968	2,464,168	84,928	(89,779)
Smart Private Equity Fund No.2	13,872	51	2	(204)
Woori Bank-Company K Korea Movie Asset Fund	13,294	2	4,532	2,492
Well to Sea No.3 Private Equity Fund	7,073,363	6,470,540	524,319	48,357
Partner One Value Up I Private Equity Fund	42,602	-	457	(175)
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	21,208	691	766	(676)
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	16,939	124	10	(494)
Woori-Shinyoung Growth-Cap Private Equity Fund I	37,642	620	2	(2,679)
LOTTE CARD Co.,Ltd (*)	12,936,977	10,659,889	1,366,512	42,538
Woori-Q Corporate Restructuring Private Equity Fund	15,975	823	-	(823)
PCC-Woori LP Secondary Fund	6,498	-	-	(2)
Uri Hanhwa Eureka Private Equity Fund	41,950	236	41	(436)
Godo Kaisha Oceanos 1	70,869	47,960	778	119
Japanese Hotel Real Estate Private Equity Fund 2	16,561	6	-	(600)

(*) The amount is after reflecting the fair value adjustment that occurred when acquiring the shares and the adjustments that occurred by difference of accounting policies with the Group.

(4) The entities that the Group has not applied equity method of accounting although the Group's ownership interest is more than 20% as of December 31, 2020 and 2019 are as follows:

Associate (*)	December 31, 2020	
	Number of shares owned	Ownership (%)
Orient Shipyard Co., Ltd.	464,812	21.4
Yuil PESC Co., Ltd.	8,642	24.0
CL Tech Co., Ltd.	13,759	38.6

(*) Even though the Group's ownership interest of the entity is more than 20%, the Group does not have significant influence over the entity since it is going through work-out process under receivership, thus it is excluded from the investment in joint ventures and associates.

Associate (*)	December 31, 2019	
	Number of shares owned	Ownership (%)
Orient Shipyard Co., Ltd.	464,812	21.4
Saenuel Co., Ltd.	3,531	37.4
E Mirae Tech Co., Ltd.	7,837	41.8
Jehin Trading Co., Ltd.	83,056	27.7
The Season Company Co., Ltd.	18,283	30.3
Yuil PESC Co., Ltd.	8,642	24.0
CL Tech Co., Ltd.	13,759	38.6

(*) Even though the Group's ownership interest of the entity is more than 20%, the Group does not have significant influence over the entity since it is going through work-out process under receivership, thus it is excluded from the investment in joint ventures and associates.

(5) As of December 31, 2020 and 2019, the reconciliations from the net assets of the associates to the book value of the shares of the investment in joint ventures and associates are as follows (Unit: Korean Won in millions except for ownership):

	December 31, 2020						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	3,857	4.9	191	-	-	-	191
Korea Credit Bureau Co., Ltd.	79,478	9.9	7,876	246	-	3	8,125
Korea Finance Security Co., Ltd.	20,442	15.0	3,066	-	-	-	3,066
Woori Growth Partnerships New Technology Private Equity Fund	65,138	23.1	15,034	-	-	(2)	15,032
2016KIF-IMM Woori Bank Technology Venture Fund	62,911	20.0	12,582	-	-	656	13,238
K BANK Co., Ltd. (*1) (*2)	509,978	26.2	133,614	44,117	(3,634)	-	174,097
Smart Private Equity Fund No.2 (*2)	13,616	20.0	2,723	-	(1,242)	-	1,481
Woori Bank-Company K Korea Movie Asset Fund	11,154	25.0	2,788	-	-	-	2,788
Well to Sea No.3 Private Equity Fund (*3)	18,899	50.0	-	-	-	-	-
Partner One Value Up Ist Private Equity Fund	42,205	23.3	9,817	-	-	(1)	9,816
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	45,888	20.0	9,178	-	-	578	9,756
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	15,747	25.0	3,937	-	-	192	4,129
Woori-Shinyoung Growth-Cap Private Equity Fund I	109,627	35.0	38,342	-	-	-	38,342
LOTTE CARD Co., Ltd (*1)	2,114,159	20.0	422,832	-	-	-	422,832
Woori-Q Corporate Restructuring Private Equity Fund	57,922	38.4	22,220	-	-	684	22,904
PCC-Woori LP Secondary Fund	20,923	38.8	8,126	-	-	2	8,128
Force TEC	1,526	25.8	393	-	-	-	393
Together-Korea Government Private Pool Private Securities Investment Trust No.3	10,024	100.0	10,024	-	-	(1)	10,023
Genesis Environmental Energy Company 1st Private Equity Fund	16,074	24.8	3,979	-	-	-	3,979
Union Technology Finance Investment Association	15,100	29.7	4,485	-	-	-	4,485
Uri Hanhwa Eureka Private Equity Fund	50,147	0.8	403	-	-	-	403
Godo Kaisha Oceanos 1	21,321	47.8	10,193	-	-	-	10,193
Japanese Hotel Real Estate Private Equity Fund 2	16,278	19.9	3,234	-	-	-	3,234
Woori High plus G.B. Securities Feeder Fund1(G.B.)	27,870	21.8	6,076	-	-	-	6,076
Woori G Senior Loan No.1	240,399	21.7	52,045	-	-	-	52,045
Woori G Clean Energy No.1	3,495	29.3	1,024	-	-	-	1,024
Woori Goseong Power EBL Private Special Asset Fund	90,707	16.7	15,118	-	-	-	15,118
Woori Seoul Beltway Private Special Asset Fund	22,451	25.0	5,613	-	-	-	5,613

	December 31, 2020						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
AJU TAERIM 1st Fund	1,106	25.6	283	-	-	-	283
Portone-Cape Fund No.1	4,800	20.0	960	-	-	-	960
KIWOOM PE AJU Investment Fund	10,929	9.1	994	-	-	-	994
Woori FirstValue Private Real Estate Fund No.2	17,753	12.0	2,130	-	-	-	2,130
Woori Star50 Master Fund ClassC-F	765	24.5	184	-	-	-	184
JC Assurance No.2 Private Equity Fund	98,418	29.3	29,050	-	-	-	29,050
Dream Company Growth no.1 PEF	28,684	27.8	7,705	-	-	-	7,705
HMS-Oriens 1st Fund	52,632	22.8	12,000	-	-	-	12,000
Woori High Plus Short-term High Graded ESG Bond Sec Feeder Inv Trust 1	402,015	23.3	93,474	-	-	-	93,474

(*1) The net asset equity amount is after the debt-for-equity swap, non-controlling etc.

(*2) As a result of conducting an impairment test on the investment stocks of the related companies, the recoverable value was less than the carrying amount and thus the impairment loss was recognized.

(*3) The estimated recoverable amount of 15,687 million won at the time of liquidation was classified as receivable.

	December 31, 2019						
	Total net asset	Ownership (%)	Ownership portion of net assets	Basis difference	Impairment	Intercompany transaction	Book value
W Service Networks Co., Ltd.	3,773	4.9	186	-	-	-	186
Korea Credit Bureau Co., Ltd.	66,566	9.9	6,597	246	-	2	6,845
Korea Finance Security Co., Ltd.	21,914	15.0	3,287	-	-	-	3,287
Chin Hung International Inc. (*1)	105,383	25.3	26,646	24,565	-	(35)	51,176
Saman Corporation (*2)	26,022	9.2	2,391	5,373	(6,915)	-	849
Woori Growth Partnerships New Technology Private Equity Fund	83,253	23.1	19,215	-	-	(3)	19,212
2016KIF-IMM Woori Bank Technology Venture Fund	72,425	20.0	14,485	-	-	656	15,141
K BANK Co., Ltd. (*1) (*2)	215,800	14.5	31,248	3,634	(3,634)	6	31,254
Smart Private Equity Fund No.2	13,821	20.0	2,764	-	-	-	2,764
Woori Bank-Company K Korea Movie Asset Fund	13,292	25.0	3,323	-	-	-	3,323
Well to Sea No.3 Private Equity Fund (*1)	418,250	50.0	209,041	-	-	(18)	209,023
Partner One Value Up Ist Private Equity Fund	42,602	23.3	9,909	-	-	(1)	9,908
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	20,517	20.0	4,103	-	-	473	4,576
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	16,815	25.0	4,204	-	-	171	4,375
Woori-Shinyoung Growth-Cap Private Equity Fund I	37,022	31.9	11,841	-	-	-	11,841
LOTTE CARD Co., Ltd (*1)	2,047,220	20.0	409,444	-	-	-	409,444
Woori-Q Corporate Restructuring Private Equity Fund	15,152	38.4	5,813	-	-	233	6,046
PCC-Woori LP Secondary Fund	6,498	38.8	2,524	-	-	1	2,525
Uri Hanhwa Eureka Private Equity Fund	41,714	0.8	342	-	-	-	342
Godo Kaisha Oceanos 1	22,909	47.8	10,952	-	-	-	10,952
Japanese Hotel Real Estate Private Equity Fund 2	16,555	19.9	3,291	-	-	-	3,291

(*1) The net asset equity amount is after the debt-for-equity swap, non-controlling etc.

(*2) As a result of conducting an impairment test on the investment stocks of the related companies, the recoverable value was less than the carrying amount and thus the impairment loss was recognized.

14. INVESTMENT PROPERTIES

(1) Details of investment properties are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Acquisition cost	409,702	299,802
Accumulated depreciation	(22,152)	(19,563)
Accumulated impairment losses	(86)	-
Net carrying value	387,464	280,239

(2) Changes in investment properties are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	280,239	178,910
Acquisition	76,588	70,346
Disposal	(353)	(193)
Depreciation	(2,689)	(2,225)
Transfer	30,431	32,394
Foreign currencies translation adjustments	267	402
Business combination	10,557	-
Others	(7,576)	605
Ending balance	387,464	280,239

(3) Fair value of investment properties amounted to 750,659 million won and 502,305 million won as of December 31, 2020 and 2019, respectively. The fair value of investment properties has been assessed on the basis of recent similar real estate market price and officially assessed land price in the area of the investment properties, is classified as level 3 on the fair value hierarchy.

(4) Rental fee earned from investment properties is amounting to 15,190 million won and 10,106 million won for the years ended December 31, 2020 and 2019, respectively. Operating expenses directly related to the investment properties where rental fee was earned is amounting to 2,807 million won and 3,010 million won.

(5) The lease payments expected to be received in the future under lease contracts relating to investment properties as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Lease payments:		
Within a year	11,553	6,574
More than 1 year and within 2 years	8,403	4,924
More than 2 years and within 3 years	7,545	4,018
More than 3 years and within 4 years	7,154	3,618
More than 4 years and within 5 years	4,312	3,126
More than 5 years	2,534	241
Total	41,501	22,501

15. PREMISES AND EQUIPMENT

(1) Details of premises and equipment as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Premises and equipment (owned)	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643
Right-of-use asset	-	435,132	12,423	-	-	-	447,555
Carrying value	1,726,045	1,222,172	280,648	50,085	8,246	2	3,287,198

	December 31, 2019						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Premises and equipment (owned)	1,761,159	802,299	278,016	54,839	1,287	2	2,897,602
Right-of-use asset	-	449,878	17,236	-	-	-	467,114
Carrying value	1,761,159	1,252,177	295,252	54,839	1,287	2	3,364,716

(2) Details of premises and equipment (owned) as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Acquisition cost	1,726,705	1,076,647	1,142,653	478,290	8,246	20	4,432,561
Accumulated depreciation	-	(289,607)	(874,428)	(428,205)	-	(18)	(1,592,258)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643

	December 31, 2019						Total
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	
Acquisition cost	1,761,819	1,063,756	1,123,101	463,181	1,287	20	4,413,164
Accumulated depreciation	-	(261,457)	(845,085)	(408,342)	-	(18)	(1,514,902)
Accumulated impairment losses	(660)	-	-	-	-	-	(660)
Net carrying value	1,761,159	802,299	278,016	54,839	1,287	2	2,897,602

(3) Details of changes in premises and equipment (owned) are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Beginning balance	1,761,159	802,299	278,016	54,839	1,287	2	2,897,602
Acquisitions	3,787	26,972	84,828	26,124	7,751	-	149,462
Disposals	(8,326)	(1,719)	(605)	(688)	-	-	(11,338)
Depreciation	-	(34,572)	(94,388)	(30,579)	-	-	(159,539)
Transfer	(30,847)	(2,048)	118	-	(118)	-	(32,895)
Foreign currencies translation adjustments	(836)	(882)	(1,849)	(830)	(82)	-	(4,479)
Business combination	1,108	81	2,150	437	-	-	3,776
Others	-	(3,091)	(45)	782	(592)	-	(2,946)
Ending balance	1,726,045	787,040	268,225	50,085	8,246	2	2,839,643

	For the year ended December 31, 2019						
	Land	Building	Equipment and vehicles	Leasehold improvement	Construction in progress	Structures	Total
Beginning balance	1,481,871	661,912	240,013	57,594	9,099	3	2,450,492
Acquisitions	186,303	87,667	119,474	28,788	7,315	-	429,547
Disposals	(3,015)	(2,245)	(1,203)	(2,738)	-	-	(9,201)
Depreciation	-	(30,766)	(87,453)	(27,134)	-	(1)	(145,354)
Classified as held-for-sale	(21)	(74)	-	-	-	-	(95)
Transfer	93,956	83,260	3,670	912	(14,886)	-	166,912
Foreign currencies translation adjustments	880	801	1,459	609	36	-	3,785
Business combination	1,185	74	926	1	-	-	2,186
Others	-	1,670	1,130	(3,193)	(277)	-	(670)
Ending balance	1,761,159	802,299	278,016	54,839	1,287	2	2,897,602

(4) Details of right-of-use assets as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020		
	Building	Equipment and vehicles	Total
Acquisition cost	720,417	28,463	748,880
Accumulated depreciation	(285,285)	(16,040)	(301,325)
Net carrying value	435,132	12,423	447,555

	December 31, 2019		
	Building	Equipment and vehicles	Total
Acquisition cost	615,201	25,563	640,764
Accumulated depreciation	(165,323)	(8,327)	(173,650)
Net carrying value	449,878	17,236	467,114

(5) Details of changes in right-of-use assets for the years ended December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020		
	Building	Equipment and vehicles	Total
Beginning balance	449,878	17,236	467,114
New contracts	224,494	6,831	231,325
Changes in contract	10,729	32	10,761
Termination	(18,925)	(574)	(19,499)
Depreciation	(224,946)	(11,716)	(236,662)
Business combination	3,210	381	3,591
Others	(9,308)	233	(9,075)
Ending balance	435,132	12,423	447,555

	For the year ended December 31, 2019		
	Building	Equipment and vehicles	Total
Beginning balance	416,828	18,963	435,791
New contracts	251,992	8,306	260,298
Changes in contract	-	-	-
Termination	(3,803)	(178)	(3,981)
Depreciation	(219,743)	(9,984)	(229,727)
Business combination	5,438	114	5,552
Others	(834)	15	(819)
Ending balance	449,878	17,236	467,114

16. INTANGIBLE ASSETS

(1) Details of intangible assets are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Acquisition cost	334,290	1,810	582,998	1,114,615	39,454	6,669	2,079,836
Accumulated amortization	-	(1,101)	(374,125)	(875,636)	-	-	(1,250,862)
Accumulated impairment losses	-	-	-	(33,534)	(3,363)	-	(36,897)
Net carrying value	334,290	709	208,873	205,445	36,091	6,669	792,077

	December 31, 2019						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Acquisition cost	350,682	1,576	517,224	1,036,445	32,583	4,066	1,942,576
Accumulated amortization	-	(884)	(292,031)	(776,305)	-	-	(1,069,220)
Accumulated impairment losses	-	-	-	(25,993)	(3,253)	-	(29,246)
Net carrying value	350,682	692	225,193	234,147	29,330	4,066	844,110

(2) Details of changes in intangible assets are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	350,682	692	225,193	234,147	29,330	4,066	844,110
Acquisitions	-	233	53,273	41,329	5,183	3,197	103,215
Disposal	-	-	-	-	(782)	-	(782)
Amortization (*)	-	(216)	(71,620)	(64,822)	-	-	(136,658)
Impairment losses	-	-	-	(7,692)	(99)	-	(7,791)
Transfer	-	-	428	164	-	(592)	-
Foreign currencies translation adjustments	(14,802)	-	-	(2,208)	(15)	(2)	(17,027)
Business combination	-	-	2,403	4,199	2,079	-	8,681
Others	(1,590)	-	(804)	328	395	-	(1,671)
Ending balance	334,290	709	208,873	205,445	36,091	6,669	792,077

(*) Amortization of other intangible assets amounting to 11,890 million won is included in other operating expenses.

	For the year ended December 31, 2019						
	Goodwill	Industrial property rights	Development cost	Other intangible assets	Membership deposit	Construction in progress	Total
Beginning balance	153,602	562	240,320	169,024	23,597	10,415	597,520
Acquisitions	-	318	41,373	100,671	4,931	8,754	156,047
Disposal	-	-	-	-	(675)	-	(675)
Amortization (*)	-	(188)	(64,415)	(63,810)	-	-	(128,413)
Impairment losses	-	-	-	(25,858)	(939)	-	(26,797)
Transfer	-	-	7,915	7,188	-	(15,103)	-
Foreign currencies translation adjustments	10,234	-	-	2,292	60	-	12,586
Business combination	186,846	-	-	44,365	2,143	-	233,354
Others	-	-	-	275	213	-	488
Ending balance	350,682	692	225,193	234,147	29,330	4,066	844,110

(*) Amortization of other intangible assets amounting to 22,317 million won is included in other operating expenses.

(3) Goodwill

1) Details of allocated goodwill based on each cash-generating unit as of December 31, 2020 and 2019 are as follows (Unit: Korean won in million):

Cash-generating unit (*1)	December 31, 2020	December 31, 2019
Woori Asset Management Corp.	43,036	43,036
Woori Global Asset Management Co., Ltd.	2,030	2,030
Woori Asset Trust Co., Ltd.	141,780	141,780
PT Bank Woori Saudara Indonesia 1906 Tbk (*2)	92,831	106,173
WB Finance Co., Ltd (*3)	47,924	49,374
Others	6,689	8,289
Total	334,290	350,682

(*1) Allocated to the cash-generating unit that will benefit from the synergy effect of the business combination, and the cash-generating unit is generally comprised of the operating segment or sub-sectors.

(*2) The Group has acquired Saudara Bank to expand retail sales in Indonesia, and recognized the goodwill as it is expected to strengthen the competitiveness by securing a local sales network in Indonesia.

(*3) The Group has acquired VisionFund Cambodia to expand Cambodian retail sales, and recognized goodwill based on the economies of scale and acquired customer base.

2) Impairment test

The recoverable amount of the cash-generating unit is measured at larger amount among the fair value less costs to sell or the value to use.

The net fair value is calculated by deducting costs of disposal from the amount received from the sale of the cash-generating unit in an arm's length transaction between the parties with reasonable judgment and willingness to negotiate. In case of difficulty in measuring this amount, the sale amount of a similar cash-generating unit in the past market is calculated by reflecting the characteristics of the cash-generating unit. If reliable information related to fair value less costs to sell is not available, value in use is considered as recoverable amount. Value in use is the present value of future cash flows expected to be generated by the cash-generating unit. Future cash flows are estimated based on the latest financial budget approved by the management, with an estimated period of up to five years. The Group applied 0.0% - 1.0% growth rate to estimate future cash flow for the period over five years. The main assumptions used to estimate cash flows are about the size of the market and the share of the group. The appropriate discount rate for discounting future cash flows is the pre-tax discount rate, including assumptions about risk-free interest rates, market risk premium, and systemic risk of cash-generating units. The impairment test, which compares the carrying amount and recoverable amount of the cash-generating unit to which goodwill has been allocated, is conducted every year and every time an impairment sign occurs.

Category	Woori Asset Trust Co., Ltd.	Woori Asset Management Corp.	Woori Global Asset Management Co., Ltd	PT Bank Woori Saudara Indonesia 1906 Tbk	WB Finance Co., Ltd
Discount rate (%)	19.68	15.24	14.89	11.41	16.1
Terminal growth rate (%)	1.0	1.0	1.0	0.0	0.0
Recoverable amount.	285,319	129,877	55,346	573,559	196,977
Carrying amount	238,857	126,522	30,475	571,704	142,224

As a result of the impairment test on goodwill, it is determined that the carrying amount of the cash-generating unit to which the goodwill has been allocated will not exceed the recoverable amount.

3) Sensitivity analysis

The sensitivity of the fair value measurement to changes in significant but unobservable inputs used in measuring fair value is as follows (Unit: Korean Won in millions):

Category	Woori Asset Trust Co., Ltd.	Woori Asset Management Corp.	Woori Global Asset Management Co., Ltd	PT Bank Woori Saudara Indonesia 1906 Tbk	WB Finance Co., Ltd	
Discount rate (%)	Increase by 1.0% point	(23,618)	(7,211)	(3,623)	(49,650)	(14,117)
		Decrease by 1.0% point	27,210	8,629	4,393	59,328
Terminal growth rate (%)	Increase by 1.0% point		13,798	5,033	2,660	38,031
		Decrease by 1.0% point	(12,008)	(4,221)	(2,203)	-

(*) In the case of PT Bank Woori Saudara Indonesia 1906 Tbk and WB Finance Co., Ltd, declining cases are excluded from the analysis as the permanent growth rate was assumed to be 0%.

17. ASSETS HELD FOR SALE

Assets held for distribution (sale) are as follows (Unit: Korean Won in millions):

Assets (*)	December 31, 2020	December 31, 2019
Premises and equipment	2,130	95
Investments of associates	50,411	-
Others	7,461	10,461
Total	60,002	10,556

(*) The Group classifies assets as held for sale that are highly likely to be sold within one year from December 31, 2020 or December 31, 2019.

The Group measured assets held for sale at the lower of their net fair value or carrying amount.

The Group has decided to sell some of the premises and equipment through internal consultation during the current term and classifies the premises as non-current assets held for sale. The asset is expected to be sold within 12 months, and the premises and equipment that was scheduled to be sold at the end of the prior term has been sold and removed. In addition, the investment assets of the associates, which are counted as assets held for sale as of the end of the current term, are likely to be sold within one year of the end of the current term according to the management's decision. On the other hand, other assets that are expected to be sold as of the end of the current term are classified as assets that are expected to be sold within one year due to the possibility of being sold as buildings and land acquired through auction.

18. ASSETS SUBJECT TO LIEN AND ASSETS ACQUIRED THROUGH FORECLOSURES

(1) Assets subjected to lien are as follows (Unit: Korean Won in millions):

		December 31, 2020		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds and others	Kookmin bank and others	259,835	Related to bonds sold under repurchase agreements (*)
	Korean treasury and government bonds and others	Korea Securities Depository	157,021	Securities borrowing collateral
	Korean treasury and government bonds and others	Shinhan Investment Corp.	42,428	Collateral for futures transaction
	Korean financial institutions' debt securities and others	Korea Securities Depository	148,961	Securities borrowing collateral
Financial assets at FVTOCI	Korean financial institutions' debt securities and others	Kookmin bank and others	150,496	Related to bonds sold under repurchase agreements (*)
	Foreign financial institutions' debt securities	TIMEFOLIO Co., Ltd.	19,958	Collateral for futures transaction
	Korean treasury and government bonds and others	Korea Securities Depository	473	Related to bonds sold under repurchase agreements (*)
Securities at amortized cost	Korean financial institutions' debt securities and others	The BOK and others	1,621,941	Settlement risk and others
	Foreign financial institutions' debt securities	STANDARD BANKLONDON LTD	137,842	Related to bonds sold under repurchase agreements (*)
	Korean treasury and government bonds and others	The BOK and others	8,111,193	Settlement risk and others
	Foreign financial institutions' debt securities	NATIXIS and others	40,987	Related to bonds sold under repurchase agreements (*)
Loan at amortized cost and other financial assets	Foreign financial institutions' debt securities	Federal Reserve Bank	14,377	Related to the borrowing limit
	Due from banks in local currency	Daishin AMC Co.,Ltd. and others	1,500	Right of pledge
	Other due from banks in local currency	Samsung Securities Co., Ltd. and others	39,005	Margin deposit for futures or option
	Other due from banks in local currency	Korea Federation of Savings Banks	47,805	Domestic exchange business
	Other due from banks in foreign currencies	JPMORGAN CHASE BANK and others	755,177	Collateral for CSA and others
	Foreign currency loan bonds	Industrial and Commercial Bank of China	50,088	Related to bonds sold under repurchase agreements (*)
	Mortgage loan	Public offering	3,190,889	Related to covered bonds
Investment real estate	Land and building	Credit Counselling & Recovery Service and others	5,676	Right to collateral and others
	Land and building	Credit Counselling & Recovery Service and others	1,969	Right to collateral and others
Premises and equipment	Land and building	Credit Counselling & Recovery Service and others	1,969	Right to collateral and others
Total			14,797,621	

(*) The Group has the agreements to repurchase the sold assets at the predetermined price or the price that includes the rate of return and to provide the guarantee on the assets. The transferee has the right to sell or to provide as guarantee. Therefore, the Group does not derecognize the assets, but recognizes the relevant amounts as liability (bonds sold under repurchase agreements). The asset is equivalent to a mortgage-backed debt security.

		December 31, 2019		
		Collateral given to	Amount	Reason for collateral
Financial assets at FVTPL	Korean treasury and government bonds and others	Nonghyup bank	19,720	Related to bonds sold under repurchase agreements (*)
	Korean corporate debt securities	Kookmin bank and others	168,327	Related to bonds sold under repurchase agreements (*)
	Korean corporate debt securities	Eugene investment & futures co., Ltd.	3,008	Collateral for futures transaction
	Korean financial institutions' debt securities and others	Nonghyup bank and others	219,938	Related to bonds sold under repurchase agreements (*)
Financial assets at FVTOCI	Korean financial institutions' debt securities and others	The BOK and others	5,127,383	Settlement risk and others
	Foreign financial institutions' debt securities	Spain BBVA and others	56,975	Related to bonds sold under repurchase agreements (*)
	Korean corporate debt securities	Nonghyup bank futures and others	9,042	Collateral for futures transaction
Securities at amortized cost	Korean treasury and government bonds	Korea Securities Depository	5,570	Related to bonds sold under repurchase agreements (*)
	Korean treasury and government bonds and others	The BOK and others	6,190,630	Settlement risk and others
	Foreign financial institutions' debt securities	NATIXIS and others	37,271	Related to bonds sold under repurchase agreements (*)
Loan at amortized cost and other financial assets	Due from banks in local currency	Branch of IBK at Phnom Penh and others	11,352	Collateral deposits for local currency borrowings
	Due from banks in local currency	Daishin AMC and others	1,500	Right of pledge
	Other due from banks in local currency	Samsung Securities Co., Ltd. and others	17,345	Margin deposit for futures or option
	Other due from banks in foreign currencies	Korea Investment & Securities Co., Ltd. and others	180,919	Foreign margin deposit for future or option and others
	Foreign currency loans	Industrial and Commercial Bank of China	82,594	Related to bonds sold under repurchase agreements (*)
Premises and equipment	Land and building	Credit Counselling & Recovery Service and others	689	Right to collateral and others
Total			<u>12,132,263</u>	

(*) The Group has the agreements to repurchase the sold assets at the predetermined price or the price that includes the rate of return and to provide the guarantee on the assets. The transferee has the right to sell or to provide as guarantee. Therefore, the Group does not derecognize the assets, but recognizes the relevant amounts as liability (bonds sold under repurchase agreements). The asset is equivalent to a mortgage-backed debt security.

(2) As of December 31, 2020 and 2019 there is no asset acquired through foreclosures.

	December 31, 2020	December 31, 2019
Investment properties		
Land	5,425	-
Other assets		
Land for non-business use	10,684	27
Building for non-business use	1,966	-
Movables for non-business use	155	-
Real estate assessment provision for non-business use	(670)	(27)
Sub-total	12,135	-
Assets held for sale		
Land	5,477	5,143
Building	3,568	4,742
Others	546	577
Sub-total	9,591	10,462
Total	<u>27,151</u>	<u>10,462</u>

(3) Securities loaned are as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019	Loaned to
Financial assets at FVTOCI	Korean treasury and government bonds	100,345	80,737	Korea Securities Finance Corporation

Securities loaned are lending of specific securities to borrowers who agree to return the same amount of the same security at the end of lending period.

(4) Collaterals held that can be disposed and re-subjected to lien regardless of defaults of counterparties

Fair values of collaterals held that can be disposed and re-subjected to lien regardless of defaults of counterparties as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	10,573,982	-
	December 31, 2019	
	Fair values of collaterals	Fair values of collaterals were disposed or re-subjected to lien
Securities	9,340,517	-

19. OTHER ASSETS

Details of other assets are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Lease assets	1,116,175	-
Prepaid expenses	170,820	135,010
Advance payments	28,256	78,306
Non-operational assets	12,135	-
Others	21,608	20,330
Total	<u>1,348,994</u>	<u>233,646</u>

20. FINANCIAL LIABILITIES AT FVTPL

(1) Financial liabilities at FVTPL are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Financial instruments at fair value through profit or loss measured at fair value	6,794,192	2,870,676
Financial liabilities at fair value through profit or loss designated as upon initial recognition	19,630	87,626
Total	6,813,822	2,958,302

(2) Financial liabilities at fair value through profit or loss measured at fair value are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Deposits		
Gold banking liabilities	49,279	27,530
Borrowings	-	-
Securities sold	285,026	-
Derivative liabilities	6,459,887	2,843,146
Total	6,794,192	2,870,676

(3) Financial liabilities at fair value through profit or loss designated as upon initial recognition as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Equity-linked securities		
Equity-linked securities in short position	19,630	87,626

Financial liabilities at fair value through profit or loss designated as upon initial recognition are designated in order to eliminate or significantly reduce accounting mismatch arising from recognition or measurement.

(4) There are no accumulated changes in credit risk adjustments to financial liabilities at fair value through profit or loss designated as upon initial recognition.

The adjustment to reflect Group's credit risk is considered in measuring the fair value of equity-linked securities index. The Group's credit risk is determined by adjusting credit spread observed in credit rating of Group.

(5) The difference between carrying amount and maturity amount of financial liabilities at fair value through profit or loss designated as upon initial recognition (Financial liabilities designated as at FVTPL) are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Carrying amount	19,630	87,626
Nominal amount at maturity	25,780	97,503
Difference	(6,150)	(9,877)

21. DEPOSITS DUE TO CUSTOMERS

Details of deposits due to customers by type are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Deposits in local currency:		
Deposits on demand	12,454,024	8,655,228
Deposits at termination	242,397,664	224,115,771
Mutual installment	26,319	28,574
Deposits on notes payables	2,647,492	2,174,995
Deposits on CMA	110,413	150,300
Certificate of deposits	2,072,389	973,625
Other deposits	1,372,461	1,451,470
Sub-total	261,080,762	237,549,963
Deposits in foreign currencies:		
Deposits in foreign currencies	30,408,762	27,143,710
Present value discount	(12,245)	(8,095)
Total	291,477,279	264,685,578

22. BORROWINGS AND DEBENTURES

(1) Details of borrowings are as follows (Unit: Korean Won in millions):

	December 31, 2020		
	Lenders	Interest rate (%)	Amount
Borrowings in local currency:			
Borrowings from The BOK	The BOK	0.3	2,678,120
Borrowings from government funds	Small Enterprise And Market Service and others	0.0 ~ 5.0	2,155,129
Others	The Korea Development Bank and others	0.0 ~ 5.3	7,255,938
Sub-total			12,089,187
Borrowings in foreign currencies (*):			
Borrowings in foreign currencies	JPMorgan Chase & Co. and others	(0.4) ~ 7.3	7,573,722
Bills sold	Others	0.0 ~ 0.9	8,924
Call money	Bank and others	(0.3) ~ 3.8	416,370
Bonds sold under repurchase agreements	Other financial institutions	(0.5) ~ 10.6	657,823
Present value discount			(560)
Total			20,745,466

December 31, 2019			
	Lenders	Interest rate (%)	Amount
Borrowings in local currency:			
Borrowings from The BOK	The BOK	0.5 ~ 0.8	1,770,726
Borrowings from government funds	Small Enterprise And Market Service and others	0.0 ~ 2.8	1,844,798
Others	The Korea Development Bank and others	0.0 ~ 5.5	6,070,201
Sub-total			9,685,725
Borrowings in foreign currencies (*):			
Borrowings in foreign currencies	The Export-Import Bank of Korea and others	(0.3) ~ 8.3	8,566,872
Offshore borrowings in foreign currencies	HSBC, HKG	3.0	34,734
Sub-total			8,601,606
Bills sold	Others	0.0 ~ 1.6	9,367
Call money	Bank and others	(0.3) ~ 3.5	133,519
Bonds sold under repurchase agreements	Other financial institutions	1.4 ~ 12.7	569,002
Present value discount			(299)
Total			18,998,920

(*) Included borrowing in foreign currencies under cash flow hedge amounting to 34,443 million won as of December 31, 2019.

(2) Details of debentures are as follows (Unit: Korean Won in millions):

	December 31, 2020		December 31, 2019	
	Interest rate (%)	Amount	Interest rate (%)	Amount
Face value of bond (*):				
Ordinary bonds	0.8 ~ 4.5	29,623,445	0.0 ~ 4.3	23,207,600
Subordinated bonds	1.9 ~ 5.9	6,955,515	2.1 ~ 5.9	6,732,687
Other bonds	0.6 ~ 17.0	925,677	1.2 ~ 17.0	942,421
Sub-total		37,504,637		30,882,708
Discounts on bonds		(25,279)		(24,653)
Total		37,479,358		30,858,055

(*) Included debentures under fair value hedge amounting to 2,767,208 million won and 3,151,172 million won as of December 31, 2020 and 2019 respectively. Also, debentures under cash flow hedge amounting to 857,531 million won and 829,082 million won are included as of December 31, 2020 and 2019 respectively.

23. PROVISIONS

(1) Details of provisions are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Asset retirement obligation	68,402	66,485
Provisions for guarantees (*1)	89,592	92,486
Provisions for unused loan commitments	122,155	112,554
Other provisions (*2)	221,494	172,455
Total	501,643	443,980

(*1) Provisions for guarantees includes provision for financial guarantee of 66,232 million won and 62,764 million won as of December 31, 2020 and 2019, respectively.

(*2) Other provisions consist of provision for litigation, loss compensation and others.

(2) Changes in provisions for guarantees and unused loan commitments are as follows (Unit: Korean Won in millions):

1) Provisions for guarantees

	For the year ended December 31, 2020			
	Stage1	Stage2	Stage3	Total
Beginning balance	50,801	26,303	15,382	92,486
Transfer to 12-month expected credit loss	81	(60)	(21)	-
Transfer to expected credit loss for the entire period	(396)	1,639	(1,243)	-
Transfer to credit-impaired financial assets	(12)	(13)	25	-
Net provision (reversal) of unused amount	(1,124)	(11,124)	(6,100)	(18,348)
Business Combination	14,501	-	-	14,501
Others (*)	953	-	-	953
Ending balance	64,804	16,745	8,043	89,592

(*) Others have occurred as a result of new financial guarantee contract valued at initial fair value.

	For the year ended December 31, 2019			
	Stage1	Stage2	Stage3	Total
Beginning balance	44,903	33,760	11,098	89,761
Transfer to 12-month expected credit loss	13,568	(13,568)	-	-
Transfer to expected credit loss for the entire period	(317)	532	(215)	-
Transfer to credit-impaired financial assets	(30)	(32)	62	-
Provisions used	(27,711)	-	-	(27,711)
Net provision (reversal) of unused amount	(14,400)	5,611	4,437	(4,352)
Others (*)	34,788	-	-	34,788
Ending balance	50,801	26,303	15,382	92,486

(*) Others have occurred as a result of new financial guarantee contract valued at initial fair value.

2) Provisions for unused loan commitment

	For the year ended December 31, 2020			
	Stage1	Stage2	Stage3	Total
Beginning balance	65,038	43,164	4,352	112,554
Transfer to 12-month expected credit loss	8,006	(7,500)	(506)	-
Transfer to expected credit loss for the entire period	(2,704)	3,299	(595)	-
Transfer to credit-impaired financial assets	(174)	(186)	360	-
Net provision (reversal) of unused amount	(6,653)	16,949	(422)	9,874
Business combination	7	-	-	7
Others	(280)	-	-	(280)
Ending balance	63,240	55,726	3,189	122,155

	For the year ended December 31, 2019			
	Stage1	Stage2	Stage3	Total
Beginning balance	74,624	45,285	1,626	121,535
Transfer to 12-month expected credit loss	11,771	(11,024)	(747)	-
Transfer to expected credit loss for the entire period	(1,813)	1,945	(132)	-
Transfer to credit-impaired financial assets	(213)	(275)	488	-
Net provision (reversal) of unused amount	(19,394)	7,233	3,117	(9,044)
Others	63	-	-	63
Ending balance	65,038	43,164	4,352	112,554

(3) Changes in asset retirement for the years ended December 31, 2020 and 2019, obligation are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	66,485	67,200
Provisions provided	806	2,729
Provisions used	(2,958)	(2,276)
Reversal of provisions unused	(106)	(2,926)
Unwinding of discount	459	435
Business combination	219	329
Others	3,497	994
Ending balance	68,402	66,485

The amount of the asset retirement obligation is the present value of the best estimate of future expected expenditure to settle the obligation – arising from leased premises as of December 31, 2020, discounted by appropriate discount rate. The restoration cost is expected to occur by the end of each premise's lease period, and the Group has used average lease period of each category of leases terminated during the past years in order to rationally estimate the lease period. In addition, the Group used average amount of actual recovery cost for the past 3 years and the inflation rate for last year in order to estimate future recovery cost.

(4) Changes in other provisions for the years ended December 31, 2020 and 2019, are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	172,455	63,637
Provisions provided	232,629	109,875
Provisions used	(181,433)	(6,123)
Reversal of provisions unused	(2,345)	(171)
Foreign currencies translation adjustments	606	1,193
Transfer	(344)	-
Business combination	-	3,820
Others	(74)	224
Ending balance	221,494	172,455

(5) Others

- 1) The Group has been offering Korean won settlement services for trade with Korea and Iran; however, the Group has stopped the services for trade in line with U.S. economic sanctions on September 23, 2019. The Group resumed the service humanitarian goods trade only since July 13, 2020. In connection with these services, the Group is currently being investigated by the U.S. government agencies including the U.S. prosecutors (United States Attorney's Office and New York State Attorney General's Office) and New York State Financial Supervisory Service as to whether the Group has violated United States laws by participating in prohibited transactions involving the following countries: Iran, Sudan, Syria and Cuba, which have been sanctioned by the U.S. In this regard, the Bureau of Foreign Assets Control concluded its investigation in December 2020 without taking any additional sanctions, but the investigation procedures of the U.S. Public Prosecutors' Office and the New York State Financial Supervisory Service have yet to be completed.
- 2) The Group recognized the provision of the estimated compensation amount related to the miss-selling of the Derivative Linked Fund (DLF) incurred during the previous term and a fine expected to be imposed by the Financial Supervisory Service as the best estimate for the expenditure required to meet its obligations at the end of the reporting period.
- 3) For the year ended December 31, 2020, the Group recognized the provisions for the required expenditure as the best estimate to fulfill its obligations as of December 31, 2020 due to the expected losses of clients arising from the delay in the redemption of funds by Lime Asset Management and the dispute settlement by the Financial Supervisory Service. As of December 31, 2020, the provision for this case is 106.8 billion won and the advance payment is 113.9 billion won.

24. NET DEFINED BENEFIT LIABILITY(ASSET)

The characteristics of the Group's defined benefit retirement pension plans are as follows:

Employees and directors with one or more years of service are entitled to receive a payment upon termination of their employment, based on their length of service and rate of salary at the time of termination. The assets of the plans are measured at their fair value at the end of reporting date. The plan liabilities are measured using the projected unit method, which takes account of projected earnings increases, using actuarial assumptions that give the best estimate of the future cash flows that will arise under the plan liabilities.

The Group is exposed to various risks through defined benefit retirement pension plan, and the most significant risks are as follows:

Volatility of asset	The defined benefit obligation was estimated with an interest rate calculated based on blue chip corporate bonds earnings. A deficit may occur if the rate of return of plan assets falls short of the interest rate.
Decrease in profitability of blue chip bonds	A decrease in profitability of blue chip bonds will be offset by some increase in the value of debt securities that the employee benefit plan owns but will bring an increase in the defined benefit obligation.
Risk of inflation	Defined benefit obligations are related to inflation rate; the higher the inflation rate is, the higher the level of liabilities. Therefore, deficit occurs in the system if an inflation rate increases.

(1) Details of net defined benefit liability are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Present value of defined benefit obligation	1,610,680	1,442,859
Fair value of plan assets	(1,564,101)	(1,352,971)
Net defined benefit liabilities (*)	46,579	89,888

(*) Net defined benefit liability of 46,579 million won and 89,888 million won as of December 31, 2020 and 2019 is the subtracted amount of the net defined benefit asset of 5,658 million won 2,582 million won from the net defined benefit liability of 52,237 million won and 92,470 million won.

(2) Changes in the carrying value of defined benefit obligation are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	1,442,859	1,275,020
Transfer-in / out	-	93
Current service cost	174,509	163,369
Interest cost	34,653	32,693
Remeasurements		
Financial assumption	(20,838)	32,831
Demographic assumptions	4,161	49,453
Experience adjustments	(4,481)	(33,518)
Retirement benefit paid	(55,864)	(79,908)
Foreign currencies translation adjustments	(119)	179
Business combination	34,001	4,674
Others	1,799	(2,027)
Ending balance	1,610,680	1,442,859

(3) Changes in the plan assets are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	1,352,971	1,101,911
Transfer-in / out	-	93
Interest income	34,534	30,937
Remeasurements	(7,666)	125
Employer's contributions	211,505	292,095
Retirement benefit paid	(52,627)	(76,304)
Business combination	27,599	6,369
Others	(2,215)	(2,255)
Ending balance	1,564,101	1,352,971

(4) Plan assets consist of fixed deposits and others as of December 31, 2020 and 2019.

	December 31, 2020	December 31, 2019
Cash and due from banks	1,564,101	1,352,971

Meanwhile, Among plan assets, realized returns on plan assets amount to 26,868 million won and 31,062 million won for the years ended December 31, 2020 and 2019, respectively. The contribution expected to be paid in the next accounting year amounts to 170,637 million won.

(5) Current service cost, net interest income, loss (gain) on the curtailment or settlement and remeasurements recognized in the consolidated statements comprehensive income are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Current service cost	174,509	163,369
Net interest expense (income)	119	1,756
Cost recognized in net income	174,628	165,125
Remeasurements (*)	(13,492)	48,641
Cost recognized in total comprehensive income	161,136	213,766

(*) Amount before tax

Retirement benefits related to defined contribution plans recognized as expenses are 3,827 million won, and 3,297 million won for the years ended December 31, 2020 and 2019, respectively.

(6) Key actuarial assumptions used in net defined benefit liability measurement are as follows:

	December 31, 2020	December 31, 2019
Discount rate	2.13% ~ 2.97%	2.18~2.50%
Future wage growth rate	2.05% ~ 7.00%	1.89~6.00%
Mortality rate	Issued by Korea Insurance Development Institute	Issued by Korea Insurance Development Institute
Retirement rate	Experience rate for each employment classification	Experience rate for each employment classification

The weighted average maturity of defined benefit liability is a minimum of 6.74 to a maximum 15.00 years.

(7) The sensitivity to actuarial assumptions used in the assessment of defined benefit obligation is as follows (Unit: Korean Won in millions):

		December 31, 2020	December 31, 2019
Discount rate	Increase by 1% point	(165,754)	(151,104)
	Decrease by 1% point	195,475	178,434
Future wage growth rate	Increase by 1% point	193,149	176,169
	Decrease by 1% point	(167,037)	(152,174)

25. OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

Other financial liabilities and other liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Other financial liabilities:		
Accounts payable	4,028,639	6,131,339
Accrued expenses	2,049,401	2,516,231
Borrowings from trust accounts	2,984,031	3,277,795
Agency business revenue	466,485	362,820
Foreign exchange payables	789,189	1,153,457
Domestic exchange settlement credits	180,251	1,261,928
Lease liabilities	407,431	419,045
Other miscellaneous financial liabilities	3,317,358	2,587,193
Present value discount	(6,968)	(3,041)
Sub-total	14,215,817	17,706,767
Other liabilities:		
Unearned income	254,702	224,840
Other miscellaneous liabilities	219,111	195,631
Sub-total	473,813	420,471
Total	14,689,630	18,127,238

26. DERIVATIVES

(1) Derivative assets and derivative liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Nominal amount	Assets			Liabilities		
		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
Interest rate:							
Futures	184,413	-	-	-	-	-	-
Swaps	137,057,240	-	174,820	318,545	1,476	28	524,190
Purchase options	330,000	-	-	6,271	-	-	-
Written options	285,440	-	-	-	-	-	5,419
Currency:							
Futures	2,546	-	-	-	-	-	-
Forwards	105,146,634	-	-	2,541,957	-	-	2,848,980
Swaps	87,249,320	-	-	3,325,135	63,265	-	2,415,610
Purchase options	1,147,877	-	-	59,329	-	-	-
Written options	1,632,048	-	-	-	-	-	23,271
Equity:							
Futures	123,742	-	-	-	-	-	-
Forwards	11	-	-	-	-	-	-
Swaps	269,039	-	-	-	-	-	12,533
Purchase options	9,863,110	-	-	650,505	-	-	-
Written options	10,369,009	-	-	-	-	-	629,884
Total	353,660,429	-	174,820	6,901,742	64,741	28	6,459,887

	December 31, 2019						
	Nominal amount	Assets			Liabilities		
		For cash flow hedge	For fair value hedge	For trading	For cash flow hedge	For fair value hedge	For trading
Interest rate:							
Futures	124,737	-	-	-	-	-	-
Swaps	150,731,987	-	111,764	300,750	1,323	-	413,195
Purchase options	460,000	-	-	11,888	-	-	-
Written options	395,789	-	-	-	-	-	9,655
Currency:							
Futures	1,934	-	-	-	-	-	-
Forwards	113,988,295	-	-	1,447,811	321	-	1,030,246
Swaps	82,125,050	9,367	-	966,181	5,193	-	1,106,423
Purchase options	1,588,746	-	-	18,835	-	-	-
Written options	2,341,179	-	-	-	-	-	9,403
Equity:							
Futures	630,562	-	-	-	-	-	-
Forwards	11	-	-	-	-	-	-
Swaps	1,280,436	-	-	1,217	-	-	54,393
Purchase options	8,851,984	-	-	175,221	-	-	-
Written options	8,978,953	-	-	-	-	-	219,831
Total	371,499,663	9,367	111,764	2,921,903	6,837	-	2,843,146

Derivatives held for trading are classified into financial assets at FVTPL (Note 7) and financial liabilities at FVTPL (Note 20), and derivatives designated for hedging are presented as a separate line item in the consolidated statements of financial position.

(2) Overview of the Group's hedge accounting

The hedging relationships the entity applies fair value hedge accounting and cash flow hedge accounting to are affected by interest rate which is related with Interest Rate Benchmark Reform. The interest rates to which the hedging relationships are exposed are USD 3M LIBOR, USD 6M LIBOR and AUD 3M BBSW. The nominal amounts of hedging instruments related to 3M LIBOR, 6M LIBOR and 3M BBSW in the hedging relationships of the Group are USD 1,800,000,000, USD 500,000,000 and AUD 150,000,000, respectively. The entity pays close attention to discussions in the market and industry regarding the applicable alternative benchmark interest rates for the exposed interest rate. The entity judges related uncertainty is expected to be no longer present when the exposed interest rates are replaced by the applicable benchmark interest rates.

1) Fair value hedge

As of the December 31, 2020, the Group has applied fair value hedge on fixed interest rate foreign currency denominated debentures amounting to 2,767,208 million won. The purpose of the hedging is to avoid fair value volatility risk of fixed interest rate foreign currency denominated debentures derived from fluctuations of market interest rate, and as such the Group entered into interest rate swap agreements designated as hedging instruments.

Pursuant to the interest rate swap agreement, by swapping the calculated difference between the fixed interest rate and floating interest rate applied to the nominal value, the fair value fluctuation risk is hedged as the foreign currency denominated debentures fixed interest rate terms are converted to floating interest rate. Pursuant to the interest rate swap agreement, hedge ratio is determined by matching the nominal value of hedging instrument to the face value of the hedged item.

In this hedging relationship, only the market interest rate fluctuation, which is the most significant part of the fair value change of the hedged item, is designated as the hedged risk, and other risk factors including credit risk are not included in the hedged risk. Therefore, the ineffective portion of the hedge could arise from fluctuations in the timing of the cash flow of the hedged item, price margin set by counterparty of hedging instrument, and unilateral change in credit risk of any party of hedging instrument.

The interest rate swap agreements and the hedged items are subject to fluctuations in the underlying market rate of interest and the Group expects the fair value of the interest rate swap contract and the value of the hedged item to generally change in the opposite direction.

The fair value of the interest rate swap at the end of the reporting period is determined by discounting future cash flows estimated by using the yield curve at the end of the reporting period and the credit risk embedded in the contract and the average interest rate is determined based on the outstanding balance at the end of the reporting period. The variable interest rate applied to the interest rate swap is USD Libor 3M (6M) plus spread and AUD BBSW 3M plus spread. In accordance with the terms of each interest rate swap contract designated as a hedging instrument, the Group receives interest at a fixed interest rate and pays interest at a variable interest rate.

2) Cash Flow Hedge

As of the December 31, 2020, the Group has applied cash flow hedge on local currency denominated debentures amounting to 149,936 million won, debentures on foreign currency amounting to 707,595 million won. The Group's hedging strategies are to ① Mitigate risks of cash flow fluctuation from variable interest rate debentures on local currency due to changes in market interest rate by entering into an interest rate swap contract and thereby designating it as hedging instrument; ② Mitigate the risks of cash flow fluctuation from principal and interest of variable interest rate debentures denominated in foreign currency due to changes in foreign exchange rates and interest rates by entering into a currency swap contract and thereby designating it as hedging instrument; ③ Mitigate the risks of cash flow fluctuation from principal and interest of fixed interest rate debentures denominated in foreign currency due to changes in foreign exchange rates by entering into a currency swap contract and thereby designating it as hedging instrument and ④ Mitigate the risks of cash flow fluctuation in variable interest rate foreign currency borrowings resulting from changes in market interest rates and designate it as a hedging instrument through entering into currency swap contracts and interest rate swap contracts.

This means exchanging a predetermined nominal amount as set forth in the interest rate swap contract adjusted by the differences between the fixed and variable interest rates, which results in the conversion of interest rates of debentures in local currency from variable interest into fixed interest, eliminating the cash flow fluctuation risk.

In addition, this also means a payment of predetermined principal amount as set forth in the currency swap adjusted by fixed interest rate, an exchange of an amount calculated by applying variable interest rate to USD or applying fixed interest rate to SGD, and an exchange of the principal denominated in KRW and principal denominated in foreign currency at maturity eliminating cash flow fluctuation risk on principal and interest.

The hedge ratio is determined by matching the nominal amount of the hedging instrument to the face amount of the hedged item in accordance with interest rate swap and currency swap.

Only interest rate and foreign exchange rate fluctuation risk, which is the most significant factor in the cash flow fluctuation of the hedged item, is addressed in this hedging relationship, and other risk factors such as credit risk are not subject to hedging.

Thus, there could be hedge ineffectiveness arising from price margin set by the counterparty of hedging instruments and unilateral change in credit risk of any party in the transaction.

The interest rate swap, currency swap contract and the hedged item are all affected by the changes in market interest rate and foreign exchange rates which are basic factors of the derivative. The Group expects that the value of interest rate swap contract, currency swap contract and value of the hedged item will generally fluctuate in opposite direction.

(3) The nominal amounts of the hedging instrument are as follows (Unit: USD, AUD, EUR, SGD, JPY and Korean Won in millions):

	December 31, 2020			
	1 year or less	1 year to 5 years	More than 5 years	Total
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	1,000,000,000	1,000,000,000	300,000,000	2,300,000,000
Interest rate swap (AUD)	-	150,000,000	-	150,000,000
Cash flow hedge				
Interest rate risk				
Interest rate swap (KRW)	100,000	50,000	-	150,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	130,000,000	470,000,000	-	600,000,000
Foreign currencies translation risk				
Currency swap (SGD)	68,000,000	-	-	68,000,000
	December 31, 2019			
	1 year or less	1 year to 5 years	More than 5 years	Total
Fair value hedge				
Interest rate risk				
Interest rate swap (USD)	350,000,000	2,000,000,000	300,000,000	2,650,000,000
Cash flow hedge				
Interest rate risk				
Interest rate swap (EUR)	-	26,635,556	-	26,635,556
Interest rate swap (KRW)	-	100,000	-	100,000
Foreign currencies translation risk and interest rate risk				
Currency swap (USD)	150,000,000	330,000,000	-	480,000,000
Foreign currencies translation risk				
Currency swap (SGD)	136,000,000	68,000,000	-	204,000,000
Currency forward (JPY)	49,325,155	1,059,903,932	-	1,109,229,087

(4) The average interest rate and average currency rate of the hedging instrument as of December 31, 2020 and 2019 are as follows:

	December 31, 2020	
	Average interest rate and average exchange rate	
Fair value hedge		
Interest rate risk		
Interest rate swap (USD)	Fixed 4.22% receipt and Libor 3M+1.71% floating paid	Fixed 5.88% receipt and Libor 6M+2.15% floating paid
Interest rate swap (AUD)	0.84% receipt and BBSW 3M+0.72% paid	
Cash flow hedge		
Interest rate risk		
Interest rate swap (KRW)	KRW 3Y CMS+0.40% receipt, 2.38% paid	KRW CD+0.69% receipt, 2.06% paid
		KRW CD+0.33% receipt, 1.68% paid
Foreign currencies translation risk and interest rate risk		
Currency swap (USD)	USD 3M Libor+0.80% receipt, KRW 1.45% paid, USD/KRW = 1,155	USD 1M Libor+0.67% receipt, KRW 1.14% paid, USD/KRW = 1,190
		USD 1M Libor+0.69% receipt, KRW 1.02% paid, USD/KRW = 1,199
Foreign currencies translation risk		
Currency swap (SGD)	SGD 1.91% receipt, KRW 1.98% paid, SGD/KRW = 827	
	December 31, 2019	
	Average interest rate and average exchange rate	
Fair value hedge		
Interest rate risk		
Interest rate swap (USD)	Fixed 3.96% receipt and Libor 3M+1.61% floating paid	Fixed 5.88% receipt and Libor 6M+2.15% floating paid
Cash flow hedge		
Interest rate risk		
Interest rate swap (EUR)	3M EURIBOR receipt, EUR 0.09% paid	
Interest rate swap (KRW)	KRW 3Y CMS+0.40% receipt, 2.38% paid	
Foreign currencies translation risk and interest rate risk		
Currency swap (USD)	USD 3M Libor+0.8% receipt, KRW 1.45% paid, KRW/USD = 1,155	USD 1M Libor+0.54% receipt, KRW 1.53% paid, KRW/USD = 1,158
Foreign currencies translation risk		
Currency swap (SGD)	SGD 1.91% receipt, KRW 1.98% paid, KRW/SGD = 828	
Currency forward (JPY)	KRW/JPY = 10.47	

(5) The amounts related to items designated as hedging instruments are as follows (Unit: Korean Won in millions, USD, AUD, EUR, SGD and JPY):

	December 31, 2020				
	Nominal amounts of the hedging instrument	Carrying amounts of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Changing in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities		
Fair value hedge					
Interest rate risk					
Interest rate swap	USD 2,300,000,000			Derivative assets (designated for hedging)	
Interest rate swap	AUD 150,000,000	174,820	28	Derivative liabilities (designated for hedging)	57,221
Cash flow hedge					
Interest rate risk					
Interest rate swap	KRW 150,000	-	1,476	Derivative liabilities (designated for hedging)	(196)
Foreign currency translation risk and interest rate risk					
Currency swap	USD 600,000,000	-	62,893	Derivative liabilities (designated for hedging)	(69,319)
Foreign currency translation risk					
Currency swap	SGD 68,000,000	-	373	Derivative liabilities (designated for hedging)	(4,699)
December 31, 2019					
	Nominal amounts of the hedging instrument	Carrying amounts of the hedging instrument		Line item in the statement of financial position where the hedging instrument is located	Changing in fair value used for calculating hedge ineffectiveness
		Assets	Liabilities		
Fair value hedge					
Interest rate risk					
Interest rate swap	USD 2,650,000,000	111,764	-	Derivative assets (designated for hedging)	90,244
Cash flow hedge					
Interest rate risk					
Interest rate swap	EUR 26,635,556	-	43	Derivative liabilities (designated for hedging)	(43)
Interest rate swap	KRW 100,000	-	1,280	Derivative liabilities (designated for hedging)	(615)
Foreign currency translation risk and interest rate risk					
Currency swap	USD 480,000,000	4,070	5,193	Derivative assets (designated for hedging) Derivative liabilities (designated for hedging)	22,364
Foreign currency translation risk					
Currency swap	SGD 204,000,000	5,297	-	Derivative assets (designated for hedging)	8,918
Currency forward	JPY 1,109,229,087	-	321	Derivative liabilities (designated for hedging)	321

(6) Details of carrying amount to hedge and amount due to hedge accounting are as follows (Unit: Korean Won in millions):

	December 31, 2020						
	Carrying amounts of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Changing in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve (*)
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Interest rate risk							
Debentures	-	2,767,208	-	144,741	Debentures	(59,073)	-
Cash flow hedge							
Interest rate risk							
Debentures	-	149,936	-	-	Debentures	188	(909)
Foreign currencies translation risk and interest rate risk							
Debentures	-	651,704	-	-	Debentures	61,823	(95)
Foreign currencies translation risk							
Debentures	-	55,891	-	-	Debentures	6,564	(268)
(*) After tax amount							
	December 31, 2019						
	Carrying amounts of the hedged item		Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item		Line item in the statement of financial position in which the hedged item is included	Changing in fair value used for calculating hedge ineffectiveness	Cash flow hedge reserve (*)
	Assets	Liabilities	Assets	Liabilities			
Fair value hedge							
Interest rate risk							
Debentures	-	3,151,172	-	91,368	Debentures	(85,984)	-
Cash flow hedge							
Interest rate risk							
Borrowings in foreign currencies	-	34,443	-	-	Borrowing foreign currency	43	(43)
Debentures	-	99,941	-	-	Debentures	663	(821)
Foreign currencies translation risk and interest rate risk							
Debentures	-	554,433	-	-	Debentures	(25,057)	(2,525)
Foreign currencies translation risk							
Debentures	-	174,708	-	-	Debentures	(8,315)	(2,304)
(*) After tax amount							

- (7) Amounts recognized in profit or loss due to the ineffective portion of fair value hedges during the current period are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2020	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	(1,852)	Other net operating income(expense)
		For the year ended December 31, 2019	
		Hedge ineffectiveness recognized in profit or loss	Line item in the profit or loss that includes hedge ineffectiveness
Fair value hedge	Interest rate risk	4,260	Other net operating income(expense)

- (8) Reclassification of profit or loss from other comprehensive income and equity related to cash flow hedges are as follows (Unit: Korean Won in millions):

		For the year ended December 31, 2020					
		Changes in the value of hedging instruments recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Changes in the value of foreign basis spread recognized in OCI	Line item recognized in the profit or loss	Amounts reclassified from cash flow hedge reserve to profit or loss	Line item affected in profit or loss due to reclassification
Cash flow hedge	Interest rate risk	(122)	(74)	-	Other net operating income (expense)	-	Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	(68,270)	(1,049)	5,893	Other net operating income (expense)	64,762	Other net operating income (expense)
	Foreign currencies translation risk	(3,677)	(1,022)	320	Other net operating income (expense)	5,393	Other net operating income (expense)
		For the year ended December 31, 2019					
		Changes in the value of hedging instruments recognized in OCI	Hedge ineffectiveness recognized in profit or loss	Changes in the value of foreign basis spread recognized in OCI	Line item recognized in the profit or loss	Amounts reclassified from cash flow hedge reserve to profit or loss	Line item affected in profit or loss due to reclassification
Cash flow hedge	Interest rate risk	(658)	-	-	Other net operating income (expense)	-	Other net operating income (expense)
	Foreign currencies translation risk and interest rate risk	21,420	944	838	Other net operating income (expense)	(23,541)	Other net operating income (expense)
	Foreign currencies translation risk	7,638	1,601	560	Other net operating income (expense)	(8,215)	Other net operating income (expense)

27. DEFERRED DAY 1 PROFITS OR LOSSES

Changes in deferred day 1 profits or losses are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Beginning balance	52,259	25,463
New transactions	22,901	53,289
Amounts recognized in losses	(68,221)	(26,493)
Ending balance	6,939	52,259

In case some variables to measure fair values of financial instruments are not observable in the market, valuation techniques are utilized to evaluate such financial instruments. Those financial instruments are recorded the transaction price as at the time of acquisition, even though there are difference noted between the transaction price and the fair value, which is deferred and amortized to maturity using the effective interest method and reflected in profit and loss. The table above presents the difference yet to be realized as profit or losses.

28. EQUITY

(1) Details of equity as of December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Capital		
Common stock capital	3,611,338	3,611,338
Hybrid securities	1,895,366	997,544
Capital surplus		
Paid in capital in excess of par	608,348	608,348
Equity method	-	1,153
Others	17,763	16,794
Sub-total	626,111	626,295
Capital adjustments		
Treasury stocks	-	-
Other adjustments (*1)	(1,775,312)	(1,748,667)
Sub-total	(1,775,312)	(1,748,667)
Accumulated other comprehensive income		
Financial assets at FVTOCI	(9,833)	(71,914)
Changes in capital due to equity method	(2,609)	915
Loss from foreign business translation	(298,363)	(152,987)
Remeasurements of defined benefit plan	(261,195)	(270,977)
Loss on evaluation of cash flow hedge	(1,386)	(5,692)
Capital related to noncurrent assets held for sale	1,226	-
Sub-total	(572,160)	(500,655)
Retained earnings (*2) (*3)	19,268,265	18,524,515
Non-controlling interest (*4)	3,672,237	3,981,962
Total	26,725,845	25,492,332

(*1) Included 178,060 million won in capital transaction profit and loss recognized by Woori Bank and (formerly) Woori Financial Group in 2014 and 223,228 million won due to the spin-off of Gyeongnam Bank and Gwangju Bank. During the previous term, the Group entered an agreement to acquire additional interest in the Woori Asset Trust Co., Ltd., and the capital adjustment reduced by 111,242 million won.

(*2) The earned surplus reserve in retained earnings amounted to 2,547,547 million won and 2,356,246 million won as of December 31, 2020 and 2019, respectively in accordance with the relevant article.

(*3) The regulatory reserve for credit loss in retained earnings amounted to 62,830 million won as of December 31, 2020 in accordance with the Article 53 of the Financial Holding Company Act.

(*4) The hybrid securities issued by Woori Bank amounting to 3,105,070 million won and 3,660,814 million won as of December 31, 2020 and 2019, respectively, are recognized as non-controlling interests. 162,362 million won and 134,421 million won of dividends for the hybrid securities are allocated to net profit and loss of the non-controlling interests for the years ended December 31, 2020 and 2019, respectively.

(2) The number of authorized shares and others of the Group are as follows:

	December 31, 2020	December 31, 2019
Shares of common stock authorized	4,000,000,000 Shares	4,000,000,000 Shares
Par value	5,000 Won	5,000 Won
Shares of common stock issued	722,267,683 Shares	722,267,683 Shares
Capital stock	3,611,338 million won	3,611,338 million won

(3) The Group issued 42,103,377 new shares in the stock exchange process with the shareholders of Woori Card for the period from January 11, 2019, to December 31, 2019, which changed the total number of issued shares from 680,164,306 as of the date of establishment to 722,267,683 as of December 31, 2020.

(4) Hybrid securities

The bond-type hybrid securities classified as owner's equity are as follows (Unit: Korean Won in millions):

	Issue date	Maturity	Interest rate (%)	December 31, 2020	December 31, 2019
Securities in local currency	2019-07-18	-	3.49	500,000	500,000
Securities in local currency	2019-10-11	-	3.32	500,000	500,000
Securities in local currency	2020-02-06	-	3.34	400,000	-
Securities in local currency	2020-06-12	-	3.23	300,000	-
Securities in local currency	2020-10-23	-	3.00	200,000	-
	Issuance cost			(4,634)	(2,456)
	Total			1,895,366	997,544

The hybrid securities mentioned above do not have maturity date but are redeemable after 5 years from date of issuance.

(5) Accumulated other comprehensive income

Changes in the accumulated other comprehensive income are as follows (Unit: Korean Won in millions):

	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Classified as held for sale	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(71,914)	115,167	(30,643)	-	(22,443)	(9,833)
Changes in capital due to equity method	915	(3,171)	-	(1,691)	1,338	(2,609)
Gain (loss) on foreign currency translation of foreign operations	(152,987)	(152,486)	-	-	7,110	(298,363)
Remeasurement gain (loss) related to defined benefit plan	(270,977)	13,492	-	-	(3,710)	(261,195)
Gain (loss) on valuation of derivatives designated as cash flow hedges	(5,692)	4,568	-	-	(262)	(1,386)
Capital related to noncurrent assets held for sale	-	-	-	1,691	(465)	1,226
Total	(500,655)	(22,430)	(30,643)	-	(18,432)	(572,160)

(*) The increase and decrease of financial asset valuation profit or loss at fair value through other comprehensive income is a change due to the period evaluation and the reclassification adjustments amounting to 2,664 million won are due to disposal of equity securities during the period.

	For the year ended December 31, 2019				
	Beginning balance	Increase (decrease) (*)	Reclassification adjustments	Income tax effect	Ending balance
Net gain (loss) on valuation of financial assets at FVTOCI	(87,182)	(24,180)	43,021	(3,573)	(71,914)
Changes in capital due to equity method	302	(1,420)	-	2,033	915
Gain (loss) on foreign currency translation of foreign operations	(244,735)	96,157	-	(4,409)	(152,987)
Remeasurement gain (loss) related to defined benefit plan	(236,726)	(48,244)	-	13,993	(270,977)
Gain (loss) on valuation of derivatives designated as cash flow hedges	(3,869)	(32,719)	31,756	(860)	(5,692)
Total	(572,210)	(10,406)	74,777	7,184	(500,655)

(*) The increase and decrease of financial asset valuation profit or loss at fair value through other comprehensive income is a change due to the period evaluation and the reclassification adjustments amounting to 29,368 million won are due to disposal of equity securities during the period.

(6) Regulatory Reserve for Credit Loss

In accordance with Article 26 ~ 28 of the Financial holding company Supervision Regulations, the Group calculates and discloses the regulatory reserve for credit loss.

1) Balance of the regulatory reserve for credit loss

Balance of the planned regulatory reserve for credit loss is as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Beginning balance	2,547,547	2,356,246
Planned provision of regulatory reserve (reversal) for credit loss	20,820	191,301
Ending balance	2,568,367	2,547,547

2) Provision of regulatory reserve for credit loss, adjusted income after the provision of regulatory reserve and others

Planned reserves provided, adjusted net income after the planned reserves provided and adjusted EPS after the planned reserves provided are as follows (Unit: Korean Won in millions, except for EPS amount):

	For the years ended December 31	
	2020	2019
Net income before regulatory reserve	1,515,249	2,037,596
Provision of regulatory reserve (reversal) for credit loss	20,820	191,301
Adjusted net income after the provision of regulatory reserve	1,494,429	1,846,295
Dividends to hybrid securities	(48,915)	(4,362)
Adjusted net income after regulatory reserve and dividends to hybrid securities	1,445,514	1,841,933
Adjusted EPS after regulatory reserve and the dividends to hybrid securities (Unit: Korean Won)	2,002	2,725

(7) Treasury stock

Details of treasury stocks are as follows (Unit: Shares, Korean Won in millions):

	December 31, 2020		December 31, 2019	
	Number of shares	Book value	Number of shares	Book value
Beginning balance	2	-	2,728,774	34,113
Acquisition (*)	-	-	57,721,387	799,886
Disposal	-	-	(60,450,159)	(833,999)
Ending balance	2	-	2	-

29. DIVIDENDS

The dividend and total dividend per share for the fiscal year ending December 31, 2019 were 700 won and 505,587 million won, respectively, approved at the regular shareholders' meeting held on March 25, 2020 and paid in April 2020.

A dividend in respect of the year ended December 31, 2020, of 360 won per share, amounting to a total dividend of 260,017 million won, is to be proposed to shareholders at the annual general meeting on March 26, 2021. These financial statements do not reflect this dividend payable.

30. NET INTEREST INCOME

(1) Interest income recognized is as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Financial assets at FVTPL	48,612	50,619
Financial assets at FVTOCI	437,527	474,751
Financial assets at amortized cost:		
Securities at amortized cost	382,988	436,340
Loans and other financial assets at amortized cost:		
Interest on due from banks	53,586	141,330
Interest on loans	8,570,173	9,443,740
Interest of other receivables	30,967	29,990
Subtotal	8,654,726	9,615,060
Total	9,523,853	10,576,770

(2) Details of interest expense recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Interest on deposits due to customers	2,486,523	3,424,441
Interest on borrowings	269,985	383,213
Interest on debentures	722,551	777,322
Other interest expense	36,964	89,002
Interest on lease liabilities	9,318	9,086
Total	3,525,341	4,683,064

31. NET FEES AND COMMISSIONS INCOME

(1) Details of fees and commissions income recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Fees and commission received for brokerage	162,653	156,578
Fees and commission received related to credit	195,391	189,597
Fees and commission received for electronic finance	125,107	137,289
Fees and commission received on foreign exchange handling	55,984	61,756
Fees and commission received on foreign exchange	69,017	92,408
Fees and commission received for guarantee	74,647	71,106
Fees and commission received on credit card	507,852	548,580
Fees and commission received on securities business	79,606	113,346
Fees and commission from trust management	160,564	180,290
Fees and commission received on credit information	13,254	12,626
Fees and commission received related to lease	84,164	4,753
Other fees	165,777	140,997
Total	1,694,016	1,709,326

(2) Details of fees and commissions expense incurred are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Fees and commissions paid	246,824	189,789
Credit card commission	424,316	407,689
Brokerage commission	551	775
Others	8,286	8,445
Total	679,977	606,698

32. DIVIDEND INCOME

(1) Details of dividend income recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Dividend income related to financial assets at FVTPL	120,158	86,979
Dividend income related to financial assets at FVTOCI	18,385	20,980
Total	138,543	107,959

(2) Details of dividends related to financial assets at FVTOCI are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Dividend income recognized from assets held:		
Equity securities	18,385	20,980

33. NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS MANDATORILY MEASURED AT FAIR VALUE

(1) Details of gains or losses related to net gain or loss on financial instruments at FVTPL are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Gain on financial instruments at fair value through profit or loss measured at fair value	422,374	58,692
Gain (loss) on financial instruments at fair value through profit or loss designated as upon initial recognition	(665)	(33,237)
Total	421,709	25,455

- (2) Details of net gain or loss on financial instruments at fair value through profit or loss measured at fair value and financial instruments held for trading are as follows (Unit: Korean Won in millions):

		For the years ended December 31		
		2020	2019	
Financial assets at FVTPL	Securities	Gain on transactions and valuation	142,551	186,394
		Loss on transactions and valuation	(122,506)	(80,306)
		Sub-total	20,045	106,088
	Loans	Gain on transactions and valuation	15,299	1,556
		Loss on transactions and valuation	(8,087)	(21)
		Sub-total	7,212	1,535
Other financial assets	Gain on transactions and valuation	10,902	3,963	
	Loss on transactions and valuation	(10,257)	(3,570)	
	Sub-total	645	393	
Sub-total		27,902	108,016	
Derivatives (Held for trading)	Interest rates derivatives	Gain on transactions and valuation	1,727,585	1,507,254
		Loss on transactions and valuation	(1,998,824)	(1,615,833)
		Sub-total	(271,239)	(108,579)
	Currency derivatives	Gain on transactions and valuation	12,562,354	6,872,513
		Loss on transactions and valuation	(11,906,353)	(6,855,447)
		Sub-total	656,001	17,066
	Equity derivatives	Gain on transactions and valuation	1,835,497	839,196
		Loss on transactions and valuation	(1,825,372)	(796,336)
		Sub-total	10,125	42,860
	Other derivatives	Gain on transactions and valuation	-	695
		Loss on transactions and valuation	(415)	(1,366)
		Sub-total	(415)	(671)
Sub-total		394,472	(49,324)	
Net, total		422,374	58,692	

- (3) Details of net gain (loss) on financial instruments at fair value through profit or loss designated as upon initial recognition and Losses on financial instruments designated as at fair value through profit or loss are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Loss on equity-linked securities	(665)	(33,237)

34. NET GAIN OR LOSS ON FINANCIAL ASSETS AT FVTOCI

Details of net gain or loss on financial assets at FVTOCI recognized are as follows (Unit: Korean Won in millions) :

	For the years ended December 31	
	2020	2019
Gain on redemption of securities	(57)	15
Gain on transactions of securities	24,195	11,000
Total	24,138	11,015

35. REVERSAL OF (PROVISION FOR) IMPAIRMENT LOSSES DUE TO CREDIT LOSS

Reversal of (provision for) impairment losses due to credit loss are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Impairment loss due to credit loss on financial assets measured at FVTOCI	(1,529)	(3,297)
Reversal of impairment loss due to credit loss on securities at amortized cost	934	1,415
Provision for impairment loss due to credit loss on loan and other financial assets at amortized cost	(792,250)	(385,758)
Reversal of provision on guarantee	18,348	4,352
Reversal of (provision for) unused loan commitment	(9,874)	9,044
Total	(784,371)	(374,244)

36. GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER NET OPERATING INCOME (EXPENSES)

(1) Details of general and administrative expenses recognized are as follows (Unit: Korean Won in millions):

		For the years ended December 31	
		2020	2019
Employee benefits	Short-term Salaries	1,638,341	1,584,791
	employee Employee fringe		
	benefits benefits	506,048	475,238
	Share based payment	7,495	6,328
	Retirement benefit service costs	178,455	168,423
	Termination	202,259	156,441
	Subtotal	2,532,598	2,391,221
Depreciation and amortization		520,969	481,176
Other general and administrative expenses	Rent	78,707	85,705
	Taxes and public dues	129,904	137,137
	Service charges	244,825	235,117
	Computer and IT related	108,810	93,573
	Telephone and communication	72,711	70,220
	Operating promotion	45,891	45,594
	Advertising	94,880	85,887
	Printing	6,954	7,845
	Traveling	7,263	13,255
	Supplies	12,127	7,736
	Insurance premium	10,805	9,668
	Reimbursement	16,500	23,577
	Maintenance	18,367	18,495
	Water, light, and heating	14,993	15,272
	Vehicle maintenance	10,225	10,564
Others	29,652	34,035	
	Sub-total	902,614	893,680
	Total	3,956,181	3,766,077

(2) Details of other operating income recognized are as follows (Unit: Korean Won in millions):

		For the years ended December 31	
		2020	2019
Gain on transactions of foreign exchange		758,347	602,115
Gain related to derivatives (Designated for hedging)		67,395	126,651
Gain on fair value hedged items		9,646	231
Others		63,702	45,706
	Total	899,090	774,703

(3) Details of other operating expenses recognized are as follows (Unit: Korean Won in millions):

		For the years ended December 31	
		2020	2019
Losses on transactions of foreign exchange		679,350	192,331
KDIC deposit insurance premium		371,054	333,600
Contribution to miscellaneous funds		327,911	317,667
Losses related to derivatives (Designated for hedging)		82,746	3,686
Losses on fair value hedged items		68,508	86,214
Others (*)		189,959	143,786
	Total	1,719,528	1,077,284

(*) Other expense includes such expenses amounting to 11,890 million won and 22,317 million won, respectively, of intangible asset amortization expense for the years ended December 31, 2020 and 2019, respectively.

(4) Share-based payment

Details of performance condition share-based payment granted to executives as of December 31, 2020 and 2019 are as follows.

1) Performance condition share-based payment

		Shares granted for the year 2019
Subject to		Cash-settled
Type of payment		January 1, 2019 ~ December 31, 2022
Vesting period		2023-01-01
Date of payment		9,162 Won
Fair value (*1)		Black-Scholes Model
Valuation method		4.13%
Expected dividend rate		2 years
Expected maturity date		As of December 31, 2020
Number of shares remaining		As of December 31, 2019
Number of shares granted (*2)		As of December 31, 2020
		As of December 31, 2019

		Shares granted for the year 2020
Subject to		Cash-settled
Type of payment		January 1, 2020 ~ December 31, 2023
Vesting period		2024-01-01
Date of payment		8,792 Won
Fair value (*1)		Black-Scholes Model
Valuation method		4.13%
Expected dividend rate		3 years
Expected maturity date		As of December 31, 2020
Number of shares remaining		As of December 31, 2019
Number of shares granted (*2)		As of December 31, 2020
		As of December 31, 2019

(*1) As the amount of payment varies according to the base price (the arithmetic average of the weighted average stock price of transactions in the past one week, the past one month, and the past two months) at the date of payment, the fair value is calculated to measure the liability according to the Black Shaws model based on the base price at the time of each settlement.

(*2) It is a system in which the amount of stock payable is determined at the beginning, and the payment rate is determined in accordance with the degree of achievement of the pre-set performance target. Performance is evaluated by long-term performance indicators such as relative shareholder return, net profit, return on equity (ROE), non-performing loan ratio, and job performance.

2) The Group accounts for performance condition share-based payments according to the cash-settled method and the fair value of the liabilities is reflected in the compensation costs by re-measuring every closing period. As of December 31, 2020 and 2019, the book value of the liabilities related to the performance condition share-based payments recognized by the Group amounts to 13,823 million won and 6,328 million won, respectively.

37. NON-OPERATING INCOME (EXPENSES)

- (1) Details of gains or losses on valuation of investments in joint ventures and associates are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Gains on valuation of investments in joint ventures and associates	125,602	103,775
Losses on valuation of investments in joint ventures and associates	(23,283)	(16,144)
Impairment losses of investments in joint ventures and associates	(1,242)	(3,634)
Total	101,077	83,997

- (2) Details of other non-operating income and expenses recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Other non-operating incomes	133,195	68,459
Other non-operating expenses	(313,415)	(229,383)
Total	(180,220)	(160,924)

- (3) Details of other non-operating income recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Rental fee income	15,190	10,106
Gains on disposal of investments in joint ventures and associates	3,470	-
Gains on disposal of premises and equipment, intangible assets and other assets	9,715	1,632
Reversal of impairment loss of premises and equipment, intangible assets and other assets	172	103
Others (*)	104,648	56,618
Total	133,195	68,459

(*) Included 67,427 million won of profit from bargain purchase for the year ended December 31, 2020.

- (4) Details of other non-operating expenses recognized are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Depreciation on investment properties	2,689	2,225
Operating expenses on investment properties	762	834
Losses on disposal of premises and equipment, intangible assets and other assets	2,717	3,433
Impairment losses of premises and equipment, intangible assets and other assets	8,763	28,295
Donation	44,504	62,545
Others (*)	253,980	132,051
Total	313,415	229,383

(*) Included 224,427 million won of other special losses related to other provisions for the year ended December 31, 2020.

38. INCOME TAX EXPENSE

- (1) Details of income tax expenses are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Current tax expense:		
Current tax expense with respect to the current period	501,223	612,680
Adjustments recognized in the current period in relation to the tax expense of prior periods	4,914	(65,227)
Sub-total	506,137	547,453
Deferred tax expense		
Change in deferred tax assets (liabilities) due to temporary differences	(1,702)	130,816
Income tax expense directly attributable to equity	(18,433)	7,184
Sub-total	(20,135)	138,000
Income tax expense	486,002	685,453

- (2) Income tax expense reconciled to net income before income tax expense is as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Net income before income tax expense	2,001,251	2,723,049
Tax calculated at statutory tax rate (*)	514,456	738,476
Adjustments:		
Effect of income that is exempt from taxation	(42,440)	(61,730)
Effect of expenses that are not deductible in determining taxable income	19,451	31,549
Adjustments recognized in the current period in relation to the current tax of prior periods	4,914	(65,227)
Others	(10,379)	42,385
Sub-total	(28,454)	(53,023)
Income tax expense	486,002	685,453
Effective tax rate	24.3%	25.2%

(*) The applicable income tax rate: 1) 11% for taxable income below 200 million Won, 2) 22% for above 200 million Won and below 20 billion Won, 3) 24.2% for above 20 billion Won and below 300 billion Won, 4) 27.5% for above 300 billion Won.

(3) Changes in cumulative temporary differences for the years ended December 31, 2019 and 2018, are as follows (Unit: Korean Won in millions):

	For the year ended December 31, 2020				
	Beginning balance	Business combination	Recognized as income (expense)	Recognized as other comprehensive income (expense) (*2)	Ending Balance
Gain (loss) on financial assets	278,352	2,243	19,121	(23,221)	276,495
Gain on valuation using the equity method of accounting	10,713	-	21,499	1,385	33,597
Gain (loss) on valuation of derivatives	(75,412)	675	(67,423)	(192)	(142,352)
Accrued income	(66,384)	(4,392)	4,548	-	(66,228)
Provision for loan losses	(52,711)	2,201	4,015	-	(46,495)
Loan and receivables written off	6,893	-	1,328	-	8,221
Loan origination costs and fees	(162,442)	(14,131)	6,377	-	(170,196)
Defined benefit liability	396,302	7,923	41,186	(3,404)	442,007
Deposits with employee retirement insurance trust	(381,776)	(6,369)	(36,858)	97	(424,906)
Provision for guarantee	7,915	3,441	(1,871)	-	9,485
Other provision	88,456	-	(3,283)	-	85,173
Others (*1)	(144,684)	(12,678)	31,494	6,904	(118,964)
Net deferred tax assets	(94,778)	(21,087)	20,133	(18,431)	(114,163)

(*1) Among the deferred tax assets and liabilities classified as 'Others,' the deferred tax asset arising from unused tax losses amounts to 24,059 million won.

	For the year ended December 31, 2019				
	Beginning balance	Business combination	Recognized as income (expense)	Recognized as other comprehensive income (expense) (*2)	Ending Balance
Gain (loss) on financial assets	372,346	1,360	(91,781)	(3,573)	278,352
Gain on valuation using the equity method of accounting	28,354	90	(17,648)	(83)	10,713
Gain (loss) on valuation of derivatives	(27,507)	6	(48,217)	306	(75,412)
Accrued income	(55,846)	(52)	(10,486)	-	(66,384)
Provision for loan losses	(52,345)	-	(366)	-	(52,711)
Loan and receivables written off	6,672	-	221	-	6,893
Loan origination costs and fees	(154,431)	-	(8,011)	-	(162,442)
Defined benefit liability	360,087	1,131	21,234	13,850	396,302
Deposits with employee retirement insurance trust	(318,330)	(1,131)	(62,458)	143	(381,776)
Provision for guarantee	11,374	-	(3,459)	-	7,915
Other provision	75,194	76	10,958	2,228	88,456
Others (*1)	(204,083)	(6,927)	72,013	(5,687)	(144,684)
Net deferred tax assets	41,485	(5,447)	(138,000)	7,184	(94,778)

(*1) Among the deferred tax assets and liabilities classified as 'Others,' the deferred tax asset arising from unused tax losses amounts to 21,656 million won.

(*2) Includes 2,737 million won presented on non-controlling interests.

(4) Unrealizable temporary differences are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Deductible temporary differences	327,139	171,714
Tax loss carry forward	97,898	41,546
Taxable temporary differences	(10,409,344)	(8,024,406)
Total	(9,984,307)	(7,811,146)

No deferred income tax asset has been recognized for the deductible temporary difference of 322,083 million won associated with investments in subsidiaries and associates as of December 31, 2020, because it is not probable that the temporary differences will be reversed in the foreseeable future. 5,056 million won associated with others, respectively, as of December 31, 2020, due to the uncertainty that these will be realized in the future.

No deferred income tax liability has been recognized for the taxable temporary difference of 10,409,344 million won associated with investment in subsidiaries and associates as of December 31, 2020, due to the following reasons:

- The Group is able to control the timing of the reversal of the temporary difference.
- It is probable that the temporary difference will not be reversed in the foreseeable future.

As of December 31, 2020, the expected extinctive date of tax loss carry forward that are not recognized as deferred tax assets are as follows (Unit: Korean Won in millions):

	1 year or less	1 - 2 years	2 - 3 years	More than 3 years
Tax loss carry forward	29,979	14,341	34,470	19,108

(5) Details of accumulated deferred tax charged directly to other equity are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Gain on valuation of financial assets at FVTOCI	4,628	27,849
Gain on valuation of equity method investments	3,133	1,748
Gain on foreign currency translation of foreign operations	10,883	3,774
Remeasurements of the net defined benefit liability	101,128	102,120
Gain on derivatives designated as cash flow hedge	556	280
Total	120,328	135,771

(6) Current tax assets and liabilities are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Current tax assets	75,655	47,367
Current tax liabilities	370,718	182,690

39. EARNINGS PER SHARE (“EPS”)

(1) Basic EPS is calculated by dividing net income attributable to common shareholders by weighted-average number of common shares outstanding (Unit: Korean Won in millions, except for EPS and number of shares):

	For the years ended December 31	
	2020	2019
Net income attributable to common shareholders	1,307,266	1,872,207
Dividends to hybrid securities	(48,915)	(4,362)
Net income attributable to common shareholders	1,258,351	1,867,845
Weighted average number of common shares outstanding (Unit: million shares)	722	685
Basic EPS (Unit: Korean Won)	1,742	2,727

(2) The weighted average number of common shares outstanding is as follows (Unit: number of shares, days):

	For the year ended December 31, 2020			
	Period	Number of shares	Dates (Unit: Day)	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2020-01-01 ~ 2020-12-31	722,267,683	366	264,349,971,978
Treasury stock	2020-01-01 ~ 2020-12-31	(2)	366	(732)
	Sub-total (①)			264,349,971,246
Weighted average number of common shares outstanding (②)=(①/366)				722,267,681

	For the year ended December 31, 2019			
	Period	Number of shares	Dates (Unit: Day)	Accumulated number of shares outstanding during period
Common shares issued at the beginning of the period	2019-01-01 ~ 2019-12-31	673,271,226	365	245,743,997,490
Purchase of treasury stock	2019-01-08 ~ 2019-12-31	(11,453,702)	358	(4,100,425,316)
Disposal of treasury stock	2019-03-22 ~ 2019-12-31	18,346,782	285	5,228,832,870
Purchase of treasury stock	2019-08-26 ~ 2019-12-31	(1)	128	(128)
Disposal of treasury stock (*)	2019-09-26 ~ 2019-12-31	28,890,707	97	2,802,398,579
Disposal of treasury stock (*)	2019-11-22 ~ 2019-12-31	13,212,670	40	528,506,800
Purchase of treasury stock	2019-12-13 ~ 2019-12-31	(1)	19	(19)
	Sub-total (①)			250,203,310,276
Weighted average number of common shares outstanding (②)=(①/365)				685,488,521

(*) In September 2019, Woori Bank disposed of 42,103,377 shares acquired through comprehensive exchange of shares in Woori Card Co., Ltd. and its parent company Woori Financial Group Inc.

Diluted EPS is equal to basic EPS because there is no dilution effect for the years ended December 31, 2020 and 2019.

40. CONTINGENT LIABILITIES AND COMMITMENTS

(1) Details of guarantees are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Confirmed guarantees		
Guarantee for loans	103,229	89,699
Acceptances	602,014	391,688
Guarantees in acceptances of imported goods	78,395	224,746
Other confirmed guarantees	6,491,608	6,982,889
Sub-total	7,275,246	7,689,022
Unconfirmed guarantees		
Local letters of credit	187,146	193,096
Letters of credit	3,025,923	3,081,390
Other unconfirmed guarantees	403,652	771,378
Sub-total	3,616,721	4,045,864
Commercial paper purchase commitments and others	917,489	884,031
Total	11,809,456	12,618,917

(2) Details of unused loan commitments and others are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Loan commitments	112,088,680	103,651,674
Other commitments (*)	7,827,774	5,993,608

(*) As of December 31, 2020 and 2019, the amount of unsecured bills (purchase note sales) and discounts on electronic short-term bond sales (purchase) are 2,894,688 million won and 2,582,274 million won, respectively.

(3) Litigation case

Legal cases where the Group is involved are as follows (Unit: Korean Won in millions):

	December 31, 2020		December 31, 2019	
	As plaintiff	As defendant	As plaintiff	As defendant
Number of cases (*)	138 cases	460 cases	119 cases	415 cases
Amount of litigation	413,852	413,744	291,880	391,362
Provisions for litigations		24,336		27,029

(*) The number of lawsuits as of December 31, 2020 and 2019 do not include fraud lawsuits, etc. and those lawsuits that are filed only to extend the statute of limitation.

(4) Other commitments

- 1) The Group decided to enter into a stock sales agreement with a major shareholder of Woori Asset Trust Co., Ltd. (formerly, Kukje Asset Trust Co., Ltd.) to acquire 44.5% of interest (58.6% of voting rights) in July, 2019, and to acquire additional 21.3% of interest (28.0% of voting rights) after a certain period. As a result, the Group acquired the interest of the first sales agreement in December 2019 and is planning to acquire the interest of the second sales agreement after a certain period. In regard to this acquisition, the Group recognized 127,335 million won as other financial liabilities for the second sales agreement.
- 2) Lime Asset Management Co., Ltd. announced the suspension of redemption of many funds in operation in October 2019. The Group's total amount of sales of fund under management of Lime Asset Management Co., Ltd.'s subject to redemption suspension is 1,348 accounts and 270.3 billion won at the end of December 2020. In December 2020, Lime Asset Management Co., Ltd.'s business registration was revoked, and funds subject to redemption suspension were transferred to Wellbridge Asset Management Co., Ltd., which was jointly established by distributors. The Financial Supervisory Dispute Mediation Committee was held on February 23, 2021 for incomplete sales of vendors, and the obligation to compensate investors for some of the losses may be changed by the Dispute Mediation Committee's decision and the Board's approval.
- 3) As of December 31, 2020, Woori Asset Trust Co., Ltd., a subsidiary, has agreed to carry out construction completion obligations for 44 constructions, which includes the construction of residential and commercial complexes in Busan (U-dong, Haeundae-gu). Land Trust responsible for Construction and Management is a trust that bears the obligation to fulfill the responsibility of the constructor and to compensate the loan financial institution for damages if the company fails to fulfill the construction completion obligation. As of December 31, 2020, the total PF loan amount of PF loan institutions invested in the project of the Land Trust responsible for Construction and Management is 1,389,356 million won. Although additional losses may occur in relation to the construction completion obligations, the financial statements at December 31, 2020 do not reflect these effects since losses are unlikely and the amount cannot be estimated reliably.

41. RELATED PARTY TRANSACTIONS

Related parties of the Group as of December 31, 2020 and 2019, and assets and liabilities recognized, guarantees and commitments, major transactions with related parties and compensation to key management for the years ended December 31, 2020 and 2019 are as follows. Please refer to Note 13 for the details of joint ventures and associates.

(1) Assets and liabilities from transactions with related parties are as follows (Unit: Korean Won in millions):

Related parties		Account title	December 31, 2020	December 31, 2019
Associates	W Service Networks Co., Ltd.	Loans	21	23
		Loss allowance	-	(1)
		Deposits due to customers	2,183	1,881
		Accrued expenses	6	6
		Other liabilities	459	429
	Korea Credit Bureau Co., Ltd.	Loans	1	3
		Deposits due to customers	2,311	26
		Other liabilities	5	-
	Korea Finance Security Co., Ltd.	Loans	3,440	1,860
		Loss allowance	(6)	(3)
Deposits due to customers		1,927	1,371	
Other liabilities		1	-	
Chin Hung International Inc.	Loans	257	244	
	Loss allowance	(3)	(2)	
	Deposits due to customers	8,715	5,381	
	Other liabilities	171	321	
LOTTE CARD Co. Ltd.	Loans	7,500	7,500	
	Loss allowance	(77)	(30)	
	Other assets	12	-	
	Deposits due to customers	2,697	2,726	
K BANK Co., Ltd.	Loans	104	141	
	Account receivables	26	24	
	Other assets	2	4	
	Deposits due to customers	4,997	714	
Well to Sea No.3 Private Equity Fund	Loans	-	4,490	
	Loss allowance	-	(8)	
	Deposits due to customers	4,997	714	
	Other liabilities	-	47	
Others (*1) (*2)	Loans	-	84	
	Loss allowance	-	(84)	
	Other assets	651	338	
	Deposits due to customers	5,831	5,577	
	Other liabilities	5	172	

(*1) Others include Smart Private Equity Fund No.2, IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership, Woori G IPO10 [FI_Bal][F](C(F)), Woori G Senior Loan No.1, Woori G Egis Bond[FI][F](C(F)), Woori G Clean Energy No.1, Woori Star50 Master Fund ClassC-F, Dongwoo C & C Co., Ltd., Woori Growth Partnerships New Technology Private Equity Fund, Woori-Shinyoung Growth-Cap Private Equity Fund, Woori-Q Corporate Restructuring Private Equity Fund, Woori High plus G.B. Securities Feeder Fund1(G.B.), Uri Hanhwa Eureka Private Equity Fund, Japanese Hotel Real Estate Private Equity Fund 2, Partner One Value Up I Private Equity Fund and etc., as of December 31, 2020.

(*2) Others include Saman Corporation, Woori-Shinyoung Growth-Cap Private Equity Fund, Uri Hanhwa Eureka Private Equity Fund, Kyesan Engineering Co., Ltd. and DAEA SNC Co., Ltd. and etc., as of December 31, 2019.

(2) Gain or loss from transactions with related parties are as follows (Unit: Korean Won in millions):

Related parties	Account title	For the year December 31		
		2020	2019	
Associates	W Service Network Co., Ltd.	Other income	32	32
		Interest expenses	13	20
		Fees expenses	525	448
		Reversal of allowance for credit loss	(4)	(3)
		Other expenses	2,174	1,423
Korea Credit Bureau Co., Ltd.	Interest expenses	5	29	
		Fees expenses	3,155	2,608
Korea Finance Security Co., Ltd.	Interest income	70	-	
		Interest expenses	3	9
		Provisions for allowance for credit loss	3	8
		Other expenses	100	112
Chin Hung International Inc	Interest expenses	19	35	
		Provision for (reversal of) allowance for credit loss	(145)	44
LOTTE CARD Co., Ltd.	Interest income	311	213	
		Fees income	2,748	593
		Interest expenses	68	53
		Provision for allowance for credit loss	171	30
K BANK Co., Ltd.	Fees income	1,763	1,468	
Well to Sea No.3 Private Equity Fund	Interest income	1,883	1,774	
		Interest expenses	5	11
		Reversal of allowance for credit loss	(55)	(18)
Others (*1) (*2)	Fees income	2,677	1,281	
		Dividends income	52	-
		Other income	16	17
		Interest expenses	28	55
		Reversal of allowance for credit loss	-	(5)

(*1) Others include Smart Private Equity Fund No.2, IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership, AJU TAERIM 1st Fund, Woori G IPO10 [FI_Bal][F]C(F), Woori G Senior Loan No.1, Woori G Egis Bond[FI][F]C(F), Woori G Clean Energy No.1, Woori Star50 Master Fund ClassC-F, Saman Corporation, Woori Growth Partnerships New Technology Private Equity Fund, Woori-Shinyoung Growth-Cap Private Equity Fund, Woori-Q Corporate Restructuring Private Equity Fund, Woori High plus G.B. Securities Feeder Fund1(G.B.), Uri Hanhwa Eureka Private Equity Fund, Japanese Hotel Real Estate Private Equity Fund 2, Partner One Value Up I Private Equity Fund, PCC-Woori LP Secondary Fund and etc., as of December 31, 2020.

(*2) Others include Saman Corporation, Woori-Shinyoung Growth-Cap Private Equity Fund, Uri Hanhwa Eureka Private Equity Fund, Kyesan Engineering Co., Ltd., DAEA SNC Co., Ltd. and etc, as of December 31, 2019.

(3) Major loan transactions with related parties for the years ended December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Related parties	For the year ended December 31, 2020				
	Beginning balance	Loan	Collection	Ending balance (*)	
Associates	W Service Network Co., Ltd.	23	337	339	21
	Korea Credit Bureau Co., Ltd.	3	17	19	1
	Korea Finance Security Co., Ltd.	1,860	2,133	553	3,440
	Chin Hung International Inc	244	2,575	2,562	257
	LOTTE CARD Co., Ltd.	7,500	-	-	7,500
	K BANK Co., Ltd.	141	1,942	1,979	104
Well to Sea No. 3 Private Equity Fund	4,490	-	4,490	-	

(*1) Payments that occurred for business reasons among related parties are excluded and net increase or decrease was used for limited credit loan.

Related parties	For the year ended December 31, 2019				
	Beginning balance	Loan	Collection	Ending balance (*)	
Associates	W Service Network Co., Ltd.	69	315	361	23
	Korea Credit Bureau Co., Ltd.	7	26	30	3
	Korea Finance Security Co., Ltd.	57	2,426	623	1,860
	Chin Hung International Inc	241	2,338	2,335	244
	LOTTE CARD Co., Ltd.	-	7,500	-	7,500
	K BANK Co., Ltd.	185	2,249	2,293	141
Well to Sea No. 3 Private Equity Fund	1,857	2,633	-	4,490	

(*1) Payments that occurred for business reasons among related parties are excluded and net increase or decrease was used for limited credit loan.

(4) Details of changes in major deposits due to customers with related parties for the year December 31, 2020 and 2019 are as follows (Unit: Korean Won in millions):

Related parties	For the year ended December 31, 2020				
	Beginning balance	Increase	Decrease	Ending balance (*)	
Associates	W Service Networks Co., Ltd	1,180	1,180	1,180	1,180
	Chin Hung International Inc	400	-	400	-
	Partner One Value Up I Private Equity Fund	1,150	1,737	2,024	863
	Korea Credit Bureau Co., Ltd.	-	1,000	-	1,000

(*1) Details of payment between related parties, demand deposit due to customers and etc. are excluded.

Related parties	For the year ended December 31, 2019				
	Beginning balance	Increase	Decrease	Ending balance (*1)	
Associates	Saman Corporation (*2)	2,436	86	-	2,522
	W Service Networks Co., Ltd	1,180	1,460	1,460	1,180
	Chin Hung International Inc	765	400	765	400
	Partner One Value Up I Private Equity Fund	1,403	1,617	1,870	1,150
	Korea Credit Bureau Co., Ltd.	6,000	-	6,000	-
Korea Finance Security Co., Ltd.	535	25	560	-	

(*1) Details of payment between related parties, demand deposit due to customers and etc. are excluded.

(*2) Excluded from the related parties due to the loss of significant influence for the year ended December 31, 2020.

(5) There are no major borrowing transactions with related parties for the years ended December 31, 2020 and 2019.

(6) Guarantees provided to the related parties are as follows (Unit: Korean Won in millions):

Warranty	December 31, 2020	December 31, 2019	Warranty
Korea Finance Security Co., Ltd.	820	400	Unused loan commitment
Korea Credit Bureau Co., Ltd.	34	32	Unused loan commitment
W Service Network Co., Ltd.	179	177	Unused loan commitment
Chin Hung International Inc.	16,167	32,055	Unused loan commitment
K BANK Co., Ltd.	196	159	Unused loan commitment
Well to Sea No.3 Private Equity Fund	-	210,510	Unused loan commitment
LOTTE CARD Co. Ltd.	500,000	150,000	Unused loan commitment

As of December 31, 2020 and 2019, the recognized payment guarantee provisions are 284 million won and 384 million won, respectively, in relation to the guarantees provided to the related parties above.

(7) Amount of commitments with the related parties

Warranty	December 31, 2020	December 31, 2019	Warranty
Well to Sea No.3 Private Equity Fund	-	584,377	Open interest
Together-Korea Government Private Pool Private Securities Investment Trust No.3	990,000	-	Open interest
Woori-Q Corporate Restructuring Private Equity Fund	36,355	53,372	Open interest
PCC-Woori LP Secondary Fund	2,525	7,575	Open interest
Union Technology Finance Investment Association	10,500	-	Open interest
IBK KIP Seongjang Dideemdol 1st Private Investment Limited Partnership	9,704	15,424	Open interest
Genesis Environmental Energy Company 1st Private Equity Fund	916	-	Open interest
Crevisse Raim Impact 1st Startup Venture Specialist Private Equity Fund	550	625	Open interest
Woori-Shinyoung Growth-Cap Private Equity Fund I	12,799	39,335	Open interest
Woori G Senior Loan No.1	53,041	-	Open interest
JC Assurance No.2 Private Equity Fund	1,650	-	Open interest
Woori Seoul Beltway Private Special Asset Fund	41,393	43,402	Open interest
Woori G Clean Energy No.1	7,485	-	Open interest

(8) Compensation for key management is as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Short-term employee salaries	22,778	13,427
Retirement benefit service costs	910	783
Share-based compensation	3,519	2,494
Total	27,207	16,704

Major management shall be executives and outside directors of Woori Financial Group and major subsidiaries, and includes the CEO of other subsidiaries. Outstanding assets from transactions with key management amount to 3,888 million won and 2,414 million won, as of December 31, 2020 and 2019 respectively and with respect to the assets, the Group has not recognized any allowance nor related impairment loss due to credit losses. Also, liabilities from transaction with key management amount to 11,155 million won and 6,543 million won, respectively, as of December 31, 2020 and 2019,

42. TRUST ACCOUNTS

(1) Trust accounts of the Bank are as follows (Unit: Korean Won in millions):

	Total assets		Operating income	
	December 31, 2020	December 31, 2019	For the years ended December 31 2020	2019
Trust accounts	64,317,167	60,288,399	886,210	1,118,746

(2) Receivables and payables between the Bank and trust accounts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Receivables:		
Trust fees receivables	33,761	31,533
Payables:		
Deposits due to customers	353,598	392,453
Borrowings from trust accounts	1,639,869	2,730,806
Total	1,993,467	3,123,259

(3) Significant transactions between the Bank and trust accounts are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Revenue:		
Trust fees	86,196	171,072
Termination fees	1,430	488
Total	87,626	171,560
Expense:		
Interest expenses on deposits due to customers	1,502	6,684
Interest expenses on borrowings from trust accounts	16,010	40,489
Total	17,512	47,173

(4) Principal guaranteed trusts and principal and interest guaranteed trusts are as follows;

1) The carrying value of principal guaranteed trusts and principal and interest guaranteed trusts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Partial principal guaranteed trusts		
Personal trust	9,179	9,430
Corporate trust	625	630
Deposit purpose	1,596	1,651
Sub-total	11,400	11,711
Principal guaranteed trusts		
Old-age pension trusts	3,112	3,298
Personal pension trusts	505,762	516,913
Pension trusts	813,323	824,735
Retirement trusts	29,528	34,374
New personal pension trusts	7,671	7,807
New old-age pension trusts	1,297	1,742
Sub-total	1,360,693	1,388,869
Principal and interest guaranteed trusts		
Development trusts	19	19
Unspecified money trusts	349	871
Sub-total	368	890
Total	1,372,461	1,401,470

2) The amounts that the Bank must pay by the operating results of the principal guaranteed trusts or the principal and interest guaranteed trusts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Liabilities for the account (subsidy for Trust account adjustment)	16	35

43. LEASES

(1) Lessor

1) Finance lease

① The total investment in finance lease and the present value of the minimum lease payments to be recovered are as follows: (Unit: Korean Won in millions):

	December 31, 2020	
	Total investment in lease	Net investment in lease
Within one year	24,649	23,957
After one year but within two years	48,781	45,575
After two years but within three years	132,894	120,414
After three years but within four years	171,137	151,756
After four years but within five years	277,282	244,481
After five years	16	12
Total	654,759	586,195

② The unrealized interest income of the finance lease as of December 31, 2020 is as follows. (Unit: Korean Won in millions):

	Unearned interest income
Total investment in lease	654,759
Net investment in lease	586,195
Present value of minimum lease payments	586,133
Present value of unguaranteed residual value	62
Unearned interest income	68,564

2) Operating lease

① The details of operating lease assets as of December 31, 2020 are as follows: (Unit: Korean Won in millions):

	Vehicles
Acquisition cost	1,507,156
Accumulated depreciation	(390,981)
Net carrying value	1,116,175

② The details of changes in operating lease assets as of December 31, 2020 are as follows: (Unit: Korean Won in millions):

	Amount
Beginning balance	-
Acquisition	118,256
Disposal	(21,963)
Depreciation	(52,504)
Business combination	1,071,111
Others	1,275
Ending balance	1,116,175

- ③ The future lease payments to be received under the lease contracts are as follows (Unit: Korean Won in millions):

	Amount
Within one year	240,005
After one year but within two years	223,074
After two years but within three years	156,859
After three years but within four years	80,174
After four years but within five years	24,992
Total	725,104

- ④ There is no adjusted lease payments recognized as profit or loss for the year ended December 31, 2020.

(2) Lessee

- 1) The future lease payments under the lease contracts are as follows (Unit: Korean Won in millions):

	December 31, 2020	December 31, 2019
Lease payments		
Within one year	173,885	161,251
After one year but within five years	200,844	232,985
After five years	34,787	40,698
Total	409,516	434,934

- 2) Total cash outflows from lease are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Total cash outflows from lease	207,305	220,163

- 3) Details of lease payments that are not included in the measurement of lease liabilities due to the fact that they are short-term leases or leases for which the underlying asset is of low value are as follows (Unit: Korean Won in millions):

	For the years ended December 31	
	2020	2019
Lease payments for short-term leases	1,760	1,964
Lease payments for which the underlying asset is of low value	751	332
Total	2,511	2,296

- (3) As mentioned in Note 2, the Group uses a practical expedient for rent concession as a direct consequence of COVID-19. Accordingly, the amount recognized in profit or loss during the reporting period is 20,602 million won, to reflect changes in lease payments arising from the rent concession.

44. BUSINESS COMBINATION

(1) General

The Group acquired substantial control over Aju Capital Co., Ltd. on October 20, 2020, and completed the acquisition of 76.8% (excluding treasury stocks, 74.0% interest including treasury stocks) stake in Woori Financial Capital Co., Ltd. (formerly Aju Capital Co., Ltd.) on December 10, 2020. The main reasons for the business combination are to maximize synergy between the consolidated subsidiaries and to strengthen the non-bank business portfolio.

The operating profit and net loss of Woori Financial Capital Co., Ltd., reflected in the consolidated statement of comprehensive income for the three months after the date of obtaining substantial control (October 20, 2020), are 21,163 million won and 30,349 million won, respectively. Had Woori Financial Capital Co., Ltd. been acquired from January 1, 2020, the consolidated statement of comprehensive income would have shown operating profit and net income of Woori Financial Capital Co., Ltd. for 138,116 and 58,980 million won, respectively.

(2) Identifiable net assets

Identified assets and liabilities as of the acquisition date are as follows (Unit: Korean Won in millions):

		Amount	
Assets	Cash and cash equivalents	259,275	
	Financial assets at FVTPL	575,569	
	Financial assets at amortized cost (*1)	6,489,669	
	Investment properties	10,557	
	Premises and equipment and right-of-use assets	7,367	
	Intangible assets (*2)	8,681	
	Deferred tax assets	6,676	
	Other assets	1,103,542	
	Sub-total	8,461,336	
	Liabilities	Financial liabilities	7,559,535
		Provisions	21,129
Deferred tax liabilities		27,762	
Other liabilities		48,327	
Sub-total		7,656,753	
Fair value of net identifiable assets		804,583	

(*1) The acquired financial assets at amortized cost were estimated at fair value. The contractual total of the financial assets at amortized cost of Woori Financial Capital Co., Ltd. is 6,669,123 million won (including 4,531 million won in financial lease receivables), and the contractual cash flows that are not expected to be recovered as of the acquisition date are 179,454 million won. (including 710 million won in financial lease receivables)

(*2) As 61,396 million won of Woori Financial Capital Co., Ltd.'s goodwill recognized at the acquisition of Woori Savings Bank is not an identifiable asset, it has been fully deducted. As the core deposits of Woori Savings Bank are determined to be separately identifiable intangible assets, an additional 1,278 million won was recognized, which was calculated by the fair value assessment through cost reduction method. The cost reduction method is to evaluate the reduced capital raising cost discounted as present value by comparing the cost of financing through deposits generated from stable customer relationships with the cost of financing through other sources.

If, within one year of the acquisition date, new information obtained about the facts and circumstances that existed at the acquisition date requires the adjustment of the amounts recognized at the acquisition date, or the recognition of additional provisions existing at the acquisition date, the accounting for the business combination will be adjusted.

(3) Profit from bargain purchase

Recognized profit from bargain purchase as a result of business combination are as follows (Unit: Korean Won in million):

	Amount
Transfer price	572,333
Fair value of net identifiable asset	804,583
Non-controlling interest (*1)	164,823
Profit from bargain purchase (*2)	67,427

(*1) The Group measured the non-controlling interest in Woori Financial Capital acquired as of December 31, 2020 at fair value.

(*2) Included in other non-operating income in the consolidated comprehensive income statement.

In the event of a business combination, the consideration transferred includes the premium paid to acquire Woori Financial Capital Co., Ltd. In addition, the consideration paid for the business combination includes expected synergies, revenue growth, and the amount related to future market growth.

The Group also acquired core deposit intangibles held by Woori Financial Savings Bank as part of the acquisition of Woori Financial Capital Co., Ltd. It was recognized separately from goodwill because it met the reparability criteria to meet the recognition requirements for intangible assets.

(4) Business combination cost

The Group incurred 1,071 million won, including legal fees and due diligence fees, in relation to the business combination, and the amount was recognized as a fee expense in the consolidated statement of comprehensive income of the Group.

(5) Net cash outflow due to business combination

Details of net cash outflows due to business combination are as follows (Unit: Korean Won in million):

	Amount
Consideration paid in cash	572,333
Acquired cash and cash equivalents	259,275
Deduction in total	313,058

45. EVENTS AFTER THE REPORTING PERIOD

On March 5, 2021, the Group entered into a share purchase agreement to acquire 100% interests of Woori Savings Bank (common stock 12,160,398 shares) from one of the subsidiaries, Woori Financial Capital Co., Ltd.

GLOBAL NETWORK

(as of the end of Dec. 2020)

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Woori Bank Kawranbazar Sub-Branch

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Surabaya Branch

Kompleks Ruko 21, Jl. Raya, Gubeng No.68 E - Surabaya/60281
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Semarang Branch

Ruko Imam Bonjol Square Kav 4 - Kota. Semarang
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Tasikmalaya Branch

Ruko Plaza Asia Blok A5-A6, Jl. HZ. Mustofa No. 326 - Tasikmalaya/46126
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Jl. Mangkubumi No. 45 - Yogyakarta/55232
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Jl. Jenderal gatot Subroto No.78 Purwokerto - Jawa Tengah/53116
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Malang Branch

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Tangerang city Branch

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Karawaci Tangerang Branch

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Buah Batu Sub-Branch

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Kopo Sub-Branch

Komp Ruko Mas J-9 Jl. Kopo Cirangrang/40225
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Cimahi Sub-Branch

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Sukajadi Sub-Branch

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Pemuda/Rawamangun Sub-Branch

Jalan Paus No 91F, Pulogadung, Jakarta Timur
Phone: 6221-47862070

Sumedang Sub-Branch

Jl. Prabu Geusan Ulun No.76/45311
Phone: 62261-206527

Serang Sub-Branch

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Phone: 62254-224142

Commercial Center Cikarang Sub-Branch

Ruko The Capitol, Kawasan Industri JABABEKA, Jl. Niaga Raya Blok 2 C, Bekasi, West Java
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Atrium/Cideng Sub-Branch

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Kebon Jeruk Sub-Branch

Jl. Kelapa Dua Raya(RayaPanjang) No.2, Rt 008, Rw 002 Kel. Kelapa Dua Kec. Kebon Jeruk/12130
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Pajajaran Sub-Branch

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Lembang Sub-Branch

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Kuningan Sub-Branch

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Cibubur Sub-Branch

Cibubur Times Square Blok B1/1 Jl. Alternatif Cibubur KM 3 Kel. Jatiraya, Kec. Jastisampurna Bekasi/17435
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Cikampek Sub-Branch

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Balaraja Sub-Branch

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Ciledug Sub-Branch

Ruko Dian Plaza Jl. Raden Fatah No. 8A Kelurahan Sudirman Selatan,Ciledug/15225
Phone: 6221-7330545

Magelang Sub-Branch

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Phone: 62293-326498/326499

Padalarang Sub-Branch

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Kudus Sub-Branch

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Megablock Cilegon Sub-Branch

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Union Square Cikarang Sub-branch

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Sadang Sub-Branch

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Purwakarta/41181

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Cikajang Sub-branch

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KCP PASAR ATOM

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KCP CITRA RAYA

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KCP CAKUNG

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KCP CENTRAL PARK

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KCP JEPARA

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KCP BANJARNEGARA

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Lawang

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Darmaraja Cash-Office

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Jatibarang Cash-Office

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Kawhmu Branch
No 192/B, Bogyoke St. South Wd Kawhmu Townshp, Yangon
Phone: 95 9 9742 91112

Insein Branch
115/A, Pyay Road, Saw Bwar Gyee Kone Ward(10 miles), Insein Township Yangon, Myanmar
Phone: 95 1 643798

Kungyangon Branch
No 540, Yadanar Pone 2nd St, Kangyi / Magyi Ward, Kungyangon Township, Yangon, Myanmar
Phone: 95 9 975 890019

Zalun Branch
Bogyok St. Nyaung Pin Zay Ward, Zalun Township, Ayeyarwady, Myanmar
Phone: 95 9 960996083

Kyimyindaing Branch
No. 101, Tha Yet Taw(3) Upper St. Tha Yet Taw Ward, Kyimyindaing Township, Yangon, Myanmar
Phone: 95 9 960996092

Hinthada I Branch
No. 49, U Wisarra St. Pha Tar Gyi Ward, Hinthada Township, Ayeyardady, Myanmar
Phone: 95 9 960996099

Hlaing Branch
No. 101, Tha Yet Taw(3) Upper St. Tha Yet Taw Ward, Kyimyindaing Township, Yangon, Myanmar
Phone: 95 9 960996089

Hinthada II Branch
No. 93, Nat Maw St. Panbetan Ward, Hinthada Township, Ayeyarwady, Myanmar
Phone: 95 9 961010611

Hinthada III Branch
No. 93, Nat Maw St. Panbetan Ward, Hinthada Township, Ayeyarwady, Myanmar
Phone: 95 9 961010611

Twantay Branch
No. 49, Bo Kyoke St. Kon Gyan(Middle) Ward, Twantay Township, Yangon, Myanmar
Phone: 95 9 961010511

Pyapon I Branch
No. 18C, 8th St. 9th Ward, Pyapon Township, Ayeyarwady
Phone: 95 9 950311093

Pyapon II Branch
No. 18C, 8th St. 9th Ward, Pyapon Township, Ayeyarwady
Phone: 95 9 950311096

Pantanaw I Branch
No. 1, Sel Myaung St. Myo Kwet Thit 1, Pantanaw Township, Ayeyarwady, Myanmar
Phone: 95 9 764433931

Pantanaw II Branch
No. 1, Sel Myaung St. Myo Kwet Thit 1, Pantanaw Township, Ayeyarwady, Myanmar
Phone: 95 9 764433932

Gyobingauk I Branch
No. 154, Ashay Myopat St. Pan Tin Ward, Gyobingauk Township, Bago, Myanmar
Phone: 95 9 764433935

Gyobingauk I Branch
No. 154, Ashay Myopat St. Pan Tin Ward, Gyobingauk Township, Bago, Myanmar
Phone: 95 9 764433936

Zigon Branch
Hlaing Htate Khaung Tin St. No. 1 Ward, Zigon Township, Bago, Myanmar
Phone: 95 9 780 113417

Paungde I Branch
Plot No. 79, Shwetaung Street, Min Kwet 3, Ward, Paungde Township, Bago, Myanmar
Phone: 95 9 780114012

Paungde II Branch
Plot No. 79, Shwetaung Street, Min Kwet 3, Ward, Paungde Township, Bago, Myanmar
Phone: 95 9 780114068

Lewe I Branch
No. 101, Tha Yet Taw(3) Upper St. Tha Yet Taw Ward, Kyimyindaing Township, Yangon, Myanmar
Phone: 95 9 960996092

Pyinmana I Branch
No. 181, Yarza Htarni St. Aung Thar Yar Ward, Pobbathiri Township, Nay Pyi Taw, Myanmar
Phone: 95 9 402187923

Pyinmana II Branch
No. 181, Yarza Htarni St. Aung Thar Yar Ward, Pobbathiri Township, Nay Pyi Taw, Myanmar
Phone: 95 9 402187924

Lewe II Branch
No. 241, Office Street, Min Wine Yat, No. 4 Ward, Lewe Township, Ayeyarwady, Myanmar
Phone: 95 9 441580466

Dekkhinathiri Branch
No. Da-2410, Wai Da 10 St. Dekkhinathiri Township, Nay Pyi Taw, Myanmar
Phone: 95 9 441580468

Lewe III Branch
No. 241, Office Street, Min Wine Yat, No. 4 Ward, Lewe Township, Nay Pyi Taw, Myanmar
Phone: 95 9 403663020

Takkon I Branch
No. (ma-127), Yin Mar Street, Area (3), Mya Waddy Ward, Takkon Township, Nay Pyi Taw
Phone: 95 9 441473341

Takkon II Branch
No. 93, Thatoeminsaw Yat, Aung Zaya Ward, Takkon Township, Nay Pyi Taw
Phone: 95 9 441481276

Ottarathiri Branch
No. Ou-1513, Shwe Nant Thar Ward, Ottarathiri Township, Nay Pyi Taw
Phone: 95 9 893642032

Nattalin Branch
No.52, Apyin Tharzi Street, Tharzi Ward, Nattalin Township, Bago
Phone: 95-9-773579731

Taungwingyi Branch
No. 174, Ohntaw No. 2 Ward, Taungdwingyi Township, Magwey
Phone: 95-9-692687628

Natmauk Branch
No.22, Plot U Paing No.105, East Aung San Ward, Natmauk Township, Magway
Phone: 95-9-891504155

Philippines

Wealth Development Bank
Taft Financial Center, Cardinal Rosales Avenue, Cebu Business Park, Cebu City, Cebu
Phone: 63-32-415-5265

ALABANG BRANCH
Unit 103, South Center Tower Condominium 2206 Market Street, Madrigal Business Par Alabang, Muntinlupa City
Phone: 63-2-801-5335

ANGELES MARQUEE MALL BRANCH
Ground Floor , Marquee Mall, Don Bonifacio St., Pulung Maragul Angeles City, Pampanga
Phone: 63-45-624-0072

LEGAZPI PACIFIC MALL BRANCH
G/F Expansion II, Pacific Mall Legazpi, Landco Business Park, F. Imperial Street Cor. Circumferential Road, Legazpi City 4500
Phone: 63-52-480-0038

LUCENA PACIFIC MALL BRANCH
Ground Floor L 1-26, Pacific Mall, M.L. Tagarao St. Landco Business Park, Brgy. III , Lucena City, Quezon
Phone: 63-42-795-3771

TAGUIG MARKET MARKET BRANCH
Ground Floor, Play Ground Zone, Metro Market Market Mall, Mckinley Parkway, Fort Bonifacio Global City, Taguig City
Phone: 63-02-889-0275

CEBU AYALA BRANCH
Ground Floor, Taft Financial Center, Cardinal Rosales Avenue, Cebu Business Park, Brgy. Luz, Cebu City
Phone: 63-32-415-4888

CEBU RAMOS BRANCH
Ground Floor, Hilario Chu Bldg., No. 148 F. Ramos St. Santa Cruz, Cebu City
Phone: 63-32-412-6302

CEBU CARBON BRANCH
Ground Floor, M.C. Briones & Plaridel Sts., Cebu City
Phone: 63-32-416-9077

CEBU MANDAUE BRANCH
Ground Floor, G/F Meritz Building, A.C. Cortes Ave. Ibabao, Mandaue City, Cebu
Phone: 63-343-8144

CEBU TABUNOK BRANCH
Ground Floor, AGSy Bldg., National Hi-Way, Tabunok Talisay City, Cebu
Phone: 63-32-272-2955

CEBU MANDAUE PACIFIC MALL METRO BRANCH
Ground Floor, Mandaue Pacific Mall Metro National Highway corner M.B. Fernan Ave. Estancia, Ibabao, Mandaue City, Metro Cebu
Phone: 63-32-239-1072

CEBU MAMBALING BRANCH
G/F Metro Store Mambaling, Cebu, N. Bacaloso Avenue corner F. Llamas Street, Basak San Nicolas, Cebu City
Phone: 63-414-4233

TAGBILARAN BANKING CENTER
Ground Floor, No. 15 JS Torralba St., Poblacion 2, Tagbilaran City, Bohol
Phone: 63-411-4860

ILOILO BANKING CENTER
Ground Floor, ACCE Bldg., Mabini Ledesma St., Liberation, Iloilo City
Phone: 63-338-4419

CAGAYAN DE ORO BANKING CENTER
Ground Floor, Jammin Lui Bldg., corner A. Velez & Gomez Sts. Poblacion, Cagayan de Oro City, Misamis Oriental
Phone: 63-88-856-8974

DAVAO BRANCH
Ground Floor, Door 8, 9 & 10 Grand MenSeng Hotel Pichon St., 1-E Poblacion, Davao City, Davao del Sur
Phone: 63-82-225-3318

TACLOBAN BRANCH
Sukwan Bldg, corner Real and Burgos Streets, Tacloban City
Phone: 63-053-832-3435

CALOOCAN BRANCH
Rizal Avenue Extension, East Grace Park, Caloocan 1400, Metro Manila
Phone: 63-0917-870-7335

GENSAN BRANCH
Gaisano mall, Jose Catolico Sr. Avenue, General Santos City, South Cotabato
Phone: 63-083-250-1238

DUMAGUETE BRANCH
1F Jose Building South Road Calindagan, Dumaguete City
Phone: 63-035-523-5532

BACOLOD BRANCH
Lacson-Luzuriaga Streets, Bacolod City, Negros Occidental
Phone: 63-034-447-0227

BUTUAN BRANCH
JC Aquino Ave, corner, Pareja Subdivision, Butuan City, Mindanao
Phone: 63-0917-870-7390

NAGA BRANCH
Ground Floor, Super Metro Camarines Sur, Panganiban Drive, Naga City, Casmarines Sur
Phone: 63-054-881-2836

BAGUIO BRANCH
NRC Building, Abanao Street, Baguio City, Benguet, Cordillera Administrative Region
Phone: 63-074-665-2394

BINONDO BRANCH
Lucky Chinatown Mall, Reina Regente St. Binondo, Manila, National Capital Region

Vietnam

Wooribank Vietnam
34F, Keangnam Landmark 72, E6 Pham Hung Road, Tu Liem District. Hanoi, Vietnam
Phone: 84-04-7300-6802

Hanoi Branch
24F, Keangnam Landmark 72, E6 Pham Hung Road, Tu Liem District. Hanoi, Vietnam
Phone: 84-4-3831-5281

WOORI OVERVIEW

BUSINESS OPERATIONS

FINANCIAL REVIEW

Hochiminh Branch
No. 7,8,9, 2nd Floor, Mplaza Saigon, 39 Le Duan St., Ben Nghe Ward, Dist. 1, HCMC, Vietnam
Phone: 84-8-3821-9839

Bac Ninh Branch
1-2 Floor Halla Bld, Yen Phong Industrial Zone, Yen Trung Commune, Yen Phong District, Bac Ninh Province, Vietnam
Phone: 84-222-369-9431

Hai Phong Branch
NO. 4, Lot 22A, Le Hong Phong Street (Cat Bi Airport New Urban Area), Dong Khe Ward, Ngo Quyen District, Hai Phong City, Vietnam
Phone: 84-255-730-0101

Thai Nguyen Branch
2nd Floor, Gate 1, Samsung Electronics Vietnam Co.,Ltd. Thai Nguyen, Yen Binh Industrial Zone, Dong Tien ward, Pho Yen town, Thai Nguyen Province, Vietnam
Phone: 84-208-730-0010

Binh Duong Branch
10th Floor, Becamex Building, No.230, Binh Duong boulevard, Thu Dau Mot City, Binh Duong Province, Vietnam
Phone: 84-274-222-2631821620

Phu My Hung Branch
Unit SA-01, Riverpark Residence Complex, 341 Ha Huy Tap Street, Tan Phong Ward, District 7, Ho Chi Minh City, Vietnam
Phone: 84-28-7303-0510

Dong Nai Branch
Ton Duc Thang road, Nhon Trach 3 Industrial Zone, Phase1, Hiep Phuoc, ward, Nhon Trach district, Dong Nai Provincem Vietnam
Phone: 84-251-730-0370

Ha Nam Branch
1st and 2nd floor, Tien Loc Building, Commercial Service Zone 4, Thanh Chau ward, Phu Ly City, Ha Nam Province, Vietnam
Phone: 84-266-730-0020

Da Nang Branch
2nd floor, Phi Long Technology Building, 52 Nguyen Van Linh Road, Nam Duong Ward, Hai Chau District, Da Nang City, Vietnam
Phone: 84-236-730-0321

Bien Hoa Branch
5th Floor, Sonadezi Building, No 1, Road 1, Bien Hoa 1 Industrial Zone, An Binh Ward, Bien Hoa City, Dong Nai Province, Vietnam
Phone: 84-251-730-0270

Sai Gon Branch
Ground floor and 8th Floor, E-Town 1 Building, no. 364 Cong Hoa St. Ward 13, Tan Binh District, Ho Chi Minh City, Vietnam
Phone: 84-28-7300-2710

Vinh Phuc Branch
1st and 2nd Floor, Bao Quan Hotel, 396 Me Linh Street, Lien Bao ward, Vinh Yen City, Vinh Phuc Province, Vietnam
Phone: 84-211-730-0010

Hoan Kiem Branch
1st and 5th Floor, Asia Tower Building, No.6, Nha Tho street, Hang Trong ward, Hoan Kiem district, Hanoi city, Vietnam
Phone: 84-24-3204-5203

Cambodia

WB Finance
Buliding 398, Preah Monivong Blvd, Sangkat Boeun Keng Kang 1, Khan Chamkarmon, Phnom Penh 12302, Kingdom of Cambodia

Phnom Penh Head Office
Lot No. 398, Monivong Blvd., Sangkat Beung Keng Kang 1, khan Chamkar Mon, Phnom Penh.
Phone: 023969269

Kandal Regional Office
#240, National Road 2, Krapeu Ha Village, Sangkat Preak Ruessei, Ta Khmao City, Kandal Province
Phone: 087634444

Sa’ang Branch Office
National Road no.21, Preaek Run village, Preaek Koy commune, S’ang district, Kandal province
Phone: 087777993

Kien Svay Branch Office
National Road no.1, Tuol Thaot village, Kaki commune, Kien Svay district, Kandal province
Phone: 087777488

Kandal Stueng Branch Office
#86, National Road no. 2, Preaek Roka village, Preaek Roka Commune, Kandal Stueng district, Kandal province
Phone: 087777132

Leuk Daek (Kampong Phnom) Branch Office
National Road No. 1, Ampil Tuek village, Kampong Phnum commune, Leuk Daek district, Kandal province
Phone: 087777279

Prey Veng Branch Office
National Road No 11. Village 8, Sangkat Kampong Leav, Prey Veng city, Prey Veng province
Phone: 010855644

Sithor Kandal Branch Office
Preaek Sandaek Village Preaek Changkran Commune, Sithor Kandal District Prey Veng Province.
Phone: 010855220

Svay Rieng and Svay Chrom Regional Office
Keansang Village, Svay Rieng Commune, Svay Rieng City, Svay Rieng Province
Phone: 068855973

Preah Sdech Branch Office
Krasang Tong village, Angkor Reach commune, Preah Sdach district, Prey Veng province
Phone: 0889201571

Kampong Trabaek Branch Office
Doun Tong village, Prasat commune, Kampong Trabaek district, Prey Veng province
Phone: 0886450320

Mesang Branch Office
Vang Villege Chiphouch Commune, Mesang District, Prey veng Provincene,
Phone: 010855188

Chantrea Branch Office
Thnal Cheat Village, Sangkat Chrok Mates, Bavith City, Svay Rieng province,
Phone: 0889204613

Romeashek Branch Office
Tatrav Village, Kampong Trach Commune, Romeashek District, Svayreing province,
Phone: 0884831787



Kampong Ro Branch Office
Svay Anat Village, Nhor Commune, Kampong Rou District, Svay Rieng Province
Phone: 0889204643

Rumduol Branch Office
Chak Village, Kampong Chak commune Rumduol District Svay Rieng Province
Phone: 0889204641

Takeo Regional Office
National Road No. 2, Thnol bek village, Sangkat Roka Krao, Doun Kaev city, Takeo province
Phone: 015493888

Bati Branch Office
National Road no. 2, Smau Khnei village, Trapeang Sab commune, Bati district, Takeo province
Phone: 0884839823

Tramkok Branch Office
Prey Rumdeng Village, Angk Ta Saom Commune, Tram Kak District, Takeo province
Phone: 060855213

Kirivong Branch Office
Po Khvet Village, Phrah Bat Choan Chum Commune, Kirivong District, Takeo Province
Phone: 060855886

Koh Andaet Branch Office
Prey Malong Khang Tbong Village, Prey Khla commune, Koh Andaet district, Takeo province
Phone: 0884839711

Samraong Branch Office
Krang Lang Village, Cheung Kuon Commune,Samraong District, Takeo province
Phone: 0888551219

Prey Kabas Branch Office
#408, St 108, Prey Lavea Ket Village, Prey Lavea Commune,Prey Kabas district, Takeo povince
Phone: 0884839908

Kampot (Chhouk) Regional Office
National Road no. 3, Damnak Toap Khang Tboung village, Krang Snay commune, Chhuk district, Kampot province
Phone: 0974855014

Banteay Meas Branch Office
Samrong village, Samrong Krom commune, Banteay Meas district, Kampot province
Phone: 0884844237

Angkor Chey Branch Office
Pral Village, Tani Commune, Angkor Chey District,Kampot Province
Phone: 060855085

Kampong Trach Branch Office
Kampong Trach Ti Muoy Village, Kampong Trach Khang Kaeut Commune, Kampong Trach District, Kampot Province
Phone: 060855075

Kampong Som Branch Office
Village no. 03, Sangkat Lak 02, Quarter, Metapheap Ward, Preah Sihanouk City
Phone: 068855997

Sre Ambel Branch Office
Trapeang village, Sre Ambel commune, Sre Ambel district, Koh Kong province
Phone: 0884837124

Basedth Branch Office
Slab Leaeng village, Svay Rompea commune, Basedth district, Kampong Speu province
Phone: 0884874229

Kampong Speu Regional Office
85, national road #04, Borei Kammeakkar Village, Rokar Thum Commune/Sangkat, Chbar Mon Municipality/District/Khan, Kampong Speu Province
Phone: 066746666

Korng Pisey Branch Office
Tuol Ta Sokh Village, Saen Die Commune, Samraong Tong District, Kampong Speu Province
Phone: 068855662

Oudong-1 Branch Office
Bat Doeung village, Khsem Khsan commune, Oudongk district, Kampong Speu province
Phone: 060855776

Kraing Chek (Oudong II) Branch Office
Ta Ni village, Krang Chek Commune, Odongk District, Kampong Speu province
Phone: 0884839856

Thpong Branch Office
Tranh Veang Village, Prambei Mum Commune, Thpong District, Kampong Speu Province
Phone: 0884839945

Oral Branch Office
Phsar Kontourt village, Sangkea Sartorb Commune, Oral district, Kampong Speu province.
Phone: 066574593

Phnum Sruoch Branch Office
Krang Khcheay village, Tang Sya commune, Phnum Sruoch district, Kampong Speu province
Phone: 0884837957

Tuek Phors Branch Office
Srae Ta Chey Vallage, Akphivoadth Communce, Tuek Phos District, Kampong Chhnang Province
Phone: 087777010

Kampong Chhnang Regional Office
National Road no.5, Tuol Kralanh village, Sangkat Kampong Chhnang , Kampong Chhnang city, Kampong Chhnang province
Phone: 0974855006

Kampong Leaeng Branch Office
Kampong Boeng village, Kampong Hau commune, Kampong Leng district, Kampong Chhnang province
Phone: 090855763

Kampong Tralach Branch Office
Soben Village, Peani Commune, Kampong Tralach District, Kampong Chhnang Province
Phone: 090855820

Boribour Branch Office
Cheung Khnar Village, Ponley Communce, Boribour District, Kampong Chhnang Province
Phone: 0886007498

Pursat Branch Office
#475, National Road 5, Krang Pophleak Village, Svay At Commune, Pursat District, Pursat province
Phone: 0886007540

Krakor Branch Office
National Road 5, Phsar village, Anlong Tnaot commune, Krakor district, Pursat province
Phone: 0884838011

Phnum Kravanh Branch Office
Pich Ban Village, Leach Commune, Phnum Kravanh District, Pursat Province
Phone: 0884845057

Veal Veaing Branch Office
Pramaoy village, Pramaoy commune, Veal Veang district, Pursat province
Phone: 0884845556

Kampong Thom Regional Office
House #009 Group 01 National Road no. 6, Stuong Saen Village, Sangkat Kampong Krabao,Stoung Sen City and Kampong Thom Province
Phone: 067855333

Romlong Branch Office
Rom Chek Village,Treal Commune, Baray District, Kompong Thom Province,
Phone: 060855388

Stoung Branch Office
National Road no. 6, Leap Tong village, Kampong Chen Tboung commune, Stoung district, Kampong Thom province
Phone: 0884836778

Baray Branch Office
Prey Ta Trav Village, Balang Commune, Baray District, Kampong Thom Province
Phone: 0713855039

Sandan Branch Office
Toekmleang village, Sandan commune, Sandan district, Kampong Thom province
Phone: 0884827690

Prasat Sambour Branch Office
Sambo Village ,Sambo commune, Prasat Sambour district, Kampong Thom province
Phone: 0884836883

Chamka Loeu Branch Office
Thnol Bek Lech Village, Svay Tearb Commune, Chamkar Loeu District, Kampong Cham Province.
Phone: 0888472236

Battambang Regional Office
#99, No. 03, Mphey Osakphea village, Sangkat Svay Pao, Battambang city, Battambang province
Phone: 066855022

Banan Branch Office
Banan Village Kantueu Pir Commune, Banan District, Battambang Province
Phone: 010855775

Ratanak Mondul Branch Office
#34, Sdau village, Sdau Commune, Rotonak Mondul distrcit, Battambang province
Phone: 010855977

Moung Ruessei Branch Office
Pou Muoy Village,Kear Commune, Moung Ruessei District, Battambang Province
Phone: 069855585

Bakan Branch Office
Khnach Romeas Village, Beung Khnar Commune, Bakan District, Pursat Province
Phone: 0886007538

Pailin Branch Office
O'Tapuk Le village, Pailin commune, Pailin city, Pailin province
Phone: 0884873724

Samlout Branch Office
Ou Tontuem village, Ta sanh commune, Samlout district, Battambang province
Phone: 0884873767

Kamrieng Branch Office
Dong Village, Boeng Reang Commune, Kamrieng District, Battambang Province
Phone: 090309180

Preah Vihear Regional Office
Lor Et village, Sangkat Kampong Branak, Preah Vihea city, Preah Vihear province
Phone: 0884488844

Kuleaen Branch Office
Kuleaen Tboung Village, Kuleaen Tboung commune, Kuleaen district, Preah Vihear province
Phone: 0886007523

Sangkum Thmey Satellite Office
Tbeang Village, Chamraeun commune, Sangkom Thmei district, Preah Vihear province
Phone: 060855749

Rovieng Branch Office
Tang Trak Village, Robieb commune, Rovieng District, Preah Vihear Province
Phone: 0884845242

Trapaing Prasat Branch Office
Trapeang Prasat Village, Trapeang Prasat commune, Trapeang Prasat District, Oddar Meanchey Province
Phone: 0884845248

Choam Khsant Branch Office
National Road 69B, Choam Khsant village, Choam Khsant commune, Choam Khsant district, Preah Vihear province
Phone: 0884845291

Kampong Cham Regional Office
National Road 7, village Boeng Snay, Kampong Cham city, Kampong Cham province
Phone: 0884840089

Prey Chhor Branch Office
Doun Die village, Chrey Vean commune, Prey Chhor district, Kampong Cham province
Phone: 0884842218

Stoeung Trang Branch Office
Tnaot Ta Say Village, Preak Kak Commune, Stuong Trang District, Kampong Cham Province.
Phone: 0884842804

Chulkiri Branch Office
Prey Kri Tbong Village, Prey Kri commune, Chulkiri district, Kampong Chhnang province
Phone: 0884839707

Tbong Khmom Branch Office
National Road no. 7, Cheung Lang village, Sangkat Suong, Suong city, Kampong Cham province
Phone: 0886007526

Koh Sotin Branch Office
Phsar Thmey Village, Pearm Pror Thnours Commune, Koh Sotin District, Kampong Cham Province
Phone: 0883031098

Ponhea Kraek Branch Office
National Road no. 7, Peao Srok village, Kaong Kang commune, Ponhea Kraek district, Tbong Khmom province
Phone: 0979111030

Kratie Regional Office
Oreussey Village, Kratie Ward, Kratie City, Kratie Province,
Phone: 0888848041

Chhloung Branch Office
Chrouy Thma Kraom village, Chhloung commune, Chhloung district, Kratie province
Phone: 0888816546

Snuol Branch Office
Kbal Snuol Village, Snuol Commune, Snuol District, Kratie Province
Phone: 0884818019

Keo Sema Branch Office
Ou Arm Village, Sre Khtom Commune, Keo Sema District, Mondol Kiri Province
Phone: 0884818026

Dambae Branch Office
National Road no. 73,Thnal village, Dambae commune, Dambae district, Kampong Cham province
Phone: 0884843373

Memot Branch Office
Masin Tuek Village, Memot Cummune, Memot District, Kampong Cham Province
Phone: 0884381224

Banteay Mean Chey Regional Office
National Road no.6, Kampong Svay village, Sangkat Kampong Svay, Serei Saophoan city, Banteay Mean Chey province
Phone: 0884838900

Ou Chrov Branch Office
#15A, National Road no.5, Palilai village, Sangkat Paoy Paet, Paoy Paet city, Banteay Mean Chey province
Phone: 0884845706

Thma Puok Branch Office
Kasen village, Thma Puok commune, Thma Puok district, Bantey Mean Chey province
Phone: 0884839749

Bavel Branch Office
#15, st. Aksor Te, Bavel 1village, Bavel commune, Bavel district, Battambang province
Phone: 090281942

Phnom Proek Branch Office
Phnum Toch village, Pech Chenda commune, Phnum Proek district, Battambang province
Phone: 090855342

Siem Reap Regional Office
#76, National Road no. 6, Chong Kao Sou village, Sangkat Slor Kram, Siem Reap city, Siem Reap province
Phone: 0884845477

Puok Branch Office
Puok Chas Village, Puok Commune, Puok District, Siem Reap Province
Phone: 0884836879

Srey Snom Branch Office
Chroy Neang Nguon village, Chroy Neang Nguon commune, Srey Snam district, Siem Reap province
Phone: 060270442.

Angkor Chum Branch Office
Kbal Cham Village,Char Chhuk commune, Angkor Chum District, Siem Reap Province.
Phone: 087555476

Samraong Chong Kal Branch Office
at Doun Kaen Village, Samraong Commune, Samraong District, Oddar Meanchey province
Phone: 087666741

Chi Kraeng Branch Office
#079, Group 01, Kampong Kdey1 Village, Kampong Kdey Commune, Chikrek District, Siem Reap Province.
Phone: 087555474

Preah Net Preah Branch Office
National Road 6, Phnum Chonhcheang village, Chob Veari commune, Preah Netr Preah district, Banteay Mean Chey province
Phone: 060855553

Phnom Penh (Tuol Kork) Regional Office
#152B2, St 516, 13 Village, Sangkat Boeung Kork 1, Khan Toulkork, Phnom Penh.
Phone: 0719833384

Stuong Mean Chey Branch Office
No. 19 and 21 EoE1, Street Veng Sreng, Group 1, Ruessei Commune, Sangkat Stuong Mean Chey, Khan Mean Chey, Phnom Penh
Phone: 087888277

Punhea Lueu Branch Office
#87, National Road No. 5, Tep Pranom village, Vihea Luong commune, Ponhea Lueu district, Kandal province
Phone: 0884843228

Mukh Kampoul Branch Office
La Edth Village, Preaek Dambang Commune, Mukh Kampul District, Kandal Province
Phone: 0884842169

Khsach Kandal (Preaek Tameak) Branch Office
Knong village, Preaek Tameak commune, Khsach Kandal district, Kandal province
Phone: 0884842027

Svay Pak Branch Office
National Road No. 5, Lu Village Svay Pak, Khan Russey Keo, Phnom Penh
Phone: 0884845604

Chaom Chau Branch Office
Prey Svay Village, Sangkat Chaom Chau, Khan Pur SenChey, Phnom Penh
Phone: 0884840208

Chruoy Changvar Branch Office
lot No. A-01, Street 6A, Phum 3, Sangkat Chrouy Chang Var, Khan Chroy Chang Var, Phom Penh City
Phone: 0884841986

Srey Sonthor Branch Office
Santey village, Preaek Po commune, Srey Sonthor district, Kampong Cham
Phone: 0884845245

Ratanakiri Regional Office
Chey Chumnas Village, sangkat Labanseak, City Banlung, Ratanakiri Province
Phone: 0884830845

Stoeung Treng Branch Office
Spean Thmor Village, Stoeung Treng Commune, Stoeung Treng District Stoeung Treng Province
Phone: 0713261010

Koh Nhek Branch Office
Reangsei village, Srae Sangkum commune, Kaoh Nheak district, Mondul Kiri province
Phone: 0713855124



Borkeo Branch Office
Phum Muoy village, La Minh Commune, Bar Kaev District, Ratanakiri Province,
Phone: 0713260505

Saen Monourom Branch Office
Chambak Village, Spean Mean Chey Commune, Saen Monourom District, Mondul Kiri Province
Phone: 0713855100

Kampot Branch
Kampong Bay Khang Cheung Village, Kampong Bay Sangkat, Kampot City, Kampot Province
Phone: 855-68-435555

Kamchaymear Branch
National Road No. 8, Tean Phleung Village, Smaong Khang Cheung Commune, Kamchay Mear District, Prey Veng Province
Phone: 855-10-855747

Thmakoul Branch
National Road No. 5, Paoy Yong Village, Ta Pung Commune, Thma Koul District, Battambang Province
Phone: 855-69-855755

Khemarak Phoumin Branch
Street Khemara Phoumin, Group 7, Phum Ti Pir Village, Sangkat Smach Mean Chey, Khemara Phoumin Municipality, Koh Kong Province
Phone: 855-88-8558025

Cheungprey Branch
National Road No.6 Skon Village, Soutlib Commune, Cheung Prey District, Kampong Cham Province
Phone: 855-97-6447373

Krolkor Branch
St 1 Thlok Village, Kraol kou Commune, Svay Chrum District, Svay Rieng Province
Phone: 855-87-666945

Peraing Branch
National Road No.8, Snay Pol Village, Roka Commune, Pea Reang District, PreyVeng Provice
Phone: 855-81-709967

Prey Nop Branch
Road No.4 Veal Meas Village, Veal Renh Commune, Prey Nop District, Preah Sihanouk Province
Phone: 855-68-855997

Baphnom Branch
#022 St317 Chheu Kach Village, Chheu Kach Commune, Ba phnom Distirict, Prey Veng Province
Phone: 855-93-855773

Koh Thom Branch
Kampong Svay Kraom Village, Preaek Thmei Commune, Koh Thom District, Kandal Province
Phone: 855-87-777985

Chamkarmon Branch
Building No. 119B, Street271, Sangkat Phsar Doeum Thkov Khan Chamkarmon, Phnom Penh.
Phone: 855-23-999-661

Russey Keo Branch
House No 1A, National Road 5, Phum Kraol Kou, Sangkat Kilomet Lekh Prammuoy, Khan Russey Keo, Phnom Penh.
Phone: 855-23-999-664

Pursenchey Branch
House No 6A, Russian Federation Blvd, Phum Ta Ngoun, Sangkat Kakab, Khan Pur Senchey, Phnom Penh.
Phone: 855-23-999-803

Kean svay Branch
House No. 330, National Road 1, Toul Tnaot village, Korkir Communcue, Kien Svay district, Kandal province
Phone: 855-23-720-632

Takhmao Branch
Building No. 31, National Road 2, Ta Khmau village, Sangkat Ta Khmau, Krong Ta Khmau, Kandal Province.
Phone: 855-24-998-333

PrekPhnov Branch
National Road 5, Phum Kandal, Sangkat Preaek Phnov, Khan Preae Phnov, Phnom Penh.
Phone: 855-23-900-345

Ang Snoul Branch
House No 183, National Road 4, Trapeang Krasang Village, Baek Chan Commune, Angk Snoul District, Kandal Province.
Phone: 855-023-999-355

Phsar Depo Branch
House No 138D, St 215, Sangkat Veal Vong, Khan Prampir Meakkakra, Phnom Penh
Phone: 855-23-900-455

AreyKshat Branch
House No 76, Road No.380, Preaek Lvea Village , Preaek Ta Kov Commune , Khsach Kandal District, Kandal Province.
Phone: 855-24 900-488

S'ang Brancch
House No 154, National Road 21, Preaek Khsev Village, Rokar Khpos Commune, S'ang District, Kandal Province.
Phone: 855-24 901-455

Steung Meanchey Branch
House No 19A, Samdech Preah Monireth Blvd, Phum Domnak Thum, Sangkat Stueng Meanchey 2, Khan Meanchey, Phnom Penh
Phone: 855 23 901 345

Chom Chao Branch
House No 4A, Veng Sreng Blvd, Phum Chrey Kaong, Sangkat Chaom Chau 2, Khan Pur Senchey, Phnom Penh
Phone: 855 23 901 355

Char Ampov Branch
House No 610B, National road No 1, Deum Slaeng Village, Sangkat Chbar Ampov Ti Pir, Khan Chbar Ampov, Phnom Penh
Phone: 855 023 999 026

Toul Kork Branch
House No 1C, St 355, Phum 1, Sangkat Boeng Kak Ti Muoy, Khan Tuol Kouk, Phnom Penh
Phone: 855 023 999 025

Chamkar Doung Branch
House No 2039, St 217, Ta lei Village, Sangkat Dangkao, Khan Dangkao, Phnom Penh
Phone: 855 023 999 027

Kampongspou Branch
House No 751, National Highway No 4, Chambak Village, Voa Sar Commune, Samraong Tong District, Kampong Speu Province.
Phone: 855 025 900 555

Pshar Dey Huy Branch
House No. 11, Phnom Penh-Hanoi Friendship Blv (1019), ROUNG Chakr Village , Sangkat Kouk Kleang, Khan Saensokh, Phnom Penh.
Phone: 855 023 900 466

Kandal Stueng Branch
Land No. 5, St. 38, Svay Ming Village, Barku Commune, Kandal Stueng District, Kandal Province
Phone: 855 024 900 066

Odongk Branch
National Road No. 5, Mlu Meun Village, Phsar Daek Commune, Ponhea Lueu District, Kandal Province
Phone: 855 024 900 077

Mukh Kampul Branch
House No 271, National Road 6A, Kraom Village, Preaek Anhchanh Commune, Mukh Kampul District,Kandal Province.
Phone: 855 024 900 099

Europe

MesseTurm, 29th floor, Friedrich-Ebert-Anlage 49, 60308, Frankfurt am Main, Germany
Phone: +49(0)69 299 254 0

Overseas Office

Malaysia

Woori Bank Kuala Lumpur Representative Office
Unit 4129/4130, 41/F, Vista Tower, The Intermark 182 Jalan Tun Razak, Kuala Lumpur 50400, Malaysia
Phone: 60-3-2163-8288

Myanmar

Woori Bank Yangon, Myanmar Office
No.115(A) First Floor), Pyay Road, 10 Miles, Insein Township, Yangon, Myanmar
Phone: 95-01-646951

Poland

Woori Bank Poland Represetative Office
Uniwersytecka 13, 40-007, Katowice, Poland
Phone: 48-323-076-417

INTRO

WOORI OVERVIEW

BUSINESS OPERATIONS

FINANCIAL REVIEW

Woori Card (Tutu Finance_WCI Myanmar)

Head Office

Room 8, Block 6, Mingalar Mandalay, Between Thazin Street and Ngu Shwe Wah Street, 73rd Street, Chanmyatharsi Township, Mandalay
Phone: +95-22000219

Overseas Office

Yangon Office
No. 386/R 8, Sa Ward, Thudamar Street, North Okkalapa Township, Yangon
Phone: +95-9420146551

Overseas Branch

Yesagyo Branch
No. 45, Pinlone Road, No.3 Ward, Yesagyo Township, Magway
Phone: +95-9446944080

Madaya Branch
No. 2/1203, Yinn Mar Street , No. 2 Ward, Madaya Township, Mandalay
Phone: +95-9400208299

Pyin Oo Lwin Branch
No. 2, 28th Street, Thumingalar, near Bazarr and Thumingalar Football Stadium, In Front of Thumingalar Chapel, Pyin Oo Lwin Township, Mandalay
Phone: +95-9443365122

Patheingyi Branch
No. 19, 58st, Between 19th and 20th street, A Nate Taw Quarter, Aungmyaytharzan Township, Mandalay
Phone: +95-9405243993

Wundwin Branch
No. 3, Myoma Ward, Myoma Street, Wundwin Township, Mandalay
Phone: +95-9255450099

Kyaukse Branch
No. 83, Tal Soe Gate, Aye Mya Kyi Lin(East)Ward, Railway Parallel Street, Kyaukse Township, Mandalay
Phone: +95-9400208422

Letpadan branch
No 57, Let Kok Pin, Myo Wart, Lan Ma Taw Street, Letpadan
Phone: +95-9256923758

Kume Branch
TharyarAye Ward, Yangon-Mandalay Highway Road, Near by B.E.H.S. Kume Township, Mandalay
Phone: +95-9251902656

Tharyarwaddy Branch
No. 204 , Yangon-Pyi Street(Lan Ma Taw) Middle Ward, Thone Sae, Tharyarwaddy Township, Bago
Phone: +95-9400230933

Yamethin Branch
No. 179, Khwar Nyo Street, Thilawa-1 Ward, Yamethin Township, Mandalay
Phone: +95-9898291199

Pakokku Branch
Corner of 4th Street and Myaing Street, Ward 11, Pakokku Township, Magway
Phone: +95-9251902655

Shwebo Branch
Near by No.10 Kone Baung Market, Tap Myo Taung 3 Lane, Kyae Lat Office Street, Shwe Bo Township, Sagging
Phone: +95-9899948011

Kanbalu Branch
No. 4 Ward, Near Myoma Market, Southern Part of Main Road, Kanbalu Township, Sagaing
Phone: +95-9266362426

Salin Branch
No. 69/70, Maharthamainhtaw Streets, Pahtoephyu Quarter, Salin Township, Magway
Phone: +95-9409701392

Pwintbyu Branch
No.1, Kantkaw Street, Ahlaepai Quarter, Pwintbyu Township, Magway
Phone: +95-9406030200

Thazi Branch
No. 111, Ward-4, Htain Kan Quarter, Tharzi Township, Mandalay
Phone: +95-9407217185

Chanmyathazi Branch
No. Sa-6, Owner No. 53-Ka, Myothit 2 Ward, Between 69th and 70th street, Between KhaingShweWah street & ZalattWah Street, Chanmyathazi Township, Mandalay
Phone: +95-9977579424

Khin-U Branch
No. 353/354, Beside of Yae U-Khin U Road, Mya Kan Thar Quarter, Khin-U Township, Sagaing
Phone: +95-9894747433

Pyawbwe Branch
No. 50, Ward-159, Yan Aung Streets, Shwe Pyi Yan Lone Quarter, Pyawbwe Township, Mandalay
Phone: +95-9407217186

Taungtha Branch
No. 4/94, No.4 Quarter, 9th Street, Taungtha Township, Mandalay
Phone: +95-9406030201

Kyaukpadaung Branch
Poppa-Myingyan Road, Nearby No.1 Bridge, Northern Pyi Taw Thar Quarter, Kyaukpadaung Township, Mandalay
Phone: +95-9964434368

Sagaing Branch
Owner No. 2, No.4 Ward, Ad Choke Su Street, Ad Choke Su Quarter, Moe Zar Township, Sagaing
Phone: +95-9966767133

Myinmu Branch
No. 3/301, Kann Nar Street, Min Ye Kyaw Swar Ward, Myinmu Township, Sagaing
Phone: +95-9984998602

Natogyi Branch
No(8) Quarter, Beside of Myin Gyan-Myit Thar Road, Natogyi Township, Mandalay Division
Phone: +95-9660078906

Woori Asset Management

Head Office

Vietnam

Overseas Office
Woori Asset Management Hochiminh Representative Office Suite 615-4, MeLinh Point, 2 Ngo Duc ke st., dist.1, HCMC.
Phone: (84-28)-3520-2811



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